RESOLUTION - ACTION REQUESTED 2017-818

MEETING: December 5, 2017

TO: The Board of Supervisors

FROM: Mike Healy, Public Works Director

RE: Resolution of Intention-Lake Don Pedro Wastewater Rate Increases

RECOMMENDATION AND JUSTIFICATION:
Adopt a Resolution of Intention to Increase Lake Don Pedro Wastewater Rates, and Setting the Time, Date, and Location of Public Hearing. Current wastewater rates in Lake Don Pedro do not generate sufficient revenue to fund the cost of service. Updated rates are required in order to continue providing wastewater service to the Lake Don Pedro community.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
Lake Don Pedro faces operations and maintenance deficits and aging infrastructure, and current wastewater rates do not generate sufficient revenue to fund the cost of service. The Board’s last action to increase wastewater rates occurred in 2006. Thus, even though it is standard practice for public utilities to update water and wastewater rates every five years, it has been over eleven years since these rates have been adjusted.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
The Board may decline to initiate the Proposition 218 notice and hearing process that is required to establish wastewater rate increases. In that event, the utility will continue to operate at a deficit and may eventually be unable to generate sufficient revenue to comply with California wastewater regulations. It is unclear what the consequences of such a failure might be, but presumably an outside agency would take over this service territory.

FINANCIAL IMPACT:
Unless adopted water and wastewater rates cannot be examined, the rates will remain unchanged and the funds collected for these services will not meet the cost of service.

ATTACHMENTS:
Lake Don Pedro Resolution of Intent to Adopt Wastewater Rate Increase (DOC)
Mariposa County Engineers Report_No Roads (PDF)
Lake Don Pedro Prop 218 Public Notice (DOCX)
Mariposa Rate Study Presentation_No Roads 11_28_17 (PDF)
RESULT: ADOPTED [UNANIMOUS]
MOVER: Merlin Jones, District II Supervisor
SECONDER: Miles Menetrey, District V Supervisor
AYES: Smallcombe, Jones, Long, Cann, Menetrey
RESOLUTION NO. 17-818

A RESOLUTION OF THE COUNTY OF MARIPOSA BOARD OF SUPERVISORS DECLARING ITS INTENTION TO ADOPT INCREASED WASTEWATER RATES FOR LAKE DON PEDRO, SETTING A PUBLIC HEARING FOR FEBRUARY 6, 2018, AND DIRECTING STAFF TO PROVIDE NOTICE PURSUANT TO PROPOSITION 218

WHEREAS, the County of Mariposa provides wastewater service to the unincorporated area of Lake Don Pedro through County Service Area No. 1-M, formed under County Service Area Law (Gov. Code §§ 25210 et seq.); and

WHEREAS, the Board’s last action to increase wastewater rates for Lake Don Pedro occurred in 2006; and

WHEREAS, Lake Don Pedro faces operations and maintenance deficits and aging infrastructure; and

WHEREAS, current Lake Don Pedro wastewater rates do not generate sufficient revenue to fund the cost of service; and

WHEREAS, the County retained Bartle Wells Associates to examine the cost of providing wastewater service to Lake Don Pedro and to prepare a Lake Don Pedro Cost of Service Analysis, which is attached hereto as Exhibit A, and is available for public inspection; and,

WHEREAS, the Lake Don Pedro Cost of Service Analysis recommends increasing Lake Don Pedro wastewater rates; and

WHEREAS, wastewater rate increases are subject to the notice, protest and hearing requirements established under Proposition 218.

NOW, THEREFORE, the Board of Supervisors of the County of Mariposa does hereby resolve as follows:

SECTION 1 The foregoing recitals are true and correct.

SECTION 2 The Lake Don Pedro Cost of Service Analysis is hereby approved and adopted.

SECTION 3 The Board hereby initiates proceedings to adopt the proposed wastewater rates recommended in the Lake Don Pedro Cost of Service Analysis.
SECTION 4  The Board hereby fixes the 6 day of February, 2018 at 2 pm at the Government Center, 5100 Bullion Street, Mariposa CA 95338, as the date, time and place for a public hearing ("Public Hearing") on the proposed Lake Don Pedro wastewater rate increases.

SECTION 5  The Clerk of the Board is hereby instructed to provide notice of the proposed rate increase in conformity with Proposition 218 and the Proposition 218 Omnibus Implementation Act, California Government Code sections 53750 et seq.

SECTION 6  At the Public Hearing, the Board shall consider all objections or protests, if any, to the proposed Lake Don Pedro wastewater rate increase, and any person shall be permitted to present written or oral testimony. Although oral comments at the Public Hearing will not qualify as a formal protest, the Board welcomes community input during the Public Hearing.

SECTION 7  At the conclusion of the Public Hearing, all protests submitted and not withdrawn will be tabulated.

SECTION 8  A majority protest exists if protests are submitted in opposition to the proposed rate increase by a majority (50% plus 1) of the property owners.

SECTION 9  If there is a majority protest against the proposed rate increase, the Board shall not adopt the rate increase.

PASSED AND ADOPTED this 5th day of December, 2017 by the following vote;

AYES: SMALLCOMBE, JONES, LONG, CANN, MENETREY
NOES: NONE
ABSENT: NONE

[Signature]
Marshall Long, Chair of the Board

ATTEST:

[Signature]
Rene LaRoche, Clerk of the Board

APPROVED AS TO FORM:

[Signature]
Steven W. Dahlem, County Counsel