DEPARTMENT: Public Works/Yosemite West  
BY: James J. Petropulos  
PHONE: 966-5356

RECOMMENDED ACTION AND JUSTIFICATION:

Public hearing regarding fees for the Yosemite West Maintenance District wastewater division, and resolution to adopt the proposed fee schedule.

As you know, there are currently plans underway for a major renovation of the wastewater treatment facility at Yosemite West. These plans include funding from the USDA Rural Development department and an assessment process under Proposition 218 guidelines. One of the requirements of the USDA is that the rate structure for fees be sufficient to cover the costs of operations and maintenance of the facilities. In analyzing the revenue and expense of the wastewater division operations we included actual figures for the fiscal years 2001-02 and 2002-03, and projected costs for the current year. The three year average for operations shows that the division is losing roughly $5,000 per year (worksheet attached).

In addition to the necessity of the division being able to break even from operations, the other main factor that we reviewed was the long-term equipment replacement costs. Built into the engineering report prepared by Psomas on the design of the treatment plant is the need to replace the subsurface drip irrigation line after a period of 20 years. We also estimated that the air blower assemblies for the aeration system would need replacing after 20 years. Based on current prices and assuming a 3% inflation factor, we came up with a total for long-term equipment replacement cost and the annual amount needed to be set aside each year to build up the required amount (worksheet attached).

Once the cost of breaking even from operations and building up a reasonable equipment replacement fund was estimated, we calculated the amount of additional revenue that would be needed to meet these goals and came up with an overall rate increase of approximately 28%. We are requesting Board approval of the proposed fee schedule attached.

It should be noted that the rate increase we are proposing would be sufficient if the assessment vote is positive, and we are able to proceed with plant construction and funding by the USDA. If the assessment vote fails, we will have to come up with an alternative plan for upgrading the treatment plant (subject to the California Regional Water Quality Control Board approval). It is likely that the costs of the alternative plan would have to be funded entirely by increased user fees, and the overall fee increase would have to be substantially higher than what we are proposing today.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The current fee structure was approved by the Board on July 18, 2000, Resolution No. 00-267.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

1. Do not approve the proposed fee structure, which would not allow the County to take advantage of the proposed USDA funding source.

2. Approve different fees than those recommended.
Financial Impact? ( ) Yes (X) No  Current FY Cost:
Budgeted In Current FY? ( ) Yes ( ) No ( ) Partially Funded
Amount in Budget:  $ 
Additional Funding Needed:  $ 
Annual Recurring Cost:  $

List Attachments, number pages consecutively
1. Proposed rates (1 page)
2. YW Wastewater division operations (2 pages)
3. Long term equipment replacement costs (1 page)
4. Geoflow dripline price sheet (2 pages)
5. Global Technology air blower quote (3 pages)
6. Copy of public hearing notice (1 page)

CLERK'S USE ONLY:
Res. No.:  15-05  Ord. No.  ___
Vote - Ayes:  4  Noes:  1  Absent:  ___
___ Approved  ___ Minute Order Attached  ( ) No Action Necessary

The foregoing instrument is a correct copy of
the original on file in this office.
Date:  
Attest:  MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California
By:  __________________________
Deputy

COUNTY ADMINISTRATIVE OFFICER:
___ Requested Action Recommended  ___ No Opinion
Comments:

CAO:  ___
Effective date April 1, 2004.

Proposed Rates:

$2.850.00  per parcel
$300.00  per floor
$2.75  per 1000 gallons for 52,001 and over
$2.70  per 1000 gallons for 42,001 - 52,000 gallons
$2.65  per 1000 gallons for 32,001 - 42,000 gallons
$2.60  per 1000 gallons for 22,001 - 32,000 gallons
$2.55  per 1000 gallons for 12,001 - 22,000 gallons
$2.50  per 1000 gallons for 8,001 - 12,000 gallons
$2.45  per 1000 gallons for 4,001 - 8,000 gallons
$2.40  per 1000 gallons for 2,001 - 4,000 gallons
$2.35  per 1000 gallons for 1,001 - 2,000 gallons
$2.30  per 1000 gallons for 501 - 1,000 gallons
$2.25  per 1000 gallons for 251 - 500 gallons
$2.20  per 1000 gallons for 101 - 250 gallons
$2.15  per 1000 gallons for 51 - 100 gallons
$2.10  per 1000 gallons for 1 - 50 gallons

Proposed Rates:

$16.20  (6 x $1.90)  =  $23.70

Current Rates:

$16.20  (6 x $1.90)  =  $23.70

For a residence using 5,000 gallons or water per month, the monthly charge would be as follows:

Sample Bill:

Water/Sewer Hook-up Fee:

$2.850.00  per parcel

Standby Fee/Annual:

$30.00  per parcel

User Fee/Monthly:

$23.70  per parcel
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WASTEWATER DIVISION OPERATIONS
Yosemite West Maintenance District

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REVENUE:
NOTES TO FINANCIAL INFORMATION
YOSEMITE WEST WASTEWATER DIVISION

LINE 1. FEES: The current rate structure has been in effect since August 1, 2000. The rates are based on a flat fee of $16.20 per month plus an additional charge per 1,000 gallons of water used. The rates are progressive, meaning that the higher the water usage is the higher the per gallon charge is, which is to encourage conservation. Revenue from fees increased 4.4% from fiscal year 01-02 to 02-03, and is projected to increase 5.8% from 02-03 to 03-04. Since there have been no new hook-ups to the system, this increase is presumed to be from increased water usage by existing users. In the projected revenue for fiscal year 04-05 there is a 4.0% usage increase ($2,126) included in the total. We have not included any revenue from additional hook-ups because of the time it takes to have a new home built. (We expect that there will be a small number of new hook-ups in fiscal year 05-06.) The overall rate increase is 28%. $53,146 (fiscal 03-04 fees revenue) + $2,126 (4% usage increase) = $55,272 x 1.28 = $70,748.

LINE 2. STANDBY FEES: Standby fees are charged to property owners not currently hooked up to the system. The annual fee is $60 per parcel; $30 for water and $30 for wastewater. (This fee is regulated by California Code.)

LINE 12. ADMINISTRATIVE FEES: In fiscal year 01-02 these fees were included in Professional Services (line 9); after that point they were separated out for informational purposes. The administrative fees are for time spent on District matters by the Public Works Administration staff (Director, Asst. Director and fiscal staff). For fiscal year 03-04 the Public Works Admin cost allocation plan was updated, and the projected cost for fiscal year 04-05 is at the same level.

LINE 13. SPECIAL FEES: The district is charged an annual wastewater discharge fee by the State Water Resources Control Board. This fee has increased dramatically over the last couple of years with no explanation from the State. The projected expense for fiscal year 04-05 is based on the current fee of $5,668 plus an additional fee for construction estimated to be approximately $900 annually.

LINE 14. UTILITIES: Due to late billing by PG&E, $6,678 of the expense in fiscal year 03-04 was actually for fiscal year 02-03. Based on current year expenses we are projecting a total of $14,000 for utilities for fiscal year 04-05.
### Notes:

1. The main component of the above costs is the labor to replace the discipline. Labor costs for County Employees have been increasing at 3% annually, so this is the percentage rate used to calculate future costs.

2. The $23 per manhour charge is the current reimbursable rate for a Maintenance Worker at the middle step of the salary range. The reimbursable rate includes base salary, benefits, and overhead.

3. Based on an average interest earnings rate of 4% on the sinking fund, the annual payment needed to reach the future cost of equipment replacement ($362.562) is $112.193.

### Long Term Equipment Replacement Costs

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<tr>
<th>Equipment Description</th>
<th>Current Cost</th>
<th>Quantity</th>
<th>Model/Part #</th>
<th>Future Cost Over 20 Years</th>
<th>Total Estimated Equipment Costs</th>
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<th>Retrieval 3.0 HP</th>
<th>Retiring 7.0 HP per 5 hour shift</th>
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TO: JIM PETROPULOS, Public Works Director
FROM: MARGIE WILLIAMS, Clerk of the Board
SUBJECT: PUBLIC HEARING REGARDING YOSEMITE WEST MAINTENANCE DISTRICT WASTEWATER DIVISION FEES
Resolution No. 04-109

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA,

ADOPTED THIS Order on March 23, 2004

ACTION AND VOTE:
10:40 a.m. Jim Petropulos, Public Works Director;
PUBLIC HEARING Relative to Fees for the Yosemite West Maintenance District Wastewater Division and
Adopt a Resolution Approving the Proposed Fee Schedule

BOARD ACTION: Jim Petropulos presented the staff report, and he advised that implementation of the
revised fees could be delayed to June 1st. Carl Casey, PWD-Fiscal Officer, provided information relative to
the requirements for the USDA loan in relation to the fiscal operation of the District. He reviewed the
operation costs and recommended fee schedule, which includes long-term equipment replacement costs.
He also advised of correspondence that was received from all of the members of the Yosemite West
Advisory Committee and their position on the proposed fees. Staff responded to questions from the Board
relative to planning for the replacement of the drip line in twenty years and calculated costs; continued
development of the Capital Utility Fund for unforeseen problems with the system; consideration of the
input that was received from the public for an alternative fee structure and whether that was reviewed
against the recommended fee structure; relative to consideration of future increases and the fee structure;
clarifying that the rates approved at this hearing will still be implemented even if the Proposition 218 ballot
process fails; and whether there will be any affect if the implementation of the proposed fee schedule is
delayed. The public portion of the hearing was opened and input was provided by the following:
- Don Pitts, member of the Yosemite West Advisory Committee, stated he voted to support the fee
  increase and he feels it is long-overdue. He stated that he feels that if the Proposition 218 vote
  passes, we will still need the increase, and the increase is necessary to get the bond funding.

The public portion of the hearing was closed and the Board commenced with deliberations. (M)Stetson,
(S)Pickard, Res. 04-109 was adopted approving the proposed fee schedule for Yosemite West Maintenance
District Wastewater Division, with a June 1, 2004 implementation date; and with direction that the
replacement components for the system be identified in the Capital Utility Fund/Ayes: Stetson, Balmain,
Bibby; Pickard; Excused: Parker. The hearing was closed.

cc: Tom Guarino, County Counsel
    Ken Hawkins, Auditor
    Fred Solomon, Public Works Department
    File