

DEPARTMENT: Public Works

By: Marty Allan

Phone: 966-5356

RECOMMENDED ACTION AND JUSTIFICATION:

(Policy Item: Yes ___ No X)

FY 1997-98 FEE HEARING

Approve fee adjustments for Coulterville County Service Area. For the past two years, Public Works and the Coulterville Advisory Board have been working on a fair and equitable rate structure for water and sewer charges. On March 19, 1997 the Coulterville Advisory Board recommended water and sewer rate scenario #2 as outlined on Attachment #1.

This structure ensures that commercial and residential users pay for only their proportional share of the charges. Neither will be subsidizing the other. The water flat rate per Equivalent Dwelling Unit (E.D.U.) fee covers the fixed costs of having the water available to the community. This fee is paid monthly whether or not water is used. The variable rate is a straight charge per 1,000 gallons of usage and covers the costs to deliver that amount of water. The sewer flat rate per E.D.U. covers the fixed costs involved in operating the sewer collection and treatment facilities.

We recommend that rates be implemented January 1, 1998.

These proposed fees were calculated to produce annual revenue equal to the minimum annual costs to operate the facilities responsibly and in compliance with regulations. The greatest deficit currently exists for the sewer budget. Consequently, most customer charges will increase, primarily sewer charges. However, some will decrease because of rate structure changes to address fairness. Additional information will be presented prior to the hearing.

This rate adjustment is classified as a "Property Related Fee" revision as defined in Proposition 218. Therefore, the assessment proceedings described in Proposition 218 do not apply. Additionally, water and sewer service fees are not subject to the election (vote) requirements of Proposition 218. Public Works did take the additional step (not required) to notify, by U.S. mail, every customer affected by this fee revision of the proposed changes and of the public hearing.

This fee structure will require a revision of the current County ordinance and will be considered at a separate time. It will also become effective on or about January 1, 1998.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The last fee increase for this district, per Resolution No. 95-441, October 10, 1995, called for 10% across the board to help offset continued operating deficiencies.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

1. Consider no fee adjustments and continue to deplete reserves or reduce services and continue with current inequitable rate structure.
2. Subsidize the district with General Fund or Water Agency Funds to help cover operating deficiencies.

MARIPOSA COUNTY
BOARD OF SUPERVISORS

AGENDA
ACTION FORM

AGENDA DATE: 9/ /97
AGENDA ITEM NO.: 4C

COSTS: (X) Not Applicable
A. Budgeted current FY> \$ _____
B. Total anticipated Costs> \$ _____
C. Required additional funding> \$ _____
D. Internal transfers> \$ _____

COSTS: () 4/5th Vote Required
A. Unanticipated revenues> \$ _____
B. Reserve for contingencies> \$ _____
C. Source description: > _____

Balance in Reserve Contingencies, If Approved:
\$ _____

SPECIAL INSTRUCTIONS:
List the attachments and number the pages consecutively:
1. Rate Scenario #2
2. Current Rates
3. Proposed Rates

CLERK'S USE ONLY

Res. No.: 97-422 Ord. No.: _____

Vote - Ayes: _____ Noes: _____

Absent: _____ Abstained: _____

Approved Denied
 Minute Order Attached No Action Necessary

9/4/97

The foregoing instrument is a correct copy of the original on file in this office

Date: _____

ATTEST: _____

MARGIE WILLIAMS, Clerk of the Board

By: _____
Deputy

ADMINISTRATIVE OFFICER'S RECOMMENDATION:

This item on agenda as:

- Recommended
- Not Recommended
- For Policy Determination
- Submitted with Comment
- Returned for Further Action

Comment: _____

C.A.O. Initials: *Ju*

MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

TO: MIKE EDWARDS, Public Works Director

FROM: MARGIE WILLIAMS, Clerk of the Board *MW*

SUBJECT: CONTINUED PUBLIC HEARING TO CONSIDER PROPOSED FEE ADJUSTMENTS FOR COULTERVILLE COUNTY SERVICE AREA FOR WATER AND SEWER (CONTINUED FROM 9/18/97)

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA,
ADOPTED THIS Order on November 4, 1997

ACTION AND VOTE:

C) Continued PUBLIC HEARING to Consider Proposed Fee Adjustments for Coulterville County Service Area for Water and Sewer (Continued from 9/18/97)
BOARD ACTION: Mike Edwards presented staff report; and he and Clif Price/PWD-Facilities Maintenance Manager, and Marty Allan/PWD-Fleet/Fiscal Manager, responded to questions from the Board relative to the proposed fees; rate per fixture; and the differences between residential and commercial fees.

8:10 p.m. Recess

8:28 p.m. Mike Edwards presented revised information based on the Citizens Committee's work to obtain actual usage information. It was clarified that the information did not change the formula for determining the fees. Staff responded to additional questions from the Board relative to alternative rate structures and whether any contingency is built into the recommended fee structure.

Public portion of the hearing was opened and input was provided by the following:

James Upperman asked about disposition of the revenue; fixture rates; and what is being done to encourage conservation of water.

Janelle Shannon asked for clarification of the proposed fee per fixture unit over twenty; what substantiates the proposed hook-up rate for a hotel; and stated she feels the proposed hook-up fees would be detrimental to any growth in the area.

Walt McClary asked about percentages of total usage between residential and commercial; and he stated he feels the charges should be the same per equivalent dwelling unit.

Karen Fielding, Hotel Jeffrey, stated she feels the current rate structure needs to be redone because it is detrimental to businesses and they have no control over sewer rates except to move chairs. She further stated she was supportive of the proposed rate structure; however, after seeing additional information this evening, she has big concerns. She feels there is a great inequity for commercial use, and she has lost control of removing chairs to reduce the sewer rate; and this new structure greatly impacts the lodging and RV

businesses. She requested more documentation showing actual information for commercial uses.

Karl Harla reiterated his request from a previous Board meeting to receive more detailed cost accounting information, including a breakdown between parts and labor and actual costs. Chairman Stewart advised that he understood that the information had been provided as requested. Karl Harla referred to the definition of an Enterprise Fund in the budget and stated he does not feel that the budget for this district fits that definition; he expressed concern with the budgeting and cost accounting system for the District; he referred to the budgeting of Utility Capital Funds for projects as revenues in the District's budget versus a transfer of funds; stated he feels that the water and sewer projects are shown as an annual on-going expense in the District's budget versus one-time project expense and he feels that gives a false impression; and he expressed concern with rate increases every 12 to 18 months.

Ann Stewart stated she agrees with Karl Harla on the budgeting issues; stated she feels the aeration basin should have been fixed with the sewer pond project which was fixed five years ago at a lower cost and funding should have come from the Water Agency funds versus their District funds. She cited a situation where a customer is having a problem getting enough water pressure and the County has been replacing parts that she feels should be at the customer's expense pursuant to the County Code. With regards to the planned replacement of ten water meters, she stated she felt they should be replaced one at-a-time as they fail and not allow failed meters to place a financial burden on the other users. She feels the installation of a new control panel should have occurred a long time ago to save the equipment, and she noted that the roof is leaking now at the sewer pond building and she does not feel that will be good for the equipment. She feels a new pump should be purchased for station 2 versus rebuilding. She asked for clarification of the proposed purchase of a programmable logic control at the waste water treatment plant. She further stated that she feels the fees should be the same per equivalent dwelling unit. She feels their expenses need to stay within the generated revenues.

Joan Tune stated she feels everyone has worked hard to get to this point; stated she does not understand the difference in costs for equivalent dwelling units between residential and commercial uses; and she noted that Sacramento has guidelines for approval of the sewer rates and they will review what is implemented for compliance. She further requested information on costs versus charges for the District and requested a format similar to that being used by the Lake Don Pedro Community Services District.

Janelle Shannon stated she agrees with the need to address the vacancy rate for commercial use.

Walt McClary stated he feels the Citizens Committee, Public Works Director and State representatives could meet and work out any minor differences for the sewer rates.

James Upperman stated he feels more that one meter should be replaced at a time to save maintenance costs.

Karl Harla asked about the option mentioned in staff report under alternatives to subsidize the District with General Fund or Water Agency Fund dollars; and he asked about creating zones for distribution of Water Agency Funds as allowed for in the creation of the Agency, with the idea that a portion of the funds would be dedicated to the District.

Staff responded to questions raised relative to maintenance and management and budgeting for the district, and meetings with the Citizens Committee on these issues to reach a fair and equitable rate structure, and further advised that they have been in contact with the State relative to the sewer fees.

Additional input from the public was provided by the following:

Ann Stewart asked about a State chart for equivalent dwelling units; and she responded to question from the Board relative to her earlier input concerning replacement of the meters.

Janelle Shannon further commented on the costs for a hotel.

Joan Tune stated she still does not understand the cost difference in equivalent dwelling units between commercial and residential use and how those rates were determined.

Forrest Barriger stated he feels the equivalent dwelling unit cost should be the same regardless of the type of use, and he noted that the maintenance of the system is a fixed-base cost; and he stated residential units do not have as many fixtures as commercial uses.

Walt McClary further commented on the equivalent dwelling unit cost.

James Upperman asked what would happen to the rate if a residence was converted to commercial use, and asked about the average water usage per household.

Joan Tune noted that this discussion is over a rate difference between commercial and residential of \$2.00, and she stated she is willing to accept the recommendation as the rates could be changed if it is determined that they need to be in the future.

Karen Fielding asked if the formula for determining the rates would be subject to change.

Public portion of the hearing was closed.

10:05 p.m. Recess

10:17 p.m. Supervisor Balmain thanked the community and the Citizens Committee for all of their work on this matter. Staff provided clarification to question from the Board relative to the difference in the rate structure for a lodging business and the impact of the recommended fees, and whether adjustments could be made if a business is closed for a period of time. Board commenced with deliberations. (M)Balmain, (S)Parker, Res. 97-422 adopted approving the recommended fee structure as revised/Ayes: Balmain, Stewart, Parker, Pickard; Excused: Reilly. Hearing was closed.

cc: File

PUBLIC WORKS DEPARTMENT
SPECIAL DISTRICTS DIVISION
WATER AND SEWER FEES
COULTERVILLE SERVICE AREA
REVISED 11/03/97

Water Hook-up Fee	\$926.67	flat rate
Water Residential Fee/Monthly	\$12.15	flat rate per E.D.U.* plus .80 per 1000 gallons usage
Water Commercial Fee/ Monthly	\$8.47	flat rate per E.D.U.* plus .80 per 1000 gallons usage
Water Variable Rate Both Categories	\$0.80	per 1000 gallons usage
Water Standby Fee/Annual (1)	\$30.00	per parcel
Sewer Hook-up Fee	\$1,737.19	flat rate
Sewer Residential Fee/Monthly	\$32.79	flat rate per E.D.U.*
Sewer Commercial Fee/Monthly	\$32.79	flat rate per E.D.U.*
Sewer Standby Fee/Annual (1)	\$30.00	per parcel
Sewer Multiple Dwellings/Hook-up	\$1,737.19	plus
	\$82.50	per fixture over 20
Permit and Inspection Fee	\$65.00	per single unit
	\$65.00	per unit of multiple units
	\$100.00	per sewer extension
	\$0.20	per lin. ft. plan review-proposed extensions

* E.D.U.=Equivalent dwelling unit

(1) Not currently assessed due to questions as to what constitutes a legal parcel within the District boundaries.

11A

MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

TO: MIKE EDWARD, PUBLIC WORKS DIRECTOR
FROM: MARGIE WILLIAMS, Clerk of the Board *MW*
SUBJECT: BUDGET

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA,

ADOPTED THIS Order on September 18, 1997

ACTION AND VOTE:

3:05 p.m. PUBLIC HEARING to Consider Proposed Fees for Fiscal Year 1997/98

BOARD ACTION: The following fee requests were considered:

Coulterville County Service Area for Water and Sewer - Mike Edwards, Public Works Director, and Marty Allan, PWD/Fleet-Fiscal Manager, provided staff report, and advised of request from the citizens for this hearing to be held in Coulterville. Board concurred with taking public input from citizens who were present and then continuing the hearing for a meeting in Coulterville. Staff advised that they are also working on modifications to the County Ordinance dealing with water and sewer. Staff responded to questions from the Board relative to the rate options. Clif Price/PWD-Facilities Manager, responded to question relative to the EDU's. Public portion of the hearing was opened. Input was provided by the following:

Karl Harla stated he feels the budget numbers are inaccurate, and for several years they have requested a detailed breakdown which has not been provided to their satisfaction -- he requested that detail of the budget, especially with regards to the expenditures in professional services, be provided for the Coulterville meeting.

Karen Fielding, part owner of the Hotel Jeffrey and other establishments in Coulterville, stated she would like to see Coulterville specifically addressed with no reference to other districts at the Coulterville meeting; she feels the budget for the district is a separate issue from the ordinance; the formula for the fees is the issue and it needs to be fair and equitable; and she stated she felt that a fee based on usage and a formula had been agreed upon previously and never implemented.

The Public Hearing for Coulterville County Service Area for water and sewer fees was continued to November 4, 1997, at 7:00 p.m. to be held at the Coulterville Community Center.

cc: Ken Hawkins, Auditor
Janet Hogan, County Administrative Officer
File