

DEPARTMENT: Public Works

By: Michael Edwards Phone: 966-5356

RECOMMENDED ACTION AND JUSTIFICATION: (Policy Item: Yes \_\_\_ No x)

F.Y. 94/95 FEE HEARING (continued from 9/13/94)

Approve fee adjustments for Yosemite West Maintenance District.

Public Works recommends that the Board of Supervisors increase fees charged to the Yosemite West Maintenance District to keep up with the expense of operating the district and not further deplete the fund balance. The proposed operating expense for FY 94/95 amounts to \$210,391 without including \$15,000 in depreciation and \$33,000 previously assumed for contingency. The anticipated revenue is only \$143,950 from operations, not including the fund balance of \$208,827. This leaves a shortfall of \$66,441 that will need to be funded by 1) a fee increase, 2) use of general reserve, 3) use of fund balance, 4) a reduction in services, or 5) a combination of the above.

Public Works recommends the first alternative, and the proposed fee increases are as follows:

Roads: from \$ 96/year to \$241/year (\$ 8/month to \$20.00/month)  
Water & Sewer: from \$300/year to \$755/year (\$25/month to \$63.00/month)  
Standby Fees: from \$132/year to \$329/year (\$11/month to \$27.42/month)  
Connection Fees to remain at \$2,650

The previous proposal (originally scheduled for the September 13 Fee Hearings) included new fees for transient rental units. Staff has dropped this proposal due to several complex issues that have risen as a result of the proposal.

The attached revised fee proposal details the rationale for the fee adjustments. This proposal will generate new annual revenue of \$91,325 which will offset the \$66,441 shortfall plus provide a contingency of \$24,884.

A proportionate increase in the standby fee (as proposed) will generate an additional annual revenue of \$37,233. These revenues should be earmarked for use as depreciation and transferred to the Utility Capital Fund of the district. This is a more appropriate amount of depreciation for a system of this nature and age.

No increase is proposed for connection fees. The connection fee would still apply to all new connections, regardless of type. A bed and breakfast operation would pay the same as a single-family dwelling.

It is recommended that the new fees take effect December 1, 1994.

The Yosemite West Maintenance and Advisory Committees met on October 1, 1994 to consider these proposals. Their formal recommendation is as follows:

Do not consider any fee increases until next year. Direct staff to base this fiscal year's workload on last fiscal year's actual man-hours spent and perform only basic necessary maintenance and repairs. Repair main well flow meter and begin taking periodic readings. Repair/calibrate all existing service water meters in preparation for possible metered water rates next year.

**BACKGROUND AND HISTORY OF BOARD ACTIONS:**

Resolution No. 92-524 increased fees to their present level (much higher fees had been proposed by the Public Works Department at the time):

Roads:	\$ 8/month
Sewer and Water:	\$25/month
Standby Fees:	\$11/month
Connection Fee:	\$2,650

In spite of this fee increase, the district is having to deplete its' fund balance and general reserves for operations. The relatively large fund balance of \$208,827 for Yosemite West is due to a past successful lawsuit by the County against the project developers over inadequate water system construction. The cash settlement was to have gone toward correction of these deficiencies. Instead, the money has been used mostly for operations, because of insufficient fees. The fund balance, once much larger, has been steadily depleted. It should be used only to correct deficiencies.

Public Works has requested County Water Agency funding for major sewer treatment facility deficiencies.

**LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:**

1. If not approved, normal operations will continue to deplete the fund balance until the district is unable to continue normal operations. Funds for correction of water system deficiencies would be lost
2. Consider a lesser fee increase and use some of the fund balance for operations.
3. Consider a lesser fee and reduce the level of service accordingly. Public health and safety concerns would result.
4. Subsidize the district with General Fund or Water Agency funds to cover operating costs.
5. Consider greater fee increases to fully fund a contingency appropriation and/or an account for major sewer facility rehabilitation/expansion.

Staff will have other options for the Board's consideration.

COSTS: (x) Not Applicable	
A. Budgeted current FY	\$ _____
B. Total anticipated costs	\$ _____
C. Required additional funding	\$ _____
D. Internal transfers	\$ _____
SOURCE: ( ) 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. Fee Proposal (Revised 10/12/94)
2. Yosemite West Fund Balance Summaries

*Letters from Yos. West*

CLERK'S USE ONLY

Res. No.: 94-452 .. No. \_\_\_\_\_

Vote - Ayes: 3 Noes: \_\_\_\_\_

Absent: Balmain Abstained: \_\_\_\_\_

Approved Frickson ( ) Denied

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

ADMINISTRATIVE OFFICER'S RECOMMENDATION:

This item on agenda as:

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

Comment: \_\_\_\_\_

A.O. Initials: mc/ayms

MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

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TO: MIKE EDWARDS, Public Works Director  
FROM: MARGIE WILLIAMS, Clerk of the Board *MW*  
SUBJECT: Proposed Fees  
Yosemite West Maintenance District  
Resolution Number 94-452

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THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA,

ADOPTED THIS Order on October 18, 1994

ACTION AND VOTE:

3:05 p.m. B) CONTINUED PUBLIC HEARING to Consider Fees Proposed with Implementation of Mariposa County Final Budget for Yosemite West Maintenance District (Continued from 09/13/94)

BOARD ACTION: Mike Edwards/Public Works Director, and Marty Allen/Fleet-Fiscal Manager, provided staff report and alternative fee proposals. Board responded to questions from the Yosemite West residents relative to hook-up and stand-by fees, increase in fees and promised improvements, break-down of hourly charge by the County to the District, property owners responsibility for clearing brush along the roadways/implementation of an "adopt a road" program and use of volunteers. Input was provided by the following: Gary Ingram stated he does not want a fee increase. Bob Woolard asked if the residents wanted less snow service, whether the Board would implement a reduction in service. Dave Deto stated he does not want a fee increase and would like to see issues of alternative funding dealt with; and requested the fees for transient occupancy be reviewed for consistency as some bed and breakfast operations are for a longer period than others. Ann Kennedy/speaking on behalf of herself and her daughter, stated she objects to any fee increase. Becky Jonasky stated she supports in increase in the water fee only. Dick Huizenga stated he felt a temporary increase for the coming year is necessary, with a commitment from the Board and staff to work to resolve the problems. Garrett DeBell stated he supports the alternative proposal to increase only the water fee, but not discriminate against bed and breakfast operations; would like to see the district benefit from the transient occupancy tax and extra services eliminated. Ken Wall/Advisory Board member, stated he agrees with an increase in the water fee and a volunteer

MINUTE ORDER  
October 18, 1994  
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work program. Vickie McMichael stated she agrees with the water fee increase and supports raising the transient occupancy tax, with the portion raised by the district being used to offset the costs of operation for the district. Robert Kroon stated he agrees with a 2% increase. Debra Kroon stated she agrees with the alternative fee proposal to increase the water fee which will make the revenue cover the costs for water service; would like to see regular Advisory Committee meetings to address the issue of water meters, determine how to plan projects, work to get the funds received from the lawsuit into the Capital Fund, and agree on a budget for next fiscal year by July 1st; and suggested that stand-by fees not be increased until water and sewer users are paying an equivalent amount into the Capital Fund. Mike Manahan provided input on the fees. Dick Long stated he feels the district is a disaster waiting to happen and ways should be found to increase the revenue and fees should be increased to cover the costs at this time. Public portion of the hearing was closed and Board commenced with deliberation. Staff responded to questions from the Board concerning costs for implementing a water meter system. Supervisor Baggett advised of request he received for billing to be done more than just annually - issue was referred to the Advisory Committee for review and recommendation. (M)Parker, (S)Taber, Res. 94-452 adopted implementing the alternative fee proposal to increase the water fee from \$12.50/month to \$22.50/month and raise the stand-by fee from \$11.00/month to \$12.50/month, and direction was provided for staff to continue to meet with the Yosemite West Advisory Committee to look at long-term solutions, such as metered water, etc. Further discussion was held. Mike Edwards advised of the impacts to the District's budget with the proposed fee increases. Ayes: Baggett, Parker, Taber; Excused: Balmain, Erickson. Hearing was closed.

cc: Yosemite West Budget Advisory Committee  
Jeffrey G. Green, County Counsel  
File

**ATTACHMENT #1**  
**FEE PROPOSAL**  
**YOSEMITE WEST MAINT. DISTRICT**  
**ROADS, SEWER & WATER**  
**1994/1995**

Revised 10/17/94

<b>PROPOSED BUDGET</b>	\$210,391	
Without depreciation & contingency		
 <b>PROPOSED REVENUE</b>	 \$143,950	
Without Fund Balance		
 Revenue Shortfall	 \$66,441	
 Improved lots within district		
48 condos and 104 lots		152
189 unimproved lots		
Shortfall divided by # lots		
<b>Increase In fees</b>		
Roads x 341 total lots & condos	\$65	22,165
Water & Sewer x 152 improved lots	\$455	<u>69,160</u>
		91,325

This scenario will provide approximately \$25,000 in additional revenue that can be used to fund depreciation and/or contingency appropriations.

**FEE SUMMARY**

<u>Category</u>	<u>Existing</u>	<u>Proposed</u>
1. Roads x 341	\$96.00/yr(\$8.00/mo)	\$161/yr.(\$13.50/mo)
2. Residential Water & Sewer	\$300/yr(\$25/mo.)	\$755/yr.(\$63/mo)
3. Standby x 189	\$132/yr(\$11/mo.)	\$329/yr(\$27.42/mo)
4. Connection Fee	\$2,650/connection	\$2,650/connection
 * Comparable Residential Rates	<b>SEWER</b>	<b>WATER</b>
Don Pedro	\$34.50/mo (existing)	
Coulterville	\$20.00/mo (existing)	\$20/mo. (existing)
Mariposa Pines	\$30.00/mo (proposed)	
Yosemite West	\$31.50/mo (proposed)	\$31.50/mo. (proposed)

Standby fees are increased in proportion to the overall increase for roads, water & sewer. This will generate the following additional revenue, which could provide additional contingency and/or depreciation (both of which are under funded):

Standby Fees:	189 undeveloped lots x \$197	=	\$37,233
 Total additional revenue		=	\$37,233

**ALTERNATE  
FEE PROPOSAL  
YOSEMITE WEST MAINT. DISTRICT  
ROADS, SEWER & WATER  
1994/1995**

10/17/94

<b>PROPOSED EXPENSES (Revised)</b>	<b>\$153,379</b>
Without depreciation & contingency	
 <b>PROPOSED REVENUE (Revised)</b>	 <b>\$143,950</b>
 Shortfall	 <b>\$9,429</b>
 Proposed Fee Increase	
Water 152 Lots x \$120	<b>\$18,240</b>

This scenario will provide approximately \$8,811 in additional revenue that can be used to partially fund depreciation.

***FEE SUMMARY***

<u>Category</u>	<u>Existing</u>	<u>Proposed</u>
1. Roads x 341	\$96.00/yr(\$8.00/mo)	\$96/yr.(\$8/mo)
2. Sewer x 152	\$150/yr(\$12.50/mo.)	\$150/yr.(\$12.50/mo)
3. Water x 152	\$150/yr(\$12.50/mo.)	\$270/yr(\$22.50/mo)
4. Standby	\$132/yr (\$11.00/mo.)	\$132/yr. (\$11.00/mo.)
5. Connection Fee	\$2,650/connection	\$2,650/connection

**ATTACHMENT #1**  
**FEE PROPOSAL**  
**YOSEMITE WEST MAINT. DISTRICT**  
**ROADS, SEWER & WATER**  
**1994/1995**

Revised 10/12/94

**PROPOSED BUDGET** \$210,391  
Without depreciation & contingency

**PROPOSED REVENUE** \$143,950  
Without Fund Balance

Revenue Shortfall \$66,441

Improved lots within district  
48 condos and 104 lots 152

189 unimproved lots  
Shortfall divided by # lots

**Increase in fees**

Roads x 341 total lots & condos	\$65	22,165
Water & Sewer x 152 improved lots	\$455	69,160
		91,325

**FEE SUMMARY**

<u>Category</u>	<u>Existing</u>	<u>Proposed</u>
1. Roads x 341	\$96.00/yr(\$8.00/mo)	\$161/yr.(\$13.50/mo)
2. Residential Water & Sewer	\$300/yr(\$25/mo.)	\$755/yr.(\$63/mo)
3. Standby x 189	\$132/yr(\$11/mo.)	\$329/yr(\$27.42/mo)
4. Connection Fee	\$2,650/connection	\$2,650/connection
5. Transient Rental water & sewer	-0-	\$300/room/yr.(\$25/room/mo)
* Comparable Residential Rates	<b>SEWER</b>	<b>WATER</b>
Don Pedro	\$34.50/mo (existing)	
Coulterville	\$20.00/mo (existing)	\$20/mo. (existing)
Mariposa Pines	\$30.00/mo (proposed)	
Yosemite West	\$31.50/mo (proposed)	\$31.50/mo. (proposed)

This scenario assumes that the general reserve and fund balance will remain intact.  
Standby fees are increased in proportion to the overall increase for roads,  
water & sewer. This will generate the following additional revenue:

Standby Fees: 189 undeveloped lots x \$197 = \$37,233

Total additional revenue = \$37,233



Attachment #2

**YOSEMITE WEST FUND BALANCE (Budgeted)**

Date	Fiscal Year	A	B	C	B-C	A+B-C	
		Actual Beginning Cash Balance	Lawsuit Rev. Incl Cash Bal.	Budgeted Revenue w/o Lawsuit	Budgeted Appropriations	Budgeted Deficit from Operations	W/O Lawsuit Projected Fund Balance
7/01/87	86 - 87	49,223.73					
7/01/88	87 - 88	67,215.21					
7/01/89	88 - 89	73,106.80	130,888.04	103,446	165,339	(61,893.00)	11,214
7/01/90	89 - 90	165,283.33	97,501.50	102,846	216,785	(113,939.00)	(102,7.
7/01/91	90 - 91	244,293.09	63,869.38	196,566	209,800	(13,234.00)	(115,959)
7/01/92	91 - 92	247,252.69		125,113	258,890	(133,777.00)	(249,736)
7/01/93	92 - 93	227,222.91		128,416	211,404	(82,988.00)	(332,724)
7/01/94	93 - 94	185,882.78		119,917	305,800	(185,883.00)	(518,607)
7/01/95	94 - 95	208,826.84		119,030	258,391	(139,361.00)	(657,968)
	Balance w/o Lawsuit	(83,432.08)	292,258.92	776,304	1,461,070	(669,182)	

**YOSEMITE WEST FUND BALANCE (Actual)**

Date	Fiscal Year	A	B	C	B-C	A+B-C	
		Actual Beginning Cash Balance	Lawsuit Rev. Incl Cash Bal.	Actual Revenue	Actual Expenses	Actual Deficit from Operations	W/O Lawsuit Projected Fund Balance
7/01/87	86 - 87	49,223.73					
7/01/88	87 - 88	67,215.21					
7/01/89	88 - 89	73,106.80	130,888.04	110,153	148,865	(38,712)	34,395
7/01/90	89 - 90	165,283.33	97,501.50	137,413	175,905	(38,492)	(4,097)
7/01/91	90 - 91	244,293.09	63,869.38	123,108	164,016	(40,908)	(45,005)
7/01/92	91 - 92	247,252.69		118,593	138,623	(20,030)	(65,035)
7/01/93	92 - 93	227,222.91		119,960	149,112	(29,152)	(94,187)
7/01/94	93 - 94	185,882.78		171,281	148,337	22,944	(71,243)
7/01/95	94 - 95	208,826.84					
	Balance w/o Lawsuit	(83,432.08)	292,258.92	780,508	924,858	(144,350)	