



MARIPOSA COUNTY

Public Works • 209 966 5356



RESOLUTION - ACTION REQUESTED 2018-549

MEETING: November 13, 2018
TO: The Board of Supervisors
FROM: Mike Healy, Public Works Director
RE: Adopt a Resolution of Intention-Coulterville Water Rate Increases

RECOMMENDATION AND JUSTIFICATION:

Adopt a Resolution of Intention to Increase Coulterville Water Rates, and Set the Date, Time, and Location of the Public Hearing for January 15, 2019, at 2:00 P.M. at the Mariposa County Government Center.

Current water rates in Coulterville do not generate sufficient revenue to fund the cost of service. Updated rates are required in order to continue providing water service to the Coulterville community. A recent Proposition 218 process to adjust rates failed to garner sufficient support twice to enact the proposed new rate structure. Since that time numerous public meetings have been held with the utility customers to explain the need for additional revenue. At the October 15, 2018 meeting of the Board, Public Works proposed a revised rate structure as an alternative to placing this utility into receivership. A new Proposition 218 Process will begin with passage of this Resolution.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The Coulterville water utility faces operations and maintenance deficits and aging infrastructure, and current water rates do not generate sufficient revenue to fund the cost of service. The Board's last action to increase water rates occurred in 2008. Thus, even though it is standard practice for public utilities to update water rates every five years, it has been over nine 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 water rate increases. In that event, these utilities will continue to operate at a deficit and may eventually be unable to generate sufficient revenue to comply with California water regulations. It is unclear what the consequences of such a failure might be, but presumably an outside agency may be assigned this service territory through the receivership process.

FINANCIAL IMPACT:

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

Resolution - Action Requested 2018-549

ATTACHMENTS:

Res of Intent Coulterville Water Rates Oct 2018 (PDF)

Coulterville Water Rate Notice (PDF)

RESULT: ADOPTED [UNANIMOUS]

MOVER: Marshall Long, District III Supervisor

SECONDER: Merlin Jones, District II Supervisor

AYES: Smallcombe, Jones, Long, Cann, Menetrey

RESOLUTION NO. 18-549

A RESOLUTION OF THE COUNTY OF MARIPOSA BOARD OF SUPERVISORS DECLARING ITS INTENTION TO ADOPT INCREASED WATER RATES FOR COULTERVILLE, SETTING A PUBLIC HEARING FOR JANUARY 15, 2019, AND DIRECTING STAFF TO PROVIDE NOTICE PURSUANT TO PROPOSITION 218

WHEREAS, the County of Mariposa provides water service to the unincorporated area of Coulterville 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 water rates for Coulterville occurred in 2008; and

WHEREAS, Coulterville faces operations and maintenance deficits and aging infrastructure; and

WHEREAS, current Coulterville water 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 water service to Coulterville and to prepare a Coulterville Cost of Service Analysis; and is available for public inspection; and

WHEREAS, the Cost of Service Analysis recommends increasing Coulterville water rates; and

WHEREAS, water 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 Board hereby initiates proceedings to adopt the revised proposed water rates recommendation by the Mariposa County Department of Public Works.

SECTION 3 The Board hereby fixes the 8 day of January, 2019 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 Coulterville water rate increases.

SECTION 4 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 5 At the Public Hearing, the Board shall consider all objections or protests, if any, to the proposed Coulterville water 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 6 At the conclusion of the Public Hearing, all protests submitted and not withdrawn will be tabulated.

SECTION 7 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.

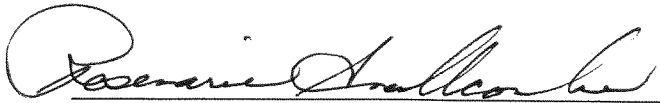
SECTION 8 If there is a majority protest against the proposed rate increase, the Board shall not adopt the rate increase.

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

AYES: SMALLCOMBE, JONES, LONG, CANN, MENETREY

NOES: NONE

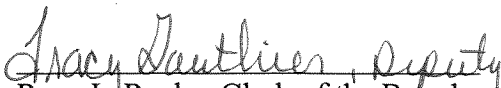
ABSENT: NONE



Rosemarie Smallcombe, Chair of the Board

ATTEST:

APPROVED AS TO FORM:



Tracy Dautler, Deputy
Rene LaRoche, Clerk of the Board

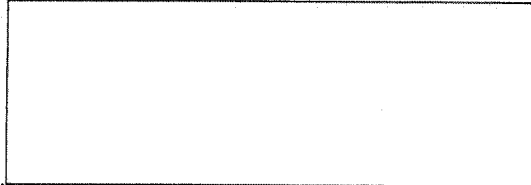


Steven W. Dahlem, County Counsel



5100 Bullion Street,
Mariposa, CA 95338

Coulterville
Proposition 218 Notification
NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING
ON WATER RATES



Hearing Date & Time: January 15, at 2:00 PM or as soon thereafter as possible
Hearing Location: Government Center, 5100 Bullion St. Mariposa, CA 95338
Questions / More Information: Contact Mike Healy, Mariposa Public Works Department, at
(209) 966-5356, 8:00am to 4:30pm, Monday through Thursday

Why Am I Receiving This Notice?

You are receiving this notice in accordance with Proposition 218, a state law which requires providers of public utility services (including water service) to notify rate payers of increases in proposed rates. The property listed above receives water service from **Mariposa County ("the County")**.

This notice is intended to provide you with information on the service provided by the County, the reasons for the proposed rates, and the methods by which you can protest the proposed rates if you desire.

What Service Do Rates Fund?

The County provides water service to approximately 97 equivalent dwelling units in the Coulterville service area. One equivalent dwelling unit is equal to the impact of a typical single family residential user.

Why is a Rate Increase Needed?

The County has not increased rates since February 1st, 2008. Current rates do not reflect the full cost necessary to provide water service. The proposed rates are designed to sustainably operate and maintain the utility.

Basis of Proposed Rates

Article XIID of the California Constitution (also known as Proposition 218) requires that providers of public utility services levy service charges that are clearly linked to the cost of providing the service to each parcel. The cost of service calculation includes expenses such as debt service, labor, energy, chemicals and other supplies, and the cost of providing required maintenance of the system. The rates proposed herein are designed to meet all legal requirements and fairly and equitably recover the required revenue from all customers. The initial rates which were proposed and rejected by the ratepayers were developed by an independent consultant retained by the County and the final findings of that report, which include the detailed calculations showing the basis for these fees. The consultant data and recommendations are available on the Mariposa County web site under the Public Works Department section. The revised rates as illustrated below were developed by the Public Works Department utilizing the consultant data but defer non-critical Capital Improvement Projects while relying heavily on the potential for grant funding. The proposed rate structure does contain an increased level of risk assumption than the consultant contained in the previously proposed rate structure.

Proposed Rate Changes

The County is proposing to charge commercial and residential water rates based on the same methodology: a fixed charge based on meter size plus a volumetric rate per 1,000 gallons of usage.

Current and proposed water service charges:

Coulterville Water Rates (MONTHLY)	Current	1 March 19	1 March 20	1 March 21	1 March 22	1 March 23
Base Rate per Customer	\$25.50					
NEW RATE 2" Meter or LESS		\$40.00	\$48.00	\$55.00	\$63.00	\$66.00
VOLUMETRIC RATE \$ / kgal						
All Use per 1,000 Gallons or less	\$1.70	\$1.80	\$2.00	\$2.20	\$2.30	\$2.40

Compliance with Proposition 218

Proposition 218 requires that public utility providers follow a strictly defined process for increasing fees such as water service rates. Generally speaking, the County must 1) inform affected property owners of the proposed rates, 2) clearly demonstrate the amounts of the proposed rates are cost justified (the cost of service study is on file at the County), and 3) hold a public hearing no less than 45 days after noticing property owners, at which the County hears all protests to the proposed rates. These rates are subject to "majority protest," meaning they **cannot be imposed** if a majority of affected property owners submit **written** protests opposing the rates.

To Protest This Change

- 1) Notify the County in writing (P.O. Box 784, Mariposa, CA 95338, Attn: Clerk of the Board) prior to the close of the January 8, 2019, public hearing that you oppose the proposed increases to the water rates. You must identify the property affected by the proposed rates and the property owner must sign the **written protest**. OR
- 2) Attend the January 15, 2019, public hearing at the time and place identified on page 1 of this notice and submit a written protest before the close of the public hearing.