

MARIPOSA COUNTY

Public Works • 209 966 5356



RESOLUTION - ACTION REQUESTED 2018-57

MEETING: February 6, 2018
TO: The Board of Supervisors
FROM: Mike Healy, Public Works Director
RE: Adopt a Resolution Increasing Yosemite West Water Rates

RECOMMENDATION AND JUSTIFICATION:

PUBLIC HEARING to receive public testimony and consider all protests concerning adoption of a resolution increasing Yosemite West water rates.

Current water rates in Yosemite West do not generate sufficient revenue to fund the cost of service. Updated rates are required in order to continue providing water service to the Yosemite West community.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

Yosemite West 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 2006. Thus, even though it is standard practice for public utilities to update water rates every five years, it has been over ten years since these rates have been adjusted.

Current water rates include a base rate per account and nine tiered volumetric rates. Subsequent to the adoption of these rates, California courts have held that tiered rates are subject to strict cost justification under Proposition 218. Thus, communities throughout the state are adopting uniform rates, as recommended here by Bartle Wells Associates, in order to ensure compliance with Proposition 218.

On December 5, 2017, the Board adopted a Resolution of Intention (Resolution 2017-814) to increase Yosemite West water rates and setting the time, date and location of public hearing.

Note that this resolution to increase Yosemite West water rates cannot be adopted in the event of a majority protest.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

The Board may decline to establish water rate increases. In that event, this utility will

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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 would take over this service territory.

ATTACHMENTS:

Mariposa County Engineers Report_No Roads (PDF)

ROI Yose West Water Final (PDF)

Resolution Increasing Yosemite West Water Rates (DOC)

Exhibit A PROPOSED YOSEMITE WEST WATER RATES (DOCX)

RESULT: ADOPTED [UNANIMOUS]

MOVER: Marshall Long, District III Supervisor

SECONDER: Kevin Cann, District IV Supervisor

AYES: Smallcombe, Jones, Long, Cann, Menetrey

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**RESOLUTION INCREASING YOSEMITE WEST WATER
RATES**

WHEREAS, the County of Mariposa provides water service to the unincorporated area of Yosemite West; and

WHEREAS, pursuant to Resolution No. 2017-813 adopted on December 5, 2017, the Board intends to establish the Yosemite West Zone of Benefit for Countywide Service Area No. 1, formed under County Service Area Law (Gov. Code §§ 25210 et seq.); and

WHEREAS, upon formation, the Yosemite West Zone of Benefit will provide water service to Yosemite West; and

WHEREAS, the Board's last action to increase water rates for Yosemite West occurred in 2006; and

WHEREAS, Yosemite West faces operations and maintenance deficits and aging infrastructure; and

WHEREAS, current Yosemite West 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 Yosemite West and to prepare a Yosemite West Cost of Service Analysis, which was approved and adopted by the Board pursuant to Resolution No.2017-814 on December 5, 2017; and,

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

WHEREAS, Resolution No. 2017-814 declared the Board's intention to increase Yosemite West water rates, set a public hearing for February 6, 2018 on those proposed rate increases, and directed staff to mail notice to affected property owners in conformity with Proposition 218; and

WHEREAS, on February 6, 2018, the Board held a full and fair public hearing on the proposed rate increases. At the hearing, all interested persons had an opportunity to provide oral and written testimony; and

WHEREAS, the Board accepted and caused the tabulation of all written protests against

the proposed water rate increases. Based upon the results of this tabulation, a majority protest against the water rate increases does not exist; and

WHEREAS, the Board now finds it necessary to adopt the proposed water rate increases for Yosemite West.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF MARIPOSA AS FOLLOWS:

SECTION 1 The foregoing recitals are true and correct.

SECTION 2 The Board hereby adopts the water rates for Yosemite West set forth in Exhibit A.

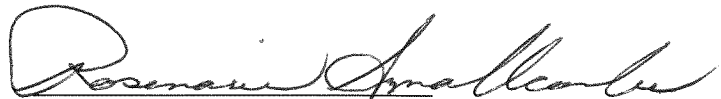
SECTION 3 All rates and charges set forth in this Resolution shall become effective on March 1, 2018 and shall remain in effect until changed by the Board.

PASSED AND ADOPTED this 6th day of February, 2018 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:



Rene LaRoche, Clerk of the Board



Steven W. Dahlem, County Counsel

Exhibit A.

PROPOSED YOSEMITE WEST WATER RATES

Proposed Rate Changes

The County is proposing to eliminate the current nine tier structure and charge a uniform rate for all usage. The proposed change is designed to comply with the legal requirements of Proposition 218.

Current and proposed water service charges:

Water Rates (Monthly)		Current	1-Mar-18	1-Jul-19	1-Jul-20	1-Jul-21	1-Jul-22
Base Rate per Account		\$26.90	\$41.16	\$51.45	\$54.02	\$54.94	\$54.94
<u>Tier</u>	<u>Use Amount</u>	<u>\$/kgal</u>	<u>\$/kgal</u>	<u>\$/kgal</u>	<u>\$/kgal</u>	<u>\$/kgal</u>	<u>\$/kgal</u>
Tier 1	1 - 8 kgal	\$6.25	-	-	-	-	-
Tier 2	8 - 12 kgal	\$6.75	-	-	-	-	-
Tier 3	12 - 16 kgal	\$7.35	-	-	-	-	-
Tier 4	16 - 20 kgal	\$8.00	-	-	-	-	-
Tier 5	20 - 28 kgal	\$9.90	-	-	-	-	-
Tier 6	28 - 36 kgal	\$11.80	-	-	-	-	-
Tier 7	36 - 44 kgal	\$14.30	-	-	-	-	-
Tier 8	44 - 52 kgal	\$16.80	-	-	-	-	-
Tier 9	>52 kgal	\$18.10	-	-	-	-	-
New Rate - All Use Per 1,000 gallons			\$11.48	\$14.35	\$15.07	\$15.32	\$15.32