



**RESOURCE  
MANAGEMENT AGENCY  
COUNTY OF TULARE  
AGENDA ITEM**

**BOARD OF SUPERVISORS**

ALLEN ISHIDA  
District One

CONNIE CONWAY  
District Two

PHILLIP A. COX  
District Three

J. STEVEN WORTHLEY  
District Four

MIKE ENNIS  
District Five

**AGENDA DATE:** June 12, 2007

Public Hearing Required	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Published Notice Required	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Advertised Published Notice	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Meet & Confer Required	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Personnel Resolution attached	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Resolution, Ordinance or Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s) Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>			

CONTACT PERSON: Celeste Perez PHONE: 559-733-6291

**SUBJECT:** Conduct a Public Hearing for consideration of sewer and water user fee adjustments for specific County Service Area Zones of Benefit.

**REQUEST(S):**

That the Board of Supervisors:

1. Conduct the Public Hearing to consider increasing fees for the service recommended in Table A.
2. Upon closing of the Public Hearing, approve the proposed fees effective July 1, 2007.

**SUMMARY:**

In the late 1980's and early 1990's, the County constructed eight (8) sewer systems and three (3) water systems utilizing various state and federal grant and loan programs. The County administers the maintenance of these facilities through contracted services. The County submits bills and collects fees for service in an attempt to cover the annual operation and maintenance costs incurred.

The proposed rate increases are for the El Rancho, Seville, Tonyville, Tooleville, Yettem and Wells Tract sewer systems in addition to the Delft Colony and Yettem water systems. There are no proposed rate increases for the Delft Colony and Traver sewer systems nor are there any proposed rate increases for the Wells Tract water system.

Table 1 outlines estimated expenses and revenues for each of the systems in

**SUBJECT:** Public Hearing for consideration of sewer and water fee adjustments  
**DATE:** June 12, 2007

County Service Areas 1 and 2 and identifies their projected net operating cost for fiscal year 2006/07. A shortfall of approximately \$106,000 in net costs is anticipated for all the systems combined. Historically, this shortfall is recovered by borrowing funds from the County's Revolving Fund which totals approximately \$595,000 to date.

Table 2 outlines estimated expenses and revenues for each of the systems and identifies their projected net operating cost for fiscal year 2007/2008 with the current rate structure.

Table 3 outlines estimated expenses and revenues for each of the systems and identifies their projected net operating cost for fiscal year 2007/2008 with the proposed rate structure.

Table 4 outlines the necessary fee increases to allow each system to recover all its costs (except depreciation and Revolving Loan Fund principal repayment).

The proposed fee adjustments are in accordance with Resolution No. 94-0356 in which your Board established a maximum increase for residential and commercial fees at 10% per year. By approving the recommended rate increase, the Revolving Fund impact will be approximately \$120,290 for the 2007/08 fiscal year.

The significant increase in expenditures is due to several factors. Wastewater treatment rates were increased by the city of Lindsay which treats the wastewater from the El Rancho and Tonyville sewer systems. Wastewater treatment rates were also increased by the Cutler-Orosi Joint Powers Wastewater Authority which treats the wastewater from the Seville and Yettem sewer systems. Lastly, wastewater treatment rates were increased by the city of Woodlake which treats the wastewater from the Wells Tract sewer system.

Other increased expenditures include an increase in Regional Water Quality Control Board (RWQCB) fees for both existing individual system waste discharge requirements and their new Statewide General Waste Discharge Requirements for Sanitary Sewer Systems, Order No. 2006-0003.

Lastly, increased expenditures for electricity will impact the Delft Colony and Yettem water systems. Other operational issues impacting electricity usage included the need to run the aerators at the Tooleville and Traver sewer facilities for extended periods of time in order to maintain the minimum required concentration of dissolved oxygen as required by the regulatory agencies.

Grant guidelines require all proposed sewer and water fees to be submitted to the granting agencies for review and approval. A copy of this agenda item was transmitted to the State Water Resources Control Board (SWRCB) and U. S. Department of Agriculture's Rural Development (RD) for review. An update on SWRCB's and RD's comments to these proposed fees will be submitted to your

**SUBJECT:** Public Hearing for consideration of sewer and water fee adjustments  
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Board when received on or prior to the June 12, 2007 Public Hearing.

Proposition 218 required that operation and maintenance systems give a 45 day notice period to all residents prior to the fee hearing advising them of their right to protest. A vote by the residents of the Zones of Benefit is not required.

On April 17, 2007, your Board approved the Notice of Public Hearing and set the Public Hearing for June 12, 2007, at 9:30 A.M. On April 19, 2007, notices were mailed to the residents notifying them of the proposed rate increase and the time and date of the Public Hearing.

**FISCAL IMPACT/FINANCING:**

By approving the recommended rate increase, the Revolving Fund impact will be approximately \$120,290 for the 2007/08 fiscal year. If the recommended rate increases are not approved, the Revolving Fund impact will be approximately \$145,226 for the 2007/08 fiscal year.

**LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:**

The proposed rate increases assist the County in its efforts to provide for the safety and security of the general public by providing for an adequate and safe water supply.

**ALTERNATIVES:**

1. Do not approve the recommended rate increase. This alternative is not recommended since the proposed rate increase is required to reduce the amount of funds borrowed from the Revolving Fund.
2. Consider an increase different than the recommended 10%. Consideration of a rate increase in excess of 10% would require a change in Board policy as established by Resolution No. 94-0356. At the time of the Public Hearing, the Board can consider any rate adjustment equal to or less than that identified in the public notice.

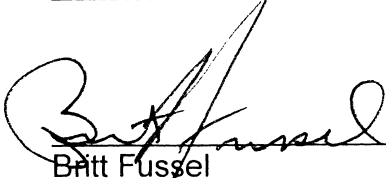
**INVOLVEMENT OF OTHER DEPARTMENTS OR AGENCIES:**

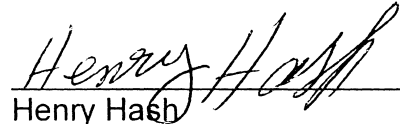
1. U. S. Department of Agriculture and SWRCB have been sent the agenda item setting the Public Hearing for their review.
2. The Auditor's Office has reviewed the methodology used in establishing the requested user fee adjustments.
3. County Counsel has reviewed the Agenda Item, the Resolution and the Notice.

**SUBJECT:** Public Hearing for consideration of sewer and water fee adjustments

**DATE:** June 12, 2007

**ADMINISTRATIVE SIGN-OFF:**

 5/18/07  
Britt Fussel  
Assistant Director/County Surveyor

  
Henry Hash  
Director

cc: Auditor/Controller  
County Counsel  
County Administrative Office (2)

Attachment(s)

Tables 1-4

# BEFORE THE BOARD OF SUPERVISORS COUNTY OF TULARE, STATE OF CALIFORNIA

IN THE MATTER OF SEWER AND )  
WATER USER FEE ADJUSTMENTS )  
FOR SPECIFIC COUNTY SERVICE )  
AREA ZONES OF BENEFIT )

RESOLUTION NO. \_\_\_\_\_

UPON MOTION OF SUPERVISOR \_\_\_\_\_, SECONDED BY  
SUPERVISOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY THE  
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD JUNE 12, 2007, BY  
THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST: C. BRIAN HADDIX  
COUNTY ADMINISTRATIVE OFFICER  
CLERK, BOARD OF SUPERVISORS

BY: \_\_\_\_\_  
Deputy Clerk

\* \* \* \* \*

1. Conducted the Public Hearing to consider increasing fees for the service recommended in Table A.
2. Closed the Public Hearing and approved the proposed fees effective July 1, 2007.

## TABLE A

Basis of Fees: The fees are determined by calculating the total expense of operation and maintenance of each system. The expense is divided by the number of dwellings in each service area, which determines the actual recovery cost per dwelling. The present fees are compared to the recovery costs and adjusted within the guidelines to establish the proposed fees. The proposed fees contribute proportionally to the total expense of each system.

Description of Fee	Current Fees	Proposed Fees	Description of Fee	Current Fees	Proposed Fees
<b>SEWER</b>			<b>WATER</b>		
Z01 El Rancho					
Monthly Residential Service	\$ 45.50	\$ 50.25			
Z10 Delft Colony			Z11 Delft Colony		
Monthly Residential Service	\$ 41.00	\$ 41.00	Monthly Residential Service	\$ 34.25	\$ 37.75
Z50 Seville					
Monthly Residential Service	\$ 44.75	\$ 49.25			
School	\$152.50	\$167.75			
Z60 Tonyville					
Monthly Residential Service	\$ 40.75	\$ 45.00			
Z70 Tooleville					
Monthly Residential Service	\$ 44.25	\$ 48.75			
Z80 Traver					
Monthly Residential Service	\$ 24.75	\$ 24.75			
Z90 Yettem			Z91 Yettem		
Monthly Residential Service	\$ 57.25	\$ 63.00	Monthly Residential Service	\$ 38.00	\$ 42.00
School			School		
Yettem Continuation	\$79.00	\$87.00	Yettem Continuation	\$43.25	\$47.75
Learning Center	\$72.50	\$79.75	Learning Center	\$43.25	\$47.75
Z96 Wells Tract			Z95 Wells Tract		
Monthly Residential Service	\$ 42.25	\$ 46.50	Monthly Residential Service	\$ 26.75	\$ 26.75

TABLE 1

**ESTIMATED NET COSTS**  
**FOR 2006/2007 FISCAL YEAR**  
**COUNTY SERVICE AREAS # 1 AND # 2**

Sewer System	Estimated Expenses	Estimated Revenue	Less Depreciation Expenses	Net Cost <sup>1</sup>	Current Fees
1 El Rancho ZOB	\$ 37,432	\$ 13,760	\$ 7,693	\$ 15,979	\$ 45.50
2 Delft Colony ZOB	\$ 71,384	\$ 52,930	\$ 29,655	\$ (11,201)	\$ 41.00
3 Seville ZOB	\$ 83,185	\$ 51,095	\$ 24,355	\$ 7,735	\$ 44.75
4 Tonyville ZOB	\$ 68,150	\$ 35,361	\$ 23,717	\$ 9,072	\$ 40.75
5 Tooleville ZOB	\$ 105,487	\$ 39,045	\$ 21,618	\$ 44,824	\$ 44.25
6 Traver ZOB	\$ 97,249	\$ 61,463	\$ 47,140	\$ (11,354)	\$ 24.75
7 Yettem ZOB	\$ 75,111	\$ 46,621	\$ 15,109	\$ 13,381	\$ 57.25
8 Wells Tract ZOB	\$ 42,053	\$ 30,246	\$ 8,391	\$ 3,416	\$ 42.25
<b>Water System</b>					
1 Delft Colony ZOB	\$ 66,173	\$ 42,047	\$ 19,038	\$ 5,088	\$ 34.25
2 Yettem ZOB	\$ 53,738	\$ 30,941	\$ 15,989	\$ 6,808	\$ 38.00
3 Wells Tract ZOB	\$ 22,569	\$ 21,608	\$ 8,507	\$ (7,546)	\$ 26.75
TOTAL	\$ 722,531	\$ 425,117	\$ 221,212	\$ 76,202	
Estimated Revolving Fund Loan				\$ 106,303	

1) Negative values in "net cost" offset a portion of the depreciation expense.

TABLE 2

**ESTIMATED NET COSTS WITH CURRENT RATES**  
**FOR 2007/2008 FISCAL YEAR**  
**COUNTY SERVICE AREAS # 1 AND # 2**

<b>Sewer System</b>	<b>Estimated Expenses</b>	<b>Estimated Revenue</b>	<b>Less Depreciation Expenses</b>	<b>Net Cost<sup>1</sup></b>	<b>Current Fees</b>
1 El Rancho ZOB	\$ 41,420	\$ 14,306	\$ 7,693	\$ 19,421	\$ 45.50
2 Delft Colony ZOB	\$ 80,666	\$ 54,154	\$ 29,655	\$ (3,143)	\$ 41.00
3 Seville ZOB	\$ 91,247	\$ 53,769	\$ 24,355	\$ 13,123	\$ 44.75
4 Tonyville ZOB	\$ 70,818	\$ 35,297	\$ 23,717	\$ 11,804	\$ 40.75
5 Tooleville ZOB	\$ 101,674	\$ 39,462	\$ 21,618	\$ 40,594	\$ 44.25
6 Traver ZOB	\$ 103,701	\$ 59,790	\$ 47,140	\$ (3,229)	\$ 24.75
7 Yettem ZOB	\$ 80,909	\$ 46,573	\$ 15,109	\$ 19,227	\$ 57.25
8 Wells Tract ZOB	\$ 46,340	\$ 30,918	\$ 8,391	\$ 7,031	\$ 42.25
<b>Water System</b>					
1 Delft Colony ZOB	\$ 84,952	\$ 43,370	\$ 19,038	\$ 22,544	\$ 34.25
2 Yettem ZOB	\$ 58,068	\$ 30,598	\$ 15,989	\$ 11,481	\$ 38.00
3 Wells Tract ZOB	\$ 24,084	\$ 21,326	\$ 8,507	\$ (5,749)	\$ 26.75
<b>TOTAL</b>	<b>\$ 783,879</b>	<b>\$ 429,563</b>	<b>\$ 221,212</b>	<b>\$ 133,104</b>	
<b>Estimated Revolving Fund Loan</b>				<b>\$ 145,226</b>	

1) Negative values in "net cost" offset a portion of the depreciation expense.



TABLE 3

**ESTIMATED NET COSTS WITH PROPOSED RATE INCREASE**  
**FOR 2007/2008 FISCAL YEAR**  
**COUNTY SERVICE AREAS # 1 AND # 2**

Sewer System	Estimated Expenses	Estimated Revenue	Less Depreciation Expenses	Net Cost <sup>1</sup>	Current Fees	Proposed Fees
1 El Rancho ZOB	\$ 41,420	\$ 15,788	\$ 7,693	\$ 17,939	\$ 45.50	\$ 50.25 *
2 Delft Colony ZOB	\$ 80,666	\$ 54,154	\$ 29,655	\$ (3,143)	\$ 41.00	\$ 41.00
3 Seville ZOB	\$ 91,247	\$ 58,411	\$ 24,355	\$ 8,481	\$ 44.75	\$ 49.25 *
4 Tonyville ZOB	\$ 70,818	\$ 38,661	\$ 23,717	\$ 8,440	\$ 40.75	\$ 45.00 *
5 Tooleville ZOB	\$ 101,674	\$ 43,348	\$ 21,618	\$ 36,708	\$ 44.25	\$ 48.75 *
6 Traver ZOB	\$ 103,701	\$ 59,790	\$ 47,140	\$ (3,229)	\$ 24.75	\$ 24.75
7 Yettem ZOB	\$ 80,909	\$ 49,389	\$ 15,109	\$ 16,411	\$ 57.25	\$ 63.00 *
8 Wells Tract ZOB	\$ 46,340	\$ 33,792	\$ 8,391	\$ 4,157	\$ 42.25	\$ 46.50 *
<b>Water System</b>						
1 Delft Colony ZOB	\$ 84,952	\$ 46,170	\$ 19,038	\$ 19,744	\$ 34.25	\$ 37.75 *
2 Yettem ZOB	\$ 58,068	\$ 33,670	\$ 15,989	\$ 8,409	\$ 38.00	\$ 42.00 *
3 Wells Tract ZOB	\$ 24,084	\$ 21,326	\$ 8,507	\$ (5,749)	\$ 26.75	\$ 26.75
TOTAL	\$ 783,879	\$ 454,499	\$ 221,212	\$ 108,168		
Estimated Revolving Fund Loan				\$ 120,290		

\* Proposed 10% Increase

1) Negative values in "net cost" offset a portion of the depreciation expense.

**TABLE 4**

**ESTIMATED REQUIRED RATE INCREASE TO ESTABLISH  
ZERO NET COSTS  
FOR 2007/2008 FISCAL YEAR  
COUNTY SERVICE AREAS # 1 AND # 2**

<b>Sewer System</b>	<b>Estimated Expenses</b>	<b>Estimated Revenue</b>	<b>Less Depreciation Expenses</b>	<b>Net Cost<sup>1</sup></b>	<b>Current Fees</b>	<b>Required Fees for Zero Net Cost</b>	
1 El Rancho ZOB	\$ 41,420	\$ 33,806	\$ 7,693	\$ (79)	\$ 45.50	\$ 108.00	a
2 Delft Colony ZOB	\$ 80,666	\$ 54,154	\$ 29,655	\$ (3,143)	\$ 41.00	\$ 41.00	
3 Seville ZOB	\$ 91,247	\$ 67,183	\$ 24,355	\$ (291)	\$ 44.75	\$ 57.75	b
4 Tonyville ZOB	\$ 70,818	\$ 47,373	\$ 23,717	\$ (272)	\$ 40.75	\$ 56.00	c
5 Tooleville ZOB	\$ 101,674	\$ 80,068	\$ 21,618	\$ (12)	\$ 44.25	\$ 91.25	d
6 Traver ZOB	\$ 103,701	\$ 59,790	\$ 47,140	\$ (3,229)	\$ 24.75	\$ 24.75	
7 Yettem ZOB	\$ 80,909	\$ 65,965	\$ 15,109	\$ (165)	\$ 57.25	\$ 82.50	e
8 Wells Tract ZOB	\$ 46,340	\$ 38,529	\$ 8,391	\$ (580)	\$ 42.25	\$ 53.00	f
<b>Water System</b>							
1 Delft Colony ZOB	\$ 84,952	\$ 66,170	\$ 19,038	\$ (256)	\$ 34.25	\$ 53.25	g
2 Yettem ZOB	\$ 58,068	\$ 42,310	\$ 15,989	\$ (231)	\$ 38.00	\$ 53.25	h
3 Wells Tract ZOB	\$ 24,084	\$ 21,326	\$ 8,507	\$ (5,749)	\$ 26.75	\$ 26.75	
<b>TOTAL</b>	<b>\$ 783,879</b>	<b>\$ 576,674</b>	<b>\$ 221,212</b>	<b>\$ (14,007)</b>			

Estimated Revolving Fund Loan

\$ -

- a) 137% Increase
- b) 29% Increase
- c) 37% Increase
- d) 106% Increase
- e) 44% Increase
- f) 25% Increase
- g) 55% Increase
- h) 40% Increase

1) Negative values in "net cost" offset a portion of the depreciation expense.