

MARIPOSA PUBLIC UTILITY DISTRICT

ORDINANCE #53

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
MARIPOSA PUBLIC UTILITY DISTRICT ADOPTING NEW WATER
AND SEWER RATES FOR THE MARIPOSA PUBLIC UTILITY DISTRICT**

WHEREAS, on August 11, 2014, the Board of Directors of the Mariposa Public Utility District (“District”) set the date time for a public hearing on proposed new water and sewer rates for October 7, 2014, at 6:00 p.m., at the MPUD Fire Station #1 located at 5273 Highway 140 North, Mariposa, California 95338, and directed staff to provide notice of said public hearing in accordance with the provisions of Article XIII(D) of the California Constitution also known as Proposition 218; and

WHEREAS, the District Board finds that Notice of the Public Hearing on the proposed water and sewer rates was given pursuant to the provisions of Article XIII(D) of the California Constitution also known as Proposition 218, a copy of that notice is attached to this ordinance and incorporated by this reference herein as Exhibit A; and

WHEREAS, the District Board finds that a public hearing was held regarding the proposed new water and sewer rates on October 7, 2014, at 6:00 p.m., or soon thereafter as the matter could be heard in accordance with the aforementioned notice; and

WHEREAS, the Board of Directors finds that the total number of protests to the proposed new water and sewer rates received by the District, including those received at the public hearing was 3; and

WHEREAS, the Board of Directors finds that the total number of protests needed to constitute a majority protest is 297; and

WHEREAS, the District Board finds that written protests to the proposed water and sewer rates have not been received from a majority of the owners of (or persons receiving services at) the identified parcels; and

WHEREAS, the District finds that the revenue received from the proposed new water and sewer rates as detailed in the Engineer’s Report On Proposed Changes to Mariposa Public Utility District Water and Sewer Customer Service Charge Rates, Exhibit J and K, will not exceed the funds required to provide those property-related services; and

WHEREAS, the District Board finds that the revenues derived from the proposed new water and sewer rates, as detailed in the Engineer’s Report will not be used for any purpose other than for which they are imposed; and

WHEREAS, the District Board finds that the proposed new rates for water and sewer services do not exceed the proportional cost of the service attributable to the parcel to any parcel or person as an incident of property ownership; and

WHEREAS, the District Board finds that the proposed new rates for water and sewer services do not constitute a fee or charge imposed for a service that is not actually used by or immediately available to the owner of the property in question; and

WHEREAS, the District Board finds that the proposed new rates for water and sewer services do not constitute a fee or charge imposed by the District for any general governmental service.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE MARIPOSA PUBLIC UTILITY DISTRICT AS FOLLOWS:

Section 1. That the above findings are true and correct.

Section 2. That this ordinance shall supersede any prior ordinance of the Mariposa Public Utility District setting rates for water and sewer services.

Section 3. That the Board of Directors of the Mariposa Public Utility District does hereby adopt the proposed new water and sewer service rates as detailed in Exhibit A and amended by Exhibit B attached hereto and incorporated by this reference herein.

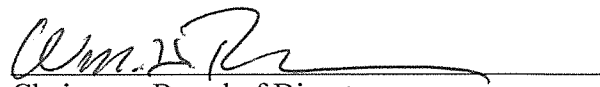
Section 4. That the effective date of the new rates shall be implemented as detailed in Exhibit A attached to this ordinance.

This Ordinance was passed and adopted this 7th day of **October 2014**, by the following vote:


AYES: Directors Bondshu, Enrico, Finney, McKnight, and Radanovich

NOES: None

ABSENT: None


Chairman, Board of Directors
Mariposa Public Utility District

ATTEST:


Clerk, ex-officio, Secretary

PROPOSITION 218 NOTIFICATION

NOTICE OF PUBLIC HEARING ON PROPOSED RATE

INCREASES IN WATER AND SEWER RATES

To comply with Proposition 218 (California Constitution Article XIII(D), Section 6), the Mariposa Public Utility District gives the following notice:

1. Date, Time, Location and Purpose of Public Hearing:

At 6:00 p.m. on October 7, 2014, at the Mariposa Public Utility District ("District") Fire Station 1, 5273 Highway 49 North, the Board of Directors ("Board") will hold a public hearing on proposed increases in water and sewer service rates and hear and consider objections and protests to the proposed increases, the basis for calculating those increases, the reason for the proposed rate increases and the report described in paragraph 3 below in addition to all other aspects of the proposed rate increase for water and sewer services provided by the District.

2. What do Water and Sewer Rates Fund?

The District provides water and sewer service to residential and non-residential customers within its service area. These utilities must be financially self-sufficient. Monthly rates paid by customers are the primary source of revenue to pay for these services. All revenue generated from utility bills is used to maintain, improve, and operate the water and sewer utilities. These revenues must meet costs such as pumping well water, treating drinking water, treating wastewater, electricity, chemicals, maintenance, equipment replacement, and salaries and benefits of District staff. Additionally, revenue generated from these rates is used to pay off debt incurred in the process of building capital improvements for each system. A complete explanation of the basis for determining the new rates are set forth in the report described in paragraph 3 below.

3. Location of the Engineer's Report on Proposed Changes to District Water and Sewer Rates:

The District has prepared and presented a report (the "Report") to the Board. The Report describes the funds necessary to provide water and sewer services, including accountings which summarize the costs of providing water and sewer services, and projected loss(es) or deficit from providing water and sewer service; the proposed rate increases for water and sewer services; the amount of the current and proposed rates for water and sewer services along with the method used to determine the rate increases; the basis for calculating the amount of the rate increases; and other matters pertaining to the proposed rate increases. The report showing such information is located and on file at the District Office at 4992 7th Street, Mariposa, California 95338.

4. The Amount of the Rate Increases for Water and Sewer Services:

The amount which water and sewer service rates are proposed to increase, that the District will charge, beginning on October 15, 2014, are as follows:

TABLE 1 WATER RATES RESIDENTIAL – BASE AND METERED RATE						
	BASE RATE	1-5,000 Gallons	5,001-10,000 Gallons	10,001-15,000 Gallons	15,001-20,000 Gallons	20,001+ Gallons
Current	\$16.00	\$1.35	\$1.50	\$2.00	\$2.80	\$3.24
Proposed		Per 1,000 Gal	Per 1,000 Gal	Per 1,000 Gal	Per 1,000 Gal	Per 1,000 Gal
Oct. 15, 2014	\$26.65	\$1.65	\$1.85	\$2.45	\$3.40	\$3.95
July 1, 2015	\$29.60	\$2.30	\$2.55	\$3.40	\$4.80	\$5.55
July 1, 2016	\$30.40	\$2.40	\$2.65	\$3.55	\$4.95	\$5.75
July 1, 2017	\$31.15	\$2.45	\$2.75	\$3.65	\$5.10	\$5.90
July 1, 2018	\$31.80	\$2.55	\$2.85	\$3.75	\$5.25	\$6.10

The Base Rate is added to the volume (metered) charge to determine your water bill. For example, if you use 10,000 gallons of water based on the rate effective October 15, 2014, your charge would be \$44.15 as follows: \$26.65 + \$8.25 (first 5000 gallons) + \$9.25 (second 5000 gallons) = \$44.15.

TABLE 2 WATER RATES COMMERCIAL BASE RATES						
	CURRENT BASE RATE	PROPOSED				
		Oct. 15, 2014	July 1, 2015	July 1, 2016	July 1, 2017	July 1, 2018
Multi-Small Business *	\$12.00	\$20.00	\$22.20	\$22.80	\$23.40	\$23.85
CDF Baptist Church **	\$55.00	\$91.70	\$101.85	\$104.60	\$107.20	\$109.40
Elem School **	\$80.00	\$133.25	\$148.00	\$152.00	\$155.75	\$159.00
High School **	\$280.00	\$466.40	\$518.00	\$532.00	\$545.15	\$556.50
Class 1 Commercial *	\$35.00	\$58.40	\$64.85	\$66.60	\$68.25	\$69.65
Class 2 Commercial *	\$50.00	\$83.45	\$92.65	\$95.15	\$97.50	\$99.55
Jail **	\$80.00	\$133.25	\$148.00	\$152.00	\$155.75	\$159.00
Court House Gov't Center **	\$40.00	\$66.65	\$74.00	\$76.00	\$77.90	\$79.50
Parks & Recreation **	\$55.0	\$91.70	\$101.85	\$104.60	\$107.20	\$109.40
History Center Library **	\$30.00	\$50.10	\$55.65	\$57.15	\$58.60	\$59.80
Hospital **	\$55.00	\$91.70	\$101.85	\$104.60	\$107.20	\$109.40

*Add commercial metered rate.

**Add residential metered rate.

COMMERCIAL METERED RATE MULTI-SMALL BUSINESS, COMMERCIAL CLASS 1 AND 2 ONLY						
METER (GAL)	CURRENT BASE RATE	Oct. 15, 2014	July 1, 2015	July 1, 2016	July 1, 2017	July 1, 2018
1-10,000	\$1.60	\$1.95	\$2.75	\$2.85	\$2.95	\$3.05
10,001-15,000	\$2.20	\$2.70	\$3.75	\$3.90	\$4.00	\$4.15
15,001-20,000	\$2.80	\$3.40	\$4.80	\$4.95	\$5.10	\$5.25
20,001-25,000	\$3.24	\$3.95	\$5.55	\$5.75	\$5.90	\$6.10
25,001 +	\$3.70	\$4.50	\$6.30	\$6.55	\$6.75	\$6.95

TABLE 3 WATER RATES COMMERCIAL (MOTEL)					
	BASE RATE	1-3,000 Gallons	3,001-6,000 Gallons	6,001-9,000 Gallons	9,001 + Gallons
Current	\$4.00	\$1.80	\$2.50	\$3.50	\$5.00
Proposed		Per 1,000 Gal	Per 1,000 Gal	Per 1,000 Gal	Per 1,000 Gal
Oct. 15, 2014	\$6.70	\$2.20	\$3.05	\$4.25	\$6.10
July 1, 2015	\$7.40	\$3.10	\$4.30	\$6.00	\$8.55
July 1, 2016	\$7.60	\$3.20	\$4.40	\$6.20	\$8.85
July 1, 2017	\$7.80	\$3.30	\$4.55	\$6.35	\$9.10
July 1, 2018	\$7.95	\$3.40	\$4.70	\$6.55	\$9.40

TABLE 4 SEWER RATES						
	CURRENT BASE RATE	PROPOSED				
		Oct. 15, 2014	July 1, 2015	July 1, 2016	July 1, 2017	July 1, 2018
Residential Per Unit	\$21.00	\$29.00	\$40.00	\$46.00	\$47.50	\$48.50
Multi-Family Residence Per Unit	\$17.00	\$23.00	\$32.00	\$37.00	\$38.00	\$39.00
Residential Mobile Home	\$17.50	\$29.00	\$40.00	\$46.00	\$47.50	\$48.50
Commercial Unassigned	\$12.00	\$29.00	\$40.00	\$46.00	\$47.50	\$48.50
Commercial #A	\$12.00	\$29.00	\$40.00	\$46.00	\$47.50	\$48.50
Commercial #B	\$12.00	\$69.00	\$95.50	\$111.00	\$113.50	\$116.50
Commercial #C	\$49.00	\$188.00	\$260.50	\$302.00	\$309.50	\$316.50
Commercial #D	\$120.00	\$219.00	\$304.00	\$352.00	\$361.00	\$369.50
Commercial #E	\$350.00	\$581.50	\$807.00	\$935.50	\$959.00	\$981.00
Motels Per Unit	\$14.00	\$19.50	\$27.00	\$31.00	\$32.00	\$32.50
Hospital	\$450.00	\$664.50	\$922.00	\$1,068.50	\$1,095.00	\$1,121.00
Institutional	\$180.00	\$625.50	\$867.50	\$1,005.50	\$1,031.00	\$1,055.00

5. Public Hearing Process and Determination of a Majority Protest:

At the time and place shown in paragraph 1 of this notice, the Board will hear and consider all objections and protests, if any, verify all written protests to the proposed rate increases and other matters described in the Report and in this notice and will listen to and consider all objections and challenges, if any, to the proposed rate increases. The Board may continue the public hearing. The Board will not consider written protests submitted after the conclusion of the public hearing. Both the owner of the parcel and the person receiving service for which the fee is charged may submit a written protest. Only one protest per parcel is counted. The written protest must include: (1) your original signature; (2) identification of the parcel by parcel number or street address; (3) identification as the owner of the parcel or person receiving the service for which the fee is charged; and (4) your statement that protests the increase in the fee. Written protests may be mailed to: Mariposa Public Utility District, P.O. Box 494 Mariposa, CA 95338, Attention: General Manager. Written protests are not accepted by email or facsimile. If sufficient written protests against the proposed rate increases are presented and not withdrawn by a majority of the record owners or persons receiving service for the parcels subject to the increased rates, the District may not impose the increased rates; rather, the rates for water and sewer services would continue at the current amounts, which had been previously approved. If at the close of the public hearing, there is no majority protest as described above, the Board

may approve the rate increases as proposed to be effective beginning on October 15, 2014, July 1, 2015, July 1, 2016, July 1, 2017, and July 1, 2018.

6. Preserving the Right to Challenge:

Any person who wants to preserve the opportunity to file a lawsuit or legal action challenging the proposed rate increases for water and sewer services, or other matters described in the report or in this notice, must file a written protest with the Board, stating the specific grounds of the protest. Any grounds not stated in a written protest filed with the Board before the close of the protest hearing on October 7, 2014, will be deemed waived and may not be raised in any subsequent lawsuit or legal action.

7. Contact Information:

For information and answers to questions about the proposed increase in rates for water and sewer services, contact Mark Rowney, General Manager, Mariposa Public Utility District at (209) 966-2515.

MARIPOSA PUBLIC UTILITY DISTRICT BY



Mark Rowney, General Manager

ADDITIONAL INFORMATION

The Mariposa Public Utility District has not adjusted utility rates for public water and wastewater services since December 11, 2001. Since that date there has been considerable increases in operating costs including regulatory permitting, system monitoring requirements, energy cost, drinking water quality requirements and wastewater discharge requirements to name a few.

Some significant increase costs since December 2001 include:

- Wastewater treatment facility discharge permits through the Regional Water Quality Control Board (RWQCB) with additional monitoring and more restrictive water quality requirements have been amended in 2007 and 2014. The current permit requires the District to install filtration, alternative disinfection systems and nitrate removal process by December of 2017 at an estimated cost of \$7,300,000. This permit annual fee was \$2,000 in 2001 and is currently \$4,286.
- Laboratory certification under the California Department of Public Health (CDPH) Environmental Laboratory Accreditation Program (ELAP) annual fee is currently \$2,811. In addition there have been several analysis method changes requiring new equipment and additional staff time.
- California Division of Safety of Dams (Stockton Creek Dam) annual fee in 2001 was \$2,264 increasing to \$13,264 in 2014.
- New permit required in 2002 through The State Water Resources Control Board (SWRCB) to operate a wastewater collection system (sewer) (separate from the sewer treatment permits) annual fee of \$1,940. This permit requires a significant amount of staff time in reporting and plan preparation just for the operation of the sewer collection mains.
- Energy (electricity) cost from 2001 to 2014 for the water and wastewater treatment facilities has increased 78%. PG&E has increased the energy charges for the Saxon Creek Pump station two times since February 2014. The per month demand charge per kilowatt (kW) has increased from \$2.55 in 2001 to \$6.17 in 2014 (each pump motor demand is 800 kW). The overall energy cost for Saxon Creek project has more than doubled since the system was first operated in 1997.

The District has been planning and implementing infrastructure improvements to develop the reliability and service of the water and sewer systems since the last rate increase, including:

1. Construction of a new water treatment facility. The facility includes a solids contact clarifier, ultrafiltration membranes supplied by Siemens Memcor, Granular Activated Carbon (GAC) Filters, new chemical feed systems, emergency electrical power generator and computerized control systems. The facility increases available treatment capacity from 650,000 to 1,000,000 gallons per day. The cost of the facility is \$4,750,000 funded through grants from the California State Revolving Fund and Proposition 50 funding programs. The facility was placed in service July 2013. The District has been approved to

utilize additional grant funds up to \$250,000 from the Proposition 50 funding program, to replace the paint coatings on the 1,000,000 gallon storage tank at the water treatment facility. This project is scheduled for Fiscal Year 2014-2015.

2. The District has received a Grant in the Amount of \$181,000 from USDA Rural Development Emergency Water Assistance Grant program to restore an existing water well back to service and acquire an additional well. These wells will be used to augment the water supply through the current drought and unplanned water right curtailments issued by the California State Water Resources Control Board. These projects will be completed during the 2013 2014 fiscal year.
3. The District with assistance from the Sierra Foothill Conservancy, received a grant from the California Proposition 84 funding program through the Sierra Nevada Conservancy in the amount of \$1,000,000 to acquire 410 acres of land adjacent to the Stockton Creek Reservoir. The acquisition will allow the District to better monitor and maintain water quality in the watershed. The project also included opening over 4 miles of trails for public use in the Stockton Creek watershed.
4. With a grant in the amount of \$110,000 through Cal Fire Proposition 50 funding program the District contracted with a local contractor to start a vegetation management project in the Stockton Creek Watershed. The project included mastication of brush and small trees on 160 acres of land to improve runoff and reduce the risk of catastrophic fire.
5. In 2003 and 2004, the District replaced 17,000 feet of failing water mains, 36 fire hydrants and 170 water service connections originally installed in 1952. The project reduced the annual water loss from over 30% of treated water to less than 5%. The project cost was \$2,000,000 funded through a grant from the California Department of Water Resources.

The sewer rate information provided by the District includes a proposed change in the user class definitions from the current rate structure to present more of a proportionate spread of the actual historical demand and potential impact on the public sewer system. This was determined by reviewing historical use data of non-residential water use records from the 2010 and 2012 water consumption during periods when minimum outside water use is expected. The District staff will still need to inventory structures when a significant change in occupancy is proposed by the property owner that results in increased public sewer service demand such as when office or retail area is converted to a commercial food preparation facility. From the historical billing records the District Staff has prepared the following description of public sewer customer demand categories.

SEWER

Residential:

Any structure with an occupancy that is residential use only, with a non-commercial kitchen, will be charged the residential fixed rate.

Any structure with multiple residential occupancies with non-commercial kitchens will be charged the residential fixed rate multiplied by the number of single family residential units in the structure.

Commercial Rate #A:

Structure occupancies, with no commercial kitchen, including retail space, office space, automotive repair, medical office, and public use gyms. Structure area is less than 3,000 sq. ft. Warehouses less than 10,000 sq. ft.

Commercial Rate #B:

Structure occupancies, with no commercial kitchen, that include retail space, office space, automotive repair, medical office, and public use gyms. Structure area is between 3,000 sq. ft. and 7,000 sq. ft.

Commercial Rate #C:

Structure occupancies, that include retail space, office space, automotive repair, medical office, public use gyms. Structure area is between 7,001 sq. ft. and 12,000 sq. ft. and restaurants less than 7,000 sq. ft.

Commercial Rate #D:

Structure occupancies, that include retail space, office space, automotive repair, medical office, public use gyms. Structure area is between 12,001 sq. ft. and 24,000 sq. ft. Restaurants over 7,000 sq. ft.

Commercial Rate #E:

Structure occupancies, with no commercial kitchen, that include retail space, office space, automotive repair, medical office, and public use gyms. Structure area is over 24,001 sq. ft. and Laundromats.

Motels:

Any structure designed as a transient occupancy facility with no commercial kitchen will be charged the base rate per unit multiplied by the number of motel units within the structure.

Institutional:

Adult detention facilities, schools, Cal Fire and other high sewer demand facilities.

Hospital

Specifically the John C. Fremont Hospital facility including the long term care annex.

Adjacent Utilities Comparisons		
Residential Water Use, 10,000 gallons		
	<u>2014 Water Rate</u>	<u>2014 Sewer Rate</u>
Mariposa Public Utility District	\$44.15	\$29.00
Groveland	\$86.68	\$69.80
Coulterville	\$42.50	\$56.00
Tuolumne	\$55.72	\$35.59
Hillview	\$72.85	

EXHIBIT B

TABLE 4 SEWER RATES						
	CURRENT BASE RATE	PROPOSED				
		Oct. 15, 2014	July 1, 2015	July 1, 2016	July 1, 2017	July 1, 2018
Commercial #E	\$350.00	\$465.00	\$645.50	\$748.00	\$767.00	\$785.00

Untreated Irrigation

	Current	2014	2015	2016	2017	2018
Base Rate	\$50.00	\$58.40	\$64.85	\$66.60	\$68.25	\$69.65
Metered per 1,000	\$0.95	\$1.20	\$1.60	\$1.70	\$1.80	\$1.90

