

**DRAFT Minutes for County Service Area Advisory Meeting
January 22, 2013, 6 PM
Wild Wings Nest**

CALL TO ORDER

The meeting was called to order by Georgia Cochran. Committee members present were Scott Picanso and Midge Schubert. Yitzhak Gilon, from California American Water was present along with Regina Espinosa from Yolo County, and Supervisor Matt Rexroad.

PUBLIC COMMENTS

There was a comment that a hydrant is leaking in the neighborhood. Gilon said that he would look into it. The CalAm operations schedule was provided for the next calendar year.

MINUTES

Motion to approve minutes (Schubert) Second (Picanso). Minutes approved without correction.

OLD BUSINESS

1. California American Water Contract Extension- Espinoza reported that the Board of Supervisors has authorized the contract extension for an additional year due to the timing of the Prop. 218 processes and the valuation outcome. RFP and Bid processes are expensive and so the extension will save the CSA the cost of going out to Bid this fiscal year. There is one change in the contract due to legal overtime labor requirements. The cost will be \$431 per month as described by Andy Soule in correspondence with the County. Other than this item the Contract will continue to be the same.
2. Odor Issue Update – Correspondence – Espinoza said that there was email correspondence with the YS Air Quality Control District in which the District noted that there had been fewer odor concerns reported to the District. The District agreed to alert the County staff should there be additional logs of odor reports in the coming months. The Air District also communicated that there would be a settlement letter sent to the CSA staff. This settlement letter should arrive shortly and would give the CSA an opportunity to respond to the financial penalty of the odor nuisance citation. Espinoza said that once this correspondence is received she would communicate that to the CSA Advisory Committee and staff/counsel would respond to the YSAQMD. It is not clear what that financial penalty will be.

NEW BUSINESS

3. Budget Review –Fiscal Issues, Rate Increase Analysis, Prop. 218 Timeline/Procedure- Espinoza Noted that she had been working with the Financial Subcommittee (members: Cochran and Schubert) on the rate increase analysis provided to the advisory committee. Schubert discussed that from a financial perspective the packet provided was complete and included all necessary information to adequately show the need for a fee increase for

both the water and sewer funds. Espinoza discussed the process of the Prop. 218 and said that there would be another CSA meeting to discuss the rate increase final amount once reviewed by the necessary third party. In most cases a third party consultant must review or prepare the engineering study. This is expensive and can cost many thousands of dollars. There is an expectation that because the financial analysis was thoroughly conducted the cost to review and evaluate the fees and necessary increases would be less than typical. This will be the first Prop. 218 to increase fees in Wild Wings CSA. The CSA has been able to pay for services without increasing fees until now that it has been absolutely necessary. The increase was discussed previously, however now that the reserves are being underfunded due to cost of service increase as well as operations costs increasing it is necessary to reevaluate the fees. The CSA continues to be solvent however equipment is going to need to be replaced in the coming year and necessary costs will be addressed. Odor mitigation was unexpected and yet an expense that is being incurred. There were questions such as if the Golf Course was included in the Prop. 218. The answer is that this is a residential fee increase and does not affect Recreations or Commercial. There was a question if the \$241 for water treatment (arsenic) mitigation was included. It was discussed that the \$241 was noted in the total fee for water. The \$241 will stay the same as was passed in 2004.

FUTURE AGENDA ITEMS:

Next meeting TBD.

1. Prop. 218 Fee Increase
2. Odor Issue - Correspondence

The meeting was adjourned.
Abbreviated Financial Overview Attached.

WW CSA Water/Sewer - Restricted Funds

Restricted Funds Required June 30, 2013 :

Water	\$ 829,300
Sewer	\$ 422,700
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Total Required for 100% Funding	\$ 1,252,000

Restricted Funds Actual Projected June 30, 2013 :

Water	\$ 280,400
Sewer	\$ 498,000
Plus: FY 2014 Golf Course Debt Payment	\$ 75,000
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Total Actual Available	\$ 853,400

Total Cash Shortfall	\$ 398,600
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WW CSA Water - Revenue Increase Option

Resident Assessment \$350 for 3 years (FY 2014 - 2016)

\$ 353,850

WW CSA Water - Production (Gallons)

Pintail Well	92,622,700
Canvas Back Well	<u>61,425,900</u>
Total Annual Production - FY 2012	154,048,600

WW CSA Water - Cost Per 100 Gallons

Average (4 year) Operating Cost Per 100 gallons	\$ 0.26
Plus Annual Restricted Funding	<u>\$ 0.06</u>
Total Annual Cost	\$ 0.32

WW CSA Water - Revenue Per 100 Gallons

Base Line - Golf Course	\$ 0.25
Base Line - Residents	<u>\$ 0.17</u>
Total Average Base Line Revenue	\$ 0.20

CSA Water - Cash Shortfall

Average Annual Cash Shortfall (Incl. Int. Inc + Penalty Fees)	\$ 166,000
Plus Cal Am Union Increase effective April 2013	\$ 23,000
<i>Total Annual Cash Shortage</i>	\$ 189,000

CSA Water - Revenue Increase Options

Resident Base Rate Increase \$486 to \$875	\$ 131,093
Overuse Rate \$.06/100 gallons to \$.30/100 gallons	\$ 54,000
<i>Total Annual Revenue Increase</i>	\$ 185,093

CSA Sewer - Cash Shortfall

Average Annual Cash Shortfall (Incl. Int. Inc)	\$ 50,800
Plus Cal Am Chemical Cost for Odor Treatment	<u>\$ 7,000</u>
Total Annual Cash Shortage	\$ 57,800

CSA Sewer - Revenue Increase Options

Resident Base Rate Increase \$1079 to \$1250	\$ 57,627
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