

BOARD OF SUPERVISORS
Yolo County, California

Meeting Date: July 9, 2019

To: CAO ✓
Fin. Svcs ✓

24.

Hold a Proposition 218 public hearing, tabulate protest and, if no majority protest exists, adopt resolutions approving changes in the property-related fees for sewer and water operations services for future fiscal years for the El Macero County Service Area. (No general fund impact) (Nunes/Gabor)

Minute Order No. 19-98: Held Proposition 218 public hearing and approved recommended action by **Resolution Nos. 19-96 and 19-97.**

MOVED BY: Provenza / SECONDED By: Sandy
AYES: Sandy, Provenza, Chamberlain, Villegas, Saylor
NOES: None
ABSTAIN: None
ABSENT: None



County of Yolo

www.yolocounty.org

To: The Chair and Members of the Board of Supervisors

Time Set # 24.

Board of Supervisors

Meeting Date: 07/09/2019

Brief Title: El Macero CSA Prop 218 Proceedings

From: Mindi Nunes, Assistant County Administrator

Staff Contact: Beth Gabor, Manager of Operations & Strategy, County Administrator's Office, x8042

Subject

Hold a Proposition 218 public hearing, tabulate protest and, if no majority protest exists, adopt resolutions approving changes in the property-related fees for sewer and water operations services for future fiscal years for the El Macero County Service Area. (No general fund impact) (Nunes/Gabor)

Recommended Action

- A. Hold a Proposition 218 public hearing, direct staff to tabulate protests; and
- B. If no majority protest exists, adopt resolution approving a change in the fee for sewer service for future fiscal years for the El Macero County Service Area (CSA); and
- C. If no majority protest exists, adopt resolution approving a change in the fee for water operations service for future fiscal years for the El Macero CSA; and
- D. Direct the Clerk of the Board to forward certified copies of the resolutions to the Department of Financial Services.

Strategic Plan Goal(s)

Operational Excellence

Reason for Recommended Action/Background

The El Macero County Service Area (CSA) levies a sewer fee and a water operations fee to provide sources of funding for sewer and water operation services in El Macero that the CSA would not otherwise be able to fund, and which were calculated in order to appropriately spread applicable costs amongst users according to the cost of providing service to that user. Periodically, the charges for CSA services should be re-examined to

determine whether the revenue being collected covers all the costs related to providing the service, and builds adequate reserves if necessary. When a change in the fee is warranted, Proposition 218 proceedings are conducted.

Sewer Charge

The El Macero CSA provides sewer services through contract with the City of Davis. The CSA's sewer rate, which has been charged equally to all occupied residential parcels, at a reduced rate to property owners of vacant lots and at a higher rate to the El Macero Country Club, was last revised in 2005 as sewer-related expenses were outpacing CSA revenue.

In 2015, the County entered into a settlement agreement with the City of Davis which identified the method in which the City would charge El Macero CSA for sewer service in El Macero, including different rates for single-family residences vs. condos vs. commercial (the El Macero Country Club), and at no charge for vacant lots. As such, the proposed CSA sewer charge takes into account these variances in how the City charges the entire CSA for sewer service, and then the CSA sewer charge is distributed within these categories. The proposed rate changes also includes the cost of CSA administration related to sewer service. More detail on the annual cost of sewer service is available in the attached public notice.

The current and proposed amounts chargeable per year to each owner's parcel are provided below. If approved, these charges will be collected annually on the property tax roll as maximum rates until the El Macero CSA determines that the fee requires further adjustment or is no longer necessary.

Proposed El Macero CSA Sewer Fees

Fee Type	Number of Parcels in the CSA	Current 2018-19 Fee	Proposed 2019-20 Fee	Total 2019-20 Revenue
Sewer Charge – Single Family Parcel	403	\$596	\$516.50	\$208,150
Sewer Charge – Condos	37	\$596	\$371	\$13,727
Sewer Charge – El Macero Country Club	1	\$11,912	\$6,865	\$6,865
Sewer Charge – Vacant Lot	7	\$429	\$0	\$0
Total amount of charge against all parcels in the CSA				\$228,742

Note: Beginning on July 1, 2020 and ending on June 30, 2025, rates shall increase by no more than the Consumer Price Index (CPI-W and CPI-U) for the San Francisco-Oakland-San Jose, CA area for the most recent February to February as compiled by the Bureau of Labor Statistics.

Water Operations Charge

The water operations charge covers the costs related to providing water services to El Macero, above and beyond the City of Davis' costs for potable water which are passed through to El Macero residents. The CSA proposes to maintain Well EM-3 for current irrigation needs and possible future uses. The proposed water operations fee is partially based on the March 2019 Well Asset Management Report, as well as Well Use Agreement 16-184 with the El Macero Country Club which obligates the Club to regularly operate the well and the use of existing fund balance for replacement costs. The proposed water operations fee also considers Water Use Agreement No. 16-182 with the Club which provides non-potable water to the CSA for CSA purposes and CSA administration costs related to providing all water services. More detail on the annual cost of water operations service is available in the attached public notice.

Proposed El Macero CSA Water Operations Fees

The current and proposed amounts chargeable per year to each owner's parcel are provided below. As all properties receive the same benefit from services related to the water operations, the proposed fee will be the same for all properties. If approved, these charges will be collected annually on the property tax roll as maximum rates until the El Macero CSA determines that the fee requires further adjustment or is no longer necessary.

Fee Type	Number of Parcels in the CSA	Current 2018-19 Fee*	Proposed 2019-20 Fee	Total 2019-20 Revenue
Water Operations Charge – Single Family Parcel	403	\$50	\$43	\$17,329
Water Operations Charge – Condos	37	\$50	\$43	\$1,591
Water Operations Charge – Country Club	1	\$1,000	\$43	\$43
Water Operations Charge – Vacant Lot	7	\$33	\$43	\$301
Total amount of charge against all parcels in the CSA				\$19,264

* The current water operations charge was set in 1997.

Note: Beginning on July 1, 2020 and ending on June 30, 2025, rates shall increase by no more than the Consumer Price Index (CPI-W and CPI-U) for the San Francisco-Oakland-San Jose, CA area for the most recent February to February as compiled by the Bureau of Labor Statistics.

Collaborations (including Board advisory groups and external partner agencies)
El Macero CSA Advisory Committee, Department of Financial Services, County Counsel

Competitive Bid Process

Not applicable.

Fiscal Information

Fiscal impact (see budgetary detail below)

Fiscal Impact of this Expenditure

Total cost of recommended action

Amount budgeted for expenditure

Additional expenditure authority needed \$0

On-going commitment (annual cost)

Source of Funds for this Expenditure

General Fund \$0

Further explanation as needed

All fees collected go toward sewer and water operations in the El Macero CSA.

Attachments

Att. A. Sewer Charge Resolution

Att. B. Water Operations Charge Resolution

Form Review

Inbox	Reviewed By	Date
Beth Gabor (Originator)	Beth Gabor	06/12/2019 02:07 PM
Mindi Nunes	Mindi Nunes	06/13/2019 11:45 AM
Elisa Sabatini	Elisa Sabatini	06/17/2019 09:41 AM
Financial Services	Tom Haynes	06/17/2019 02:22 PM
County Counsel	Carrie Scarlata	06/18/2019 01:05 PM
Form Started By: Beth Gabor		Started On: 03/07/2019 01:26 PM
Final Approval Date: 06/18/2019		

JUL 11 2019

BY Julie Rachte
DEPUTY CLERK OF THE BOARD

Resolution No. 19-96

**RESOLUTION APPROVING CHANGES IN THE FEE FOR SEWER SERVICE
IN THE EL MACERO COUNTY SERVICE AREA**

WHEREAS, this Board of Supervisors ("Board") is authorized by Government Code section 25210 et seq. to provide sewer service in the El Macero County Service Area (CSA) and to levy charges to pay for that service; and

WHEREAS, any increase in fees and charges for property-related service must comply with the procedural and substantive requirements of Article XIII.D, section 6, of the California Constitution, which was enacted by the California Voters in 1996 as part of Proposition 218; and

WHEREAS, on May 21, 2019, the Board authorized staff to provide notice of a proposed changes in sewer fees and the date, time and location of a public hearing on the proposal, all in compliance with the substantive and procedural requirements of Proposition 218 and other relevant laws; and

WHEREAS, in compliance with the substantive and procedural requirements of Proposition 218 and other relevant laws, staff mailed a notice to each property owner in the CSA of the proposed fee changes, which notice contained the date, time and place of the public meeting; a general explanation of the matter to be considered; the amount of the fees proposed to be imposed upon each parcel, the basis upon which the amount of the proposed fees were calculated, and the reason for the fees; and stated that a detailed fee analysis concerning the proposed fee changes, including the cost or estimated cost of providing the services for which each fee is proposed to be charged, the revenue sources anticipated to provide the services (including general fund revenues), and the basis of the allocation of the cost of the services, was available for review at www.yolocounty.org/El-Macero-CSA; and

WHEREAS, on July 9, 2019, the Board conducted a noticed public hearing to consider the proposed fee changes at the time and place specified in the notice; and

WHEREAS, at the hearing, this Board reviewed and considered the proposed fee changes, all supporting information, including but not limited to the data described above, any protests against the proposal, any other information in support of or in opposition to the proposal, and all other relevant information presented as prescribed by law; and

WHEREAS, at that time, an opportunity was given to all interested persons, organizations and agencies to present oral or written testimony and other information concerning the proposed fees and all related matters; and

WHEREAS, the public hearing was thereafter closed; and

WHEREAS, 3 written protest(s) had been filed with the Clerk of the Board

WHEREAS, the Board has caused the protests submitted and not withdrawn to be calculated and finds that a majority protest does not exist.

NOW THEREFORE BE IT RESOLVED, ORDERED AND FOUND by the Board of Supervisors of the County of Yolo as follows:

1. Each of the foregoing recitals is true and correct.

2. There are 448 parcels subject to the proposed sewer service fee changes; the protest is therefore not sufficient to constitute a majority protest.
3. This Board of Supervisors hereby adopts the Notice to El Macero County Service Area Property Owners of Proposed Sewer and Water Operations Rate Changes and Public Hearing (Notice), which is attached to and incorporated into this resolution as Exhibit "A" by this reference.
4. Based upon the foregoing, this Board is authorized to levy and collect the revised fees for sewer service on an ongoing basis, year by year, as is stated in the Notice on a per parcel basis. Sewer fees are charged by the set rate structure shown in the Notice per year, starting in fiscal year 2019-20. Thereafter, the fees shall be increased annually as needed by not more than the Consumer Price Index (CPI-W and CPI-U) for the San Francisco-Oakland-San Jose, CA area for the most recent February to February as compiled by the Bureau of Labor Statistics.
5. Based upon the foregoing, this Board hereby levies the fees for sewer service on parcels lying within the El Macero CSA on an ongoing basis, year by year, in the amounts set forth in the Notice attached as Exhibit "A", to be adjusted annually by the approved increases herein.
6. This Board further finds that each of the following is true and correct:
 - A. Each fee imposed herein is a levy other than an ad valorem tax, a special tax or an assessment, and is imposed upon a parcel or a person as an incident of property ownership consisting of a user fee for sewer service.
 - B. These sewer service fees are for property-related services, having a direct relation to property ownership.
 - C. Revenues derived from the fees imposed herein will not exceed the funds required to provide property-related sewer service in the El Macero CSA.
 - D. The revenues derived from the fees will not be used for any other purpose other than that for which the fee is imposed.
 - E. The fee imposed herein does not exceed the proportional cost of services attributable to each parcel.
 - F. No fees are imposed unless sewer service is actually used by, or immediately available to, the owner of the property in question. No fee is imposed on the basis of a mere potential of future use of service.
 - G. No fees are imposed for any general governmental service or any service where the service is available to the public at large in substantially the same manner as it is to property owners.
7. This Board further finds that each parcel within the El Macero CSA is one for which sewer service is immediately available and that each such parcel is a parcel of real property receiving said service in the El Macero CSA.

8. It is further ordered that the service fees as levied hereinabove shall be collected at the same time and in the same manner as ordinary County Ad Valorem Taxes are collected and as provided in Chapter 8 of Title 3 of the Yolo County Code.
9. The Clerk of the Board is hereby ordered to forward a certified copy of this resolution to the Department of Financial Services of the County of Yolo which is hereby requested to post said fees to the 2019-20 tax roll of the County.

PASSED AND ADOPTED by the Board of Supervisors of the County of Yolo, State of California, this 9th day of July, 2019, by the following vote:

AYES: **Sandy, Provenza, Chamberlain, Villegas, Saylor**
NOES: **None**
ABSTAIN: **None**
ABSENT: **None**



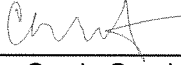
Don Saylor, Chair
Yolo County Board of Supervisors

Attest:
Julie Dachtler, Deputy Clerk
Yolo County Board of Supervisors

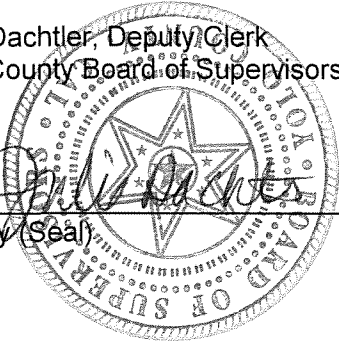
Approved as to Form:
Philip J. Pogledich, County Counsel

By: 

Deputy (Seal)

By: 

Carrie Scarlata
Asst. County Counsel





Yolo County Board of Supervisors
625 Court Street, Room 204
Woodland, CA 95695

EXHIBIT "A"
May 24, 2019

Proposition 218 Notification
NOTICE TO EL MACERO COUNTY SERVICE AREA PROPERTY OWNERS OF
PROPOSED SEWER AND WATER OPERATIONS RATE CHANGES AND PUBLIC HEARING

Hearing Date & Time: July 9, 2019, 9:00 a.m.
Hearing Location: County Administration Building
625 Court Street, Room 206
Woodland, CA 95695

This notice is being provided to you by the Yolo County Board of Supervisors, as the governing body of the El Macero County Service Area (CSA), pursuant to Article XIII.D, section 6 of the California Constitution (also known as Proposition 218). Proposition 218 requires the El Macero CSA to notify property owners of proposed changes to rates for CSA services. This letter serves as notice of the following:

- The CSA is considering changes to the annual property-related sewer and water operations fees for properties in the El Macero CSA. If approved, the new sewer and water operations charges will annually appear on your property tax bill, beginning with the fiscal year 2019-20 property tax bill.
- A public hearing will be held on Tuesday, July 9, 2019 at 9:00 a.m. in the Yolo County Board of Supervisors Chambers to accept public comment and receive written protests on the proposed sewer and water operations fees.
- More information regarding the proposed sewer rate and water operations rate changes is available at: www.YoloCounty.org/El-Macero-CSA.
- Más información sobre los cambios propuestos del costo del drenaje y operaciones de agua, están disponibles en: www.YoloCounty.org/El-Macero-CSA (elija "Translate" ubicado en la esquina superior derecha).
- Более подробная информация относительно предлагаемых изменений тарифов на канализацию и водоснабжение доступна на: www.YoloCounty.org/El-Macero-CSA (выберите "Translate" в правом верхнем углу).

Why are the charges changing?

The CSA levies a sewer fee and a water operations fee to provide sources of funding for sewer and water operation services in El Macero that the CSA would not otherwise be able to fund, and which were calculated in order to appropriately spread applicable costs amongst users according to the cost of providing service to that user. Periodically, the charges for CSA services should be re-examined to determine whether the revenue being collected covers all the costs related to providing the service, and builds adequate reserves if necessary. When a change in the fee is warranted, Proposition 218 proceedings are conducted. Prop. 218 imposes certain requirements before local entities can impose property-related fees, such as the requirement of public notice of the proposed fee change and how a property owner can support or oppose the charge.

The current sewer charge was set in 2005 and the current water operations charge was set in 1997. The basis for the proposed sewer fee and water operations fee changes are described below. All documents referenced below are available at www.YoloCounty.org/El-Macero-CSA and are on file with the Clerk of the Board at 625 Court Street, Room 204, Woodland, California.

Proposed Sewer Charge

The El Macero CSA provides sewer services through contract with the City of Davis. The CSA's sewer rate, which has been charged equally to all occupied residential parcels, at a reduced rate to property owners of vacant lots and at a higher rate to the El Macero Country Club, was last revised in 2005 as sewer-related expenses were outpacing CSA revenue.

In 2015, the County entered into a settlement agreement with the City of Davis which identified the method by which the City would charge the El Macero CSA for sewer service, including different rates for single-family residences vs. condos vs. commercial (the El Macero Country Club), and at no charge for vacant lots. As such, the proposed CSA sewer charge takes into account these variances in how the City charges the entire CSA for sewer service, and then the CSA sewer charge is distributed within these categories. For example, on average, 91% of the City bill to the CSA for sewer service is for service to single-family residences. As such, 91% of the estimated revenue required for sewer service in El Macero is divided equally among the 403 single family residences within the CSA. The proposed rate change also considers the cost of CSA administration related to sewer service.

Estimated Total Annual El Macero CSA Costs for Sewer Service

Sewer Service Description	Annual Cost
City Sewer Service	\$226,600
CSA Administration Related to Sewer Service	\$2,142
Total amount of charge against the CSA	\$228,742

Proposed El Macero CSA Sewer Fees

The current and proposed amounts chargeable per year to each owner's parcel are provided below. If approved, these charges will be collected annually on the property tax roll as maximum rates until the El Macero CSA determines that the fee requires further adjustment or is no longer necessary.

Fee Type	Number of Parcels in the CSA	Current 2018-19 Fee*	Proposed 2019-20 Fee	Total 2019-20 Revenue
Sewer Charge – Single Family Parcel	403	\$596	\$516.50	\$208,150
Sewer Charge – Condos	37	\$596	\$371	\$13,727
Sewer Charge – El Macero Country Club	1	\$11,912	\$6,865	\$6,865
Sewer Charge – Vacant Lot	7	\$429	\$0	\$0
Total amount of charge against the CSA				\$228,742

* The current sewer charge was set in 2005.

Note: Beginning on July 1, 2020 and ending on June 30, 2025, rates shall increase by no more than the Consumer Price Index (CPI-W and CPI-U) for the San Francisco-Oakland-San Jose, CA area for the most recent February to February as compiled by the Bureau of Labor Statistics.

Proposed Water Operations Charge

The water operations charge covers the costs related to providing water services to El Macero, above and beyond the City of Davis' costs for potable water which are passed through to El Macero residents. The CSA proposes to maintain Well EM-3 for current irrigation needs and possible future uses. The proposed water operations fee is partially based on the March 2019 Well Asset Management Report which recommends a program for maintenance of the well and estimates those costs, as well as replacement costs.

Because regular use of the well supports its long-term health and avoids other maintenance costs, the CSA entered into Well Use Agreement 16-184 with the El Macero Country Club which obligates the Club to regularly operate the well. Under the terms of the agreement, the Club also bears the burden of related energy costs. As such, the labor and energy costs identified in the Well Asset Management Report have been subtracted.

Water Use Agreement No. 16-182 with the El Macero Country Club provides non-potable water to the CSA for CSA purposes, with the current use being irrigation. Per the agreement, the CSA pays the club \$2,400 annually.

A workgroup of El Macero residents considered the recommendations of the Well Asset Management Report and have determined, given that there are alternatives to replacing the well entirely, it is not necessary to plan on a full replacement. Rather, they suggest 50% of the replacement costs be factored into the proposed water charge at this time and further adjustments be considered during future re-examination of the charge and the community's needs. The CSA would then need to use its general funds or money from subsequent Proposition 218 proceedings to finance the remainder of the replacement costs if needed. Additionally, the CSA is estimated to begin fiscal year 2019-20 with a water operations reserve of \$240,000. As such, the annualized replacement costs have been calculated accordingly.

Estimated Well Replacement Costs

	Costs per Well Asset Management Report	Working Group Funding Recommendation	Recalculated Estimated Costs
Well Asset Replacement (32 year life)	\$434,250	50%	\$217,125
Pump/Motor Replacement (20 year life)	\$74,590	100%	\$74,590
Misc. Replacement Repairs (20 year class)	\$12,000	100%	\$12,000
Total Replacement Costs			\$303,715
Available Water Operations Reserves			(\$240,000)
Remaining Funding Needed over 32 Years			\$63,715

The rate change also considers CSA administration costs related to providing all water services.

Estimated Total Annual El Macero CSA Costs for Water Operations Service

Water Service Description	Annual Cost
Well Asset Management – Annual O&M	\$910
Well Asset Management – Annualized Periodic Costs	\$10,895
Well Asset Management – Annualized Replacement Costs	\$1,991
Irrigation per Water Use Agreement 16-182	\$2,400
CSA Administration Related to Water Service	\$3,060
Total amount of charge against the CSA	\$19,256

Proposed El Macero CSA Water Operations Fees

The current and proposed amounts chargeable per year to each owner's parcel are provided below. As all properties receive the same benefit from services related to the water operations, the proposed fee will be the same for all properties. If approved, these charges will be collected annually on the property tax roll as maximum rates until the El Macero CSA determines that the fee requires further adjustment or is no longer necessary.

Fee Type	Number of Parcels in the CSA	Current 2018-19 Fee*	Proposed 2019-20 Fee	Total 2019-20 Revenue
Water Operations Charge – Single Family Parcel	403	\$50	\$43	\$17,329
Water Operations Charge – Condos	37	\$50	\$43	\$1,591
Water Operations Charge – Country Club	1	\$1,000	\$43	\$43
Water Operations Charge – Vacant Lot	7	\$33	\$43	\$301
Total amount of charge against the CSA				\$19,264

* The current water operations charge was set in 1997.

Note: Beginning on July 1, 2020 and ending on June 30, 2025, rates shall increase by no more than the Consumer Price Index (CPI-W and CPI-U) for the San Francisco-Oakland-San Jose, CA area for the most recent February to February as compiled by the Bureau of Labor Statistics.

How do I participate in the Proposition 218 proceedings?

The Yolo County Board of Supervisors will conduct a public hearing to consider the proposed rate changes on Tuesday, July 9, 2018 at 9:00 a.m. in the Board of Supervisors Chambers, located in the County Administration Building at 625 Court Street, Room 206 in Woodland.

You are invited, but not required, to attend the public hearing and to present oral or written testimony to the Board of Supervisors. At the public hearing, the Board will consider all objections or protests, if any, to the proposed charges. The public hearing may be continued from time to time, if necessary. Protest ballots will not be tabulated before the close of the public comment portion of the public hearing, but ballots will be public records during and after tabulation. A protest ballot may be submitted, changed or withdrawn by the person who submitted the ballot prior to the conclusion of the public testimony on the proposed fee changes at the hearing.

How do the Proposition 218 proceedings work?

Water operations and sewer charges are subject to majority protest proceedings which means, if a majority of all the property owners in the CSA submit written protests against the changes (regardless of the number of votes cast), the CSA cannot institute the new rates.

Any property owner may submit a written protest per parcel, per service. Only one protest ballot per parcel, per service will be counted, even if there are co-owners.

Written protests must include the address of the property (or Assessor's Parcel Number) and your name and signature. You can mail or hand-deliver your protest to the Clerk of the Board of Supervisors at 625 Court Street, Room 204, Woodland, CA 95695 prior to the hearing, or bring it to the hearing on July 9. Protests must be submitted in writing before the conclusion of the public hearing. If you do not want to protest the proposed rates, you do not need to take any action. The protest forms provided below may be used to submit written protests but are not required. Email or FAXed protests will not be accepted.

Sewer Fee Protest Ballot

Sewer charges are subject to majority protest proceedings which means, if a majority of property owners in the CSA submit written protests against the changes (regardless of the number of votes cast), the County cannot institute the new rates. Only one protest ballot per parcel will be counted, even if there are co-owners. This protest ballot can be used to oppose the Sewer fee change. In order to be counted, a written protest from the property owner must be received by the Clerk of the Board at 625 Court Street, Room 204 in Woodland, California 95696 by 9:00 a.m. on Tuesday, July 9, 2019.

El Macero County Service Area Sewer Fee Change Protest Ballot

Protest: I oppose the proposed annual Sewer fee change to \$516.50 per single family residence, \$371 per condo and \$6,865 per commercial property, beginning in fiscal year 2019-20, with a Consumer Price Index adjustment in the subsequent five years.

Ballot declaration: I, the undersigned, declare that I am authorized to cast a protest of the proposed Sewer fee change for the below identified parcel as the owner.

Property address or Assessor's Parcel Number: _____

Signature: _____

Name (printed): _____

Water Operations Fee Protest Ballot

Water Operations charges are subject to majority protest proceedings which means, if a majority of property owners in the CSA submit written protests against the changes (regardless of the number of votes cast), the County cannot institute the new rates. Only one protest ballot per parcel will be counted, even if there are co-owners. This protest ballot can be used to oppose the Water Operations fee change. In order to be counted, a written protest from the property owner must be received by the Clerk of the Board at 625 Court Street, Room 204 in Woodland, California 95696 by 9:00 a.m. on Tuesday, July 9, 2019.

El Macero County Service Area Water Operations Fee Change Protest Ballot

Protest: I oppose the proposed annual Water Operations fee change to \$43 per property, beginning in fiscal year 2019-20, with a Consumer Price Index adjustment in the subsequent five years.

Ballot declaration: I, the undersigned, declare that I am authorized to cast a protest of the proposed Water Operations fee change for the below identified parcel as the owner.

Property address or Assessor's Parcel Number: _____

Signature: _____

Name (printed): _____

JUL: 11 2019

BY Julie Rachtz
DEPUTY CLERK OF THE BOARD

Resolution No. 19-97

**RESOLUTION APPROVING CHANGES IN THE FEE FOR WATER OPERATIONS SERVICE
IN THE EL MACERO COUNTY SERVICE AREA**

WHEREAS, this Board of Supervisors ("Board") is authorized by Government Code section 25210 et seq. to provide water operations service in the El Macero County Service Area (CSA) and to levy charges to pay for that service; and

WHEREAS, any increase in fees and charges for property-related service must comply with the procedural and substantive requirements of Article XIII.D, section 6, of the California Constitution, which was enacted by the California Voters in 1996 as part of Proposition 218; and

WHEREAS, on May 21, 2019, the Board authorized staff to provide notice of a proposed changes in water operations fees and the date, time and location of a public hearing on the proposal, all in compliance with the substantive and procedural requirements of Proposition 218 and other relevant laws; and

WHEREAS, in compliance with the substantive and procedural requirements of Proposition 218 and other relevant laws, staff mailed a notice to each property owner in the CSA of the proposed fee changes, which notice contained the date, time and place of the public meeting; a general explanation of the matter to be considered; the amount of the fees proposed to be imposed upon each parcel, the basis upon which the amount of the proposed fees were calculated, and the reason for the fees; and stated that a detailed fee analysis concerning the proposed fee changes, including the cost or estimated cost of providing the services for which each fee is proposed to be charged, the revenue sources anticipated to provide the services (including general fund revenues), and the basis of the allocation of the cost of the services, was available for review at www.yolocounty.org/El-Macero-CSA; and

WHEREAS, on July 9, 2019, the Board conducted a noticed public hearing to consider the proposed fee changes at the time and place specified in the notice; and

WHEREAS, at the hearing, this Board reviewed and considered the proposed fee changes, all supporting information, including but not limited to the data described above, any protests against the proposal, any other information in support of or in opposition to the proposal, and all other relevant information presented as prescribed by law; and

WHEREAS, at that time, an opportunity was given to all interested persons, organizations and agencies to present oral or written testimony and other information concerning the proposed fees and all related matters; and

WHEREAS, the public hearing was thereafter closed; and

WHEREAS, 4 written protest(s) had been filed with the Clerk of the Board

WHEREAS, the Board has caused the protests submitted and not withdrawn to be calculated and finds that a majority protest does not exist.

NOW THEREFORE BE IT RESOLVED, ORDERED AND FOUND by the Board of Supervisors of the County of Yolo as follows:

1. Each of the foregoing recitals is true and correct.
2. There are 448 parcels subject to the proposed water operations service fee changes; the protest is therefore not sufficient to constitute a majority protest.
3. This Board of Supervisors hereby adopts the Notice to El Macero County Service Area Property Owners of Proposed Sewer and Water Operations Rate Changes and Public Hearing (Notice), which is attached to and incorporated into this resolution as Exhibit "A" by this reference.
4. Based upon the foregoing, this Board is authorized to levy and collect the revised fees for water operations service on an ongoing basis, year by year, as is stated in the Notice on a per parcel basis. Water operations fees are charged by the set rate structure shown in the Notice per year, starting in fiscal year 2019-20. Thereafter, the fees shall be increased annually as needed by not more than the Consumer Price Index (CPI-W and CPI-U) for the San Francisco-Oakland-San Jose, CA area for the most recent February to February as compiled by the Bureau of Labor Statistics.
5. Based upon the foregoing, this Board hereby levies the fees for water operations service on parcels lying within the El Macero CSA on an ongoing basis, year by year, in the amounts set forth in the Notice attached as Exhibit "A", to be adjusted annually by the approved increases herein.
6. This Board further finds that each of the following is true and correct:
 - A. Each fee imposed herein is a levy other than an ad valorem tax, a special tax or an assessment, and is imposed upon a parcel or a person as an incident of property ownership consisting of a user fee for water operations service.
 - B. These water operations service fees are for property-related services, having a direct relation to property ownership.
 - C. Revenues derived from the fees imposed herein will not exceed the funds required to provide property-related water operations service in the El Macero CSA.
 - D. The revenues derived from the fees will not be used for any other purpose other than that for which the fee is imposed.
 - E. The fee imposed herein does not exceed the proportional cost of services attributable to each parcel.
 - F. No fees are imposed unless water operations service is actually used by, or immediately available to, the owner of the property in question. No fee is imposed on the basis of a mere potential of future use of service.
 - G. No fees are imposed for any general governmental service or any service where the service is available to the public at large in substantially the same manner as it is to property owners.

7. This Board further finds that each parcel within the El Macero CSA is one for which water operations service is immediately available and that each such parcel is a parcel of real property receiving said service in the El Macero CSA.
8. It is further ordered that the service fees as levied hereinabove shall be collected at the same time and in the same manner as ordinary County Ad Valorem Taxes are collected and as provided in Chapter 8 of Title 3 of the Yolo County Code.
9. The Clerk of the Board is hereby ordered to forward a certified copy of this resolution to the Department of Financial Services of the County of Yolo which is hereby requested to post said fees to the 2019-20 tax roll of the County.

PASSED AND ADOPTED by the Board of Supervisors of the County of Yolo, State of California, this 9th day of July, 2019, by the following vote:

AYES: **Sandy, Provenza, Chamberlain, Villegas, Saylor**

NOES: **None**

ABSTAIN: **None**

ABSENT: **None**




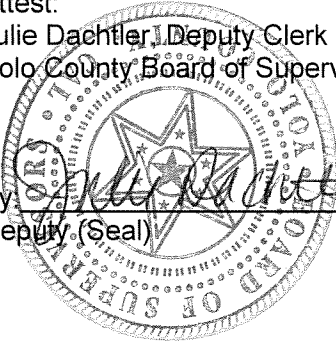
Don Saylor, Chair
Yolo County Board of Supervisors

Attest:
Julie Dachtler, Deputy Clerk
Yolo County Board of Supervisors

Approved as to Form:
Philip J. Pogledich, County Counsel

By: 
Deputy (Seal)

By: 
Carrie Scarlata
Asst. County Counsel





Yolo County Board of Supervisors
625 Court Street, Room 204
Woodland, CA 95695

EXHIBIT "A"
May 24, 2019

Proposition 218 Notification
NOTICE TO EL MACERO COUNTY SERVICE AREA PROPERTY OWNERS OF
PROPOSED SEWER AND WATER OPERATIONS RATE CHANGES AND PUBLIC HEARING

Hearing Date & Time: July 9, 2019, 9:00 a.m.
Hearing Location: County Administration Building
625 Court Street, Room 206
Woodland, CA 95695

This notice is being provided to you by the Yolo County Board of Supervisors, as the governing body of the El Macero County Service Area (CSA), pursuant to Article XIII.D, section 6 of the California Constitution (also known as Proposition 218). Proposition 218 requires the El Macero CSA to notify property owners of proposed changes to rates for CSA services. This letter serves as notice of the following:

- The CSA is considering changes to the annual property-related sewer and water operations fees for properties in the El Macero CSA. If approved, the new sewer and water operations charges will annually appear on your property tax bill, beginning with the fiscal year 2019-20 property tax bill.
- A public hearing will be held on Tuesday, July 9, 2019 at 9:00 a.m. in the Yolo County Board of Supervisors Chambers to accept public comment and receive written protests on the proposed sewer and water operations fees.
- More information regarding the proposed sewer rate and water operations rate changes is available at: www.YoloCounty.org/El-Macero-CSA.
- Más información sobre los cambios propuestos del costo del drenaje y operaciones de agua, están disponibles en: www.YoloCounty.org/El-Macero-CSA (elija "Translate" ubicado en la esquina superior derecha).
- Более подробная информация относительно предлагаемых изменений тарифов на канализацию и водоснабжение доступна на: www.YoloCounty.org/El-Macero-CSA (выберите "Translate" в правом верхнем углу).

Why are the charges changing?

The CSA levies a sewer fee and a water operations fee to provide sources of funding for sewer and water operation services in El Macero that the CSA would not otherwise be able to fund, and which were calculated in order to appropriately spread applicable costs amongst users according to the cost of providing service to that user. Periodically, the charges for CSA services should be re-examined to determine whether the revenue being collected covers all the costs related to providing the service, and builds adequate reserves if necessary. When a change in the fee is warranted, Proposition 218 proceedings are conducted. Prop. 218 imposes certain requirements before local entities can impose property-related fees, such as the requirement of public notice of the proposed fee change and how a property owner can support or oppose the charge.

The current sewer charge was set in 2005 and the current water operations charge was set in 1997. The basis for the proposed sewer fee and water operations fee changes are described below. All documents referenced below are available at www.YoloCounty.org/El-Macero-CSA and are on file with the Clerk of the Board at 625 Court Street, Room 204, Woodland, California.

Proposed Sewer Charge

The El Macero CSA provides sewer services through contract with the City of Davis. The CSA's sewer rate, which has been charged equally to all occupied residential parcels, at a reduced rate to property owners of vacant lots and at a higher rate to the El Macero Country Club, was last revised in 2005 as sewer-related expenses were outpacing CSA revenue.

In 2015, the County entered into a settlement agreement with the City of Davis which identified the method by which the City would charge the El Macero CSA for sewer service, including different rates for single-family residences vs. condos vs. commercial (the El Macero Country Club), and at no charge for vacant lots. As such, the proposed CSA sewer charge takes into account these variances in how the City charges the entire CSA for sewer service, and then the CSA sewer charge is distributed within these categories. For example, on average, 91% of the City bill to the CSA for sewer service is for service to single-family residences. As such, 91% of the estimated revenue required for sewer service in El Macero is divided equally among the 403 single family residences within the CSA. The proposed rate change also considers the cost of CSA administration related to sewer service.

Estimated Total Annual El Macero CSA Costs for Sewer Service

Sewer Service Description	Annual Cost
City Sewer Service	\$226,600
CSA Administration Related to Sewer Service	\$2,142
Total amount of charge against the CSA	\$228,742

Proposed El Macero CSA Sewer Fees

The current and proposed amounts chargeable per year to each owner's parcel are provided below. If approved, these charges will be collected annually on the property tax roll as maximum rates until the El Macero CSA determines that the fee requires further adjustment or is no longer necessary.

Fee Type	Number of Parcels in the CSA	Current 2018-19 Fee*	Proposed 2019-20 Fee	Total 2019-20 Revenue
Sewer Charge – Single Family Parcel	403	\$596	\$516.50	\$208,150
Sewer Charge – Condos	37	\$596	\$371	\$13,727
Sewer Charge – El Macero Country Club	1	\$11,912	\$6,865	\$6,865
Sewer Charge – Vacant Lot	7	\$429	\$0	\$0
Total amount of charge against the CSA				\$228,742

* The current sewer charge was set in 2005.

Note: Beginning on July 1, 2020 and ending on June 30, 2025, rates shall increase by no more than the Consumer Price Index (CPI-W and CPI-U) for the San Francisco-Oakland-San Jose, CA area for the most recent February to February as compiled by the Bureau of Labor Statistics.

Proposed Water Operations Charge

The water operations charge covers the costs related to providing water services to El Macero, above and beyond the City of Davis' costs for potable water which are passed through to El Macero residents. The CSA proposes to maintain Well EM-3 for current irrigation needs and possible future uses. The proposed water operations fee is partially based on the March 2019 Well Asset Management Report which recommends a program for maintenance of the well and estimates those costs, as well as replacement costs.

Because regular use of the well supports its long-term health and avoids other maintenance costs, the CSA entered into Well Use Agreement 16-184 with the El Macero Country Club which obligates the Club to regularly operate the well. Under the terms of the agreement, the Club also bears the burden of related energy costs. As such, the labor and energy costs identified in the Well Asset Management Report have been subtracted.

Water Use Agreement No. 16-182 with the El Macero Country Club provides non-potable water to the CSA for CSA purposes, with the current use being irrigation. Per the agreement, the CSA pays the club \$2,400 annually.

A workgroup of El Macero residents considered the recommendations of the Well Asset Management Report and have determined, given that there are alternatives to replacing the well entirely, it is not necessary to plan on a full replacement. Rather, they suggest 50% of the replacement costs be factored into the proposed water charge at this time and further adjustments be considered during future re-examination of the charge and the community's needs. The CSA would then need to use its general funds or money from subsequent Proposition 218 proceedings to finance the remainder of the replacement costs if needed. Additionally, the CSA is estimated to begin fiscal year 2019-20 with a water operations reserve of \$240,000. As such, the annualized replacement costs have been calculated accordingly.

Estimated Well Replacement Costs

	Costs per Well Asset Management Report	Working Group Funding Recommendation	Recalculated Estimated Costs
Well Asset Replacement (32 year life)	\$434,250	50%	\$217,125
Pump/Motor Replacement (20 year life)	\$74,590	100%	\$74,590
Misc. Replacement Repairs (20 year class)	\$12,000	100%	\$12,000
Total Replacement Costs			\$303,715
Available Water Operations Reserves			(\$240,000)
Remaining Funding Needed over 32 Years			\$63,715

The rate change also considers CSA administration costs related to providing all water services.

Estimated Total Annual El Macero CSA Costs for Water Operations Service

Water Service Description	Annual Cost
Well Asset Management – Annual O&M	\$910
Well Asset Management – Annualized Periodic Costs	\$10,895
Well Asset Management – Annualized Replacement Costs	\$1,991
Irrigation per Water Use Agreement 16-182	\$2,400
CSA Administration Related to Water Service	\$3,060
Total amount of charge against the CSA	\$19,256

Proposed El Macero CSA Water Operations Fees

The current and proposed amounts chargeable per year to each owner's parcel are provided below. As all properties receive the same benefit from services related to the water operations, the proposed fee will be the same for all properties. If approved, these charges will be collected annually on the property tax roll as maximum rates until the El Macero CSA determines that the fee requires further adjustment or is no longer necessary.

Fee Type	Number of Parcels in the CSA	Current 2018-19 Fee*	Proposed 2019-20 Fee	Total 2019-20 Revenue
Water Operations Charge – Single Family Parcel	403	\$50	\$43	\$17,329
Water Operations Charge – Condos	37	\$50	\$43	\$1,591
Water Operations Charge – Country Club	1	\$1,000	\$43	\$43
Water Operations Charge – Vacant Lot	7	\$33	\$43	\$301
Total amount of charge against the CSA				\$19,264

* The current water operations charge was set in 1997.

Note: Beginning on July 1, 2020 and ending on June 30, 2025, rates shall increase by no more than the Consumer Price Index (CPI-W and CPI-U) for the San Francisco-Oakland-San Jose, CA area for the most recent February to February as compiled by the Bureau of Labor Statistics.

How do I participate in the Proposition 218 proceedings?

The Yolo County Board of Supervisors will conduct a public hearing to consider the proposed rate changes on Tuesday, July 9, 2018 at 9:00 a.m. in the Board of Supervisors Chambers, located in the County Administration Building at 625 Court Street, Room 206 in Woodland.

You are invited, but not required, to attend the public hearing and to present oral or written testimony to the Board of Supervisors. At the public hearing, the Board will consider all objections or protests, if any, to the proposed charges. The public hearing may be continued from time to time, if necessary. Protest ballots will not be tabulated before the close of the public comment portion of the public hearing, but ballots will be public records during and after tabulation. A protest ballot may be submitted, changed or withdrawn by the person who submitted the ballot prior to the conclusion of the public testimony on the proposed fee changes at the hearing.

How do the Proposition 218 proceedings work?

Water operations and sewer charges are subject to majority protest proceedings which means, if a majority of all the property owners in the CSA submit written protests against the changes (regardless of the number of votes cast), the CSA cannot institute the new rates.

Any property owner may submit a written protest per parcel, per service. Only one protest ballot per parcel, per service will be counted, even if there are co-owners.

Written protests must include the address of the property (or Assessor's Parcel Number) and your name and signature. You can mail or hand-deliver your protest to the Clerk of the Board of Supervisors at 625 Court Street, Room 204, Woodland, CA 95695 prior to the hearing, or bring it to the hearing on July 9. Protests must be submitted in writing before the conclusion of the public hearing. If you do not want to protest the proposed rates, you do not need to take any action. The protest forms provided below may be used to submit written protests but are not required. Email or FAXed protests will not be accepted.

Sewer Fee Protest Ballot

Sewer charges are subject to majority protest proceedings which means, if a majority of property owners in the CSA submit written protests against the changes (regardless of the number of votes cast), the County cannot institute the new rates. Only one protest ballot per parcel will be counted, even if there are co-owners. This protest ballot can be used to oppose the Sewer fee change. In order to be counted, a written protest from the property owner must be received by the Clerk of the Board at 625 Court Street, Room 204 in Woodland, California 95696 by 9:00 a.m. on Tuesday, July 9, 2019.

El Macero County Service Area Sewer Fee Change Protest Ballot

Protest: I oppose the proposed annual Sewer fee change to \$516.50 per single family residence, \$371 per condo and \$6,865 per commercial property, beginning in fiscal year 2019-20, with a Consumer Price Index adjustment in the subsequent five years.

Ballot declaration: I, the undersigned, declare that I am authorized to cast a protest of the proposed Sewer fee change for the below identified parcel as the owner.

Property address or Assessor's Parcel Number: _____

Signature: _____

Name (printed): _____

Water Operations Fee Protest Ballot

Water Operations charges are subject to majority protest proceedings which means, if a majority of property owners in the CSA submit written protests against the changes (regardless of the number of votes cast), the County cannot institute the new rates. Only one protest ballot per parcel will be counted, even if there are co-owners. This protest ballot can be used to oppose the Water Operations fee change. In order to be counted, a written protest from the property owner must be received by the Clerk of the Board at 625 Court Street, Room 204 in Woodland, California 95696 by 9:00 a.m. on Tuesday, July 9, 2019.

El Macero County Service Area Water Operations Fee Change Protest Ballot

Protest: I oppose the proposed annual Water Operations fee change to \$43 per property, beginning in fiscal year 2019-20, with a Consumer Price Index adjustment in the subsequent five years.

Ballot declaration: I, the undersigned, declare that I am authorized to cast a protest of the proposed Water Operations fee change for the below identified parcel as the owner.

Property address or Assessor's Parcel Number: _____

Signature: _____

Name (printed): _____