



COUNTY SERVICE AREA 1 TAMARACK ESTATES

COMMUNITY MEETING

SATURDAY, JUNE 29, 2019

AGENDA

- General Overview/Road Update
- New Water/Wastewater System Operators
- Water/Wastewater System Tour
- Current Financial Status
- System Improvement Funding Options
- Proposed Rate Increase
- Tentative Timeline

WHAT IS A CSA?

- County Service Area (CSA 1 - Tamarack)
- Services:
 - Water
 - Wastewater
 - Snow Removal (CSA 1S)

NEW SYSTEM OPERATORS

■ McMillan Mountain Services

■ Laura & Andrew McMillan

■ Contact Information:

■ Normal Business Hours: (559) 600-4259

■ After Hours/Holidays: (559) 269-2480
(559) 600-3111

NEW SYSTEM OPERATOR COSTS

McMillan Mountain Services

■ Yearly Costs: \$38,400

■ Monthly Costs: \$3,200

Historical Field Staff Costs	
2016	\$32,869
2017	\$35,051
2018	\$41,962
*2019	\$37,770
Average Yearly Costs	\$36,913



QUESTIONS

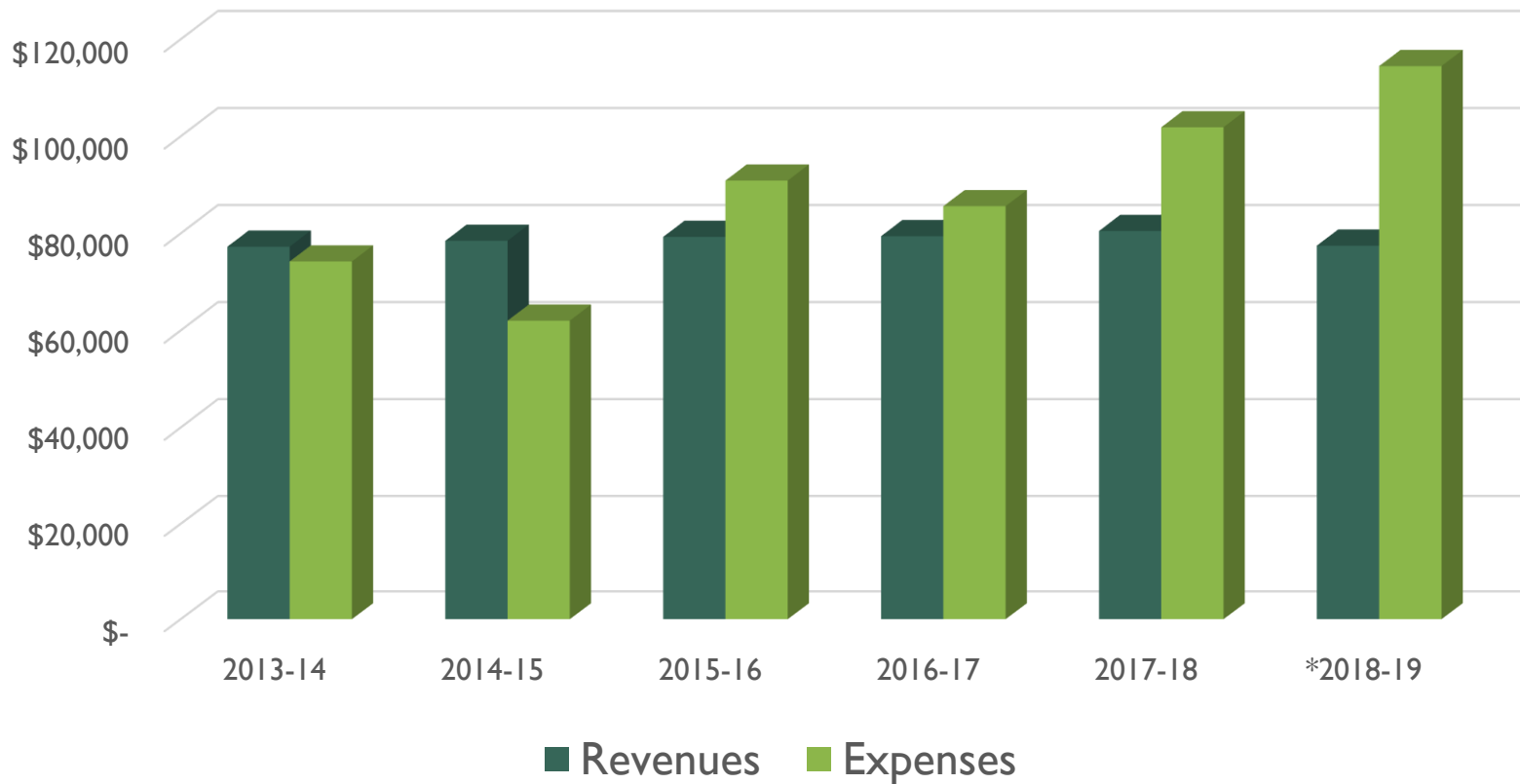
UP NEXT:

- Water/Wastewater System Tour
- Current Financial Status
- System Improvement Funding Options

CURRENT FINANCIAL STATUS

- Last rate adjustment was approved by Board of Supervisors in November 2005
- The approved rates have not provided sufficient revenues to cover actual water/wastewater operating expenses
 - District Expenses have exceeded Revenues for the past 4 years
- Projected year end cash balance for FY 18-19: **\$2,000**
- Projected year end held charges for FY 18-19: **(\$7,000)**

CURRENT FINANCIAL STATUS



*Revenues and Expenses thru May 2019

PROJECTED 19-20 FINANCIAL STATUS

	Estimated 18-19	Budgeted 19-20
General Liability Insurance	\$1,144	\$1,180
Maintenance: Equipment	\$22,716	\$1,087
Maintenance: Buildings/Grounds	\$18,504	\$8,000
Memberships	\$150	\$79
Postage	\$41	\$42
PeopleSoft Financial/HR Software	\$3,074	\$3,166
Professional & Specialized Services	\$64,697	\$72,304
Utilities	\$4,598	\$4,966
Grand Total	\$114,924	\$90,824

PROJECTED FY 19-20 FINANCIAL STATUS

- Appropriations for FY 19-20: \$90,824
- Estimated FY 19-20 Revenues are only \$77,284
- Projected Year End Cash Balance for 19-20: **(\$11,540)**
 - Additional system failures could significantly impact this figure
- Of the \$90,824 Appropriated for FY 19-20:
 - \$7,000 will be used for FY 18-19 estimated held charges
 - Which leaves \$83,824 in appropriations for the rest of the year
- **If the CSA runs out of Appropriations, the County will not be able to pay the McMillan Contract. Thus Water/Wastewater Operations will cease.**



QUESTIONS

LOAN TYPES

Construction Loan

- Fastest Project Completion
- One-Time Assessment pays for:
 - Prop 218, Engineers Report, Assessment Report, Prop 218 for Loan Repayment
 - Engineering Costs for Project Plans and Specifications
 - Cost for Construction Funding Application
- Construction Funding Received
- Bid Project, Award, and Begin Construction

Planning & Construction Loan

- One-Time Assessment pays for:
 - Prop 218, Engineers Report, Assessment Report, Prop 218 for Loan Repayment
 - Costs for Planning Funding Application
- Planning Funding pays for:
 - Engineering Costs for Project Plans and Specifications
 - Cost for Construction Funding Application
- Construction Funding Received
- Bid Project, Award, and Begin Construction

OPTIONS FOR FINANCING PROJECTS

- **Option 1:** One-Time Assessment Funds Planning Stage; Construction Loan Funds Construction Stage for Water and Wastewater System Improvements
- **Option 2:** One-Time Assessment Funds Planning Loan Application; Loan Funds Planning and Construction Stages for Water and Wastewater System Improvements
- **Option 3:** Water System Improvement Only - One-Time Assessment Funds Planning Stage; Construction Loan Funds Construction Stage

OPTION I - CONSTRUCTION LOAN TO FUND BOTH PROJECTS

District Total:

- One-Time Assessment: \$737,000
- 30-Year Loan: \$3,106,050

Per EDU:

- One-Time Assessment: \$15,419
- 30-Year Annual Loan Payment: \$3,200
- Total Out-of-Pocket Cost: \$111,419

Prop 218 for One-Time Assessment	10,000
<u>Preparation of Assessment Report:</u>	
Engineer Fees	45,000
County Staff	7,000
Legal Staff	6,000
Prop 218 for Loan Repayment	7,000
Estimated funds needed for CWSRF planning stage and to secure construction funding	402,000
Estimated funds needed for DWSRF planning stage and to secure construction funding	260,000
Total estimated funds needed to design both projects and secure construction funding	\$ 737,000

OPTION 2 - PLANNING & CONSTRUCTION LOAN TO FUND BOTH PROJECTS

District Total:

- One-Time Assessment: \$168,700
- 30-Year Loan: \$3,758,000

Per EDU:

- One-Time Assessment: \$3,530
- 30-Year Annual Loan Payment: \$4,000
- Total Out-of-Pocket Cost: \$123,530

Prop 218 One-Time Assessment	10,000
<u>CWSRF Planning funding application:</u>	66,200
Form preparation, Eng. report, RWQCB requirements, debt management policy	
<u>DWSRF Planning funding application:</u>	27,500
Eng. report, preparation of general, environmental, technical, and financial packages	
<u>Preparation of Assessment Report:</u>	
Engineer Fees	45,000
County Staff	7,000
Legal Staff	6,000
Proposition 218 Assessment for Loan Repayment	7,000
Total estimated funds needed to secure planning funding	\$ 168,700

OPTION 3 - CONSTRUCTION LOAN FOR WATER PROJECT ONLY

District Total:

- One-Time Assessment: \$312,000
- 30-Year Loan: \$1,413,000

Per EDU:

- One-Time Assessment: \$6,528
- 30-Year Annual Loan Payment: \$1,400
- Total Out-of-Pocket Cost: \$48,528

Prop 218 One-Time Assessment	5,000
Preparation of Engineering Report	20,000
Preparation of Assessment Report	40,000
Proposition 218 Assessment for Loan Repayment	7,000
Request for Proposal	7,000
Eng. Consultant - Plans and Specifications	160,000
Right of Way (assume no Right-of-Way Necessary)	500
Environmental Consultant (assumes CEQA exempt)	3,500
Topographic Survey	25,000
Geotechnical Investigation	15,000
Encroachment permit fees	1,000
Coordination with DDW	3,000
<u>Construction funding application:</u>	
Preparation of General Package	3,000
Preparation of Environmental Package	7,000
Preparation of Technical Package	7,000
Preparation of Financial Package	5,000
Coordination with State – Miscellaneous	3,000
Total estimated funds needed to secure construction funding	\$ 312,000

TOTAL ESTIMATED COSTS PER EDU RECAP

■ Option 1

■ One-Time Assessment:	\$15,419
■ 30-Year Annual Loan Payment:	\$3,200
■ Total Out-of-Pocket Cost:	\$111,419

■ Option 2

■ One-Time Assessment:	\$3,530
■ 30-Year Annual Loan Payment:	\$4,000
■ Total Out-of-Pocket Cost:	\$123,530

■ Option 3

■ One-Time Assessment:	\$6,528
■ 30-Year Annual Loan Payment:	\$1,400
■ Total Out-of-Pocket Cost:	\$48,528

PROS/CONS SUMMARY

OPTIONS	PROs	CONs
Option 1	<ul style="list-style-type: none"> • Lowest Loan Payment for Both Projects • Fastest Completion of Both Projects • Lowest Total Out-of-Pocket Cost for Both Projects 	<ul style="list-style-type: none"> • High Upfront Cost
Option 2	<ul style="list-style-type: none"> • Lowest Upfront Cost 	<ul style="list-style-type: none"> • Highest Loan Payment • Highest Total Out-of-Pocket Cost • Planning Loan Process adds 3 years to Project Completion • Wastewater Planning Loans are hard to acquire
Option 3	<ul style="list-style-type: none"> • Lower Total Out-of-Pocket Cost • Fast Completion of Water Project 	<ul style="list-style-type: none"> • Possibility of an additional Prop 218 to collect money for Wastewater Project should treatment center fail • Risk of higher construction costs/increase in loan interest rates



QUESTIONS & DISCUSSION

CURRENT SERVICE RATES

	Developed Parcel	Undeveloped Parcel	Motel
Water Permit	\$15.19	\$15.19	\$57.72
Sewer Permit	\$110.33	\$110.33	\$419.25
Water/Sewer Fees	\$1,076.44		\$4,090.43
Total per Year	\$1,201.96	\$125.52	\$4,567.40
Total per Month	100.16	10.46	380.62

RATE ALTERNATIVE A

- Rates based on current trend of expenses
- **Minimum** Rates the County could approve without needed System Improvements

Developed Parcels	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Water Permit	21.19	21.19	21.19	21.19	21.19
Sewer Permit	117.53	117.53	117.53	117.53	117.53
Water/Sewer Fees	2,314.59	2,384.03	2,455.55	2,529.21	2,605.09
Total per Year	\$ 2,453.31	\$ 2,522.75	\$ 2,594.27	\$ 2,667.93	\$ 2,743.81
Total per Month	204.44	210.23	216.19	222.33	228.65

RATE ALTERNATIVE A

- Rates based on current trend of expenses
- **Minimum** Rates the County could approve without needed System Improvements

Motel	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Water Permit	\$80.52	\$80.52	\$80.52	\$80.52	\$80.52
Sewer Permit	\$446.61	\$446.61	\$446.61	\$446.61	\$446.61
Water/Sewer Fees	\$8,795.39	\$9,059.25	\$9,331.03	\$9,610.96	\$9,899.29
Total per Year	\$ 9,322.52	\$ 9,586.38	\$ 9,858.16	\$ 10,138.09	\$ 10,426.42
Total per Month	\$776.88	\$798.87	\$821.51	\$844.84	\$868.87

RATE ALTERNATIVE B

- Suggested Rates if proceeding with Planning Loan for needed System Improvements (Option 2)
- \$52K Contingency for Water Line Breaks (assumes 4 years till construction)

Developed Parcels	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Water Permit	21.19	21.19	21.19	21.19	21.19
Sewer Permit	117.53	117.53	117.53	117.53	117.53
Water/Sewer Fees	1,997.55	2,057.48	2,119.20	2,182.78	2,248.26
Total per Year	\$ 2,136.27	\$ 2,196.20	\$ 2,257.92	\$ 2,321.50	\$ 2,386.98
Total per Month	178.02	183.02	188.16	193.46	198.92

RATE ALTERNATIVE B

- Suggested Rates if proceeding with Planning Loan for needed System Improvements (Option 2)
- \$52K Contingency for Water Line Breaks (assumes 4 years till construction)

Motel	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Water Permit	80.52	80.52	80.52	80.52	80.52
Sewer Permit	446.61	446.61	446.61	446.61	446.61
Water/Sewer Fees	7,590.71	7,818.43	8,052.98	8,294.57	8,543.41
Total per Year	\$ 8,117.84	\$ 8,345.56	\$ 8,580.11	\$ 8,821.70	\$ 9,070.54
Total per Month	676.49	695.46	715.01	735.14	755.88

RATE ALTERNATIVE C

- Suggested Rates if proceeding with Construction Loan for needed System Improvements (Option 1 or Option 3)
- \$26K Contingency for Water Line Breaks (assumes 2 years till construction)

Developed Parcels	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Water Permit	21.19	21.19	21.19	21.19	21.19
Sewer Permit	117.53	117.53	117.53	117.53	117.53
Water/Sewer Fees	1,858.23	1,913.98	1,971.40	2,030.54	2,091.45
Total per Year	\$ 1,996.95	\$ 2,052.70	\$ 2,110.12	\$ 2,169.26	\$ 2,230.17
Total per Month	166.41	171.06	175.84	180.77	185.85

RATE ALTERNATIVE C

- Suggested Rates if proceeding with Construction Loan for needed System Improvements (Option 1 or Option 3)
- \$26K Contingency for Water Line Breaks (assumes 2 years till construction)

Motel	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Water Permit	80.52	80.52	80.52	80.52	80.52
Sewer Permit	446.61	446.61	446.61	446.61	446.61
Water/Sewer Fees	7,061.27	7,273.11	7,491.30	7,716.04	7,947.52
Total per Year	\$ 7,588.40	\$ 7,800.24	\$ 8,018.43	\$ 8,243.17	\$ 8,474.65
Total per Month	632.37	650.02	668.20	686.93	706.22

FY 19-20 RATE ALTERNATIVE COMPARISON

	Current Fees	Alternative A	Alternative B	Alternative C
Developed Parcel Yearly Costs	\$ 1,201.96	\$ 2,453.31	\$ 2,136.27	\$ 1,996.95
Developed Parcel Monthly Costs	100.16	204.44	178.02	166.41
Motel Yearly Costs	\$ 4,567.40	\$ 9,322.52	\$ 8,117.84	\$ 7,588.40
Motel Monthly Costs	380.62	776.88	676.49	632.37

TENTATIVE RATE ADJUSTMENT TIMELINE

- **Mid September:** Community Meeting
- **Mid October:** 45-Day Notice (initiates the official rate adjustment process)
 - CSA I property owners will receive the notice via U.S. postal service. The notice will provide the date of a public meeting, the date of the public hearing conducted by the Board of Supervisors (BOS), and give you instructions about protesting the rate adjustment.
- **November 18:** Public Meeting to Review Instructions for BOS Public Hearing
- **December 10:** Public Hearing conducted by the Board of Supervisors



QUESTIONS & DISCUSSION

ESTIMATED FUNDS TO SECURE CONSTRUCTION FUNDING (CWSRF)

Preparation of Engineering Report	50,000
Request for Proposal	4,000
Engineering Consultant - Plans and Specifications	220,000
Right of Way (may be necessary depending on the treatment selected)	40,000
Environmental Consultant	15,000
Topographic Survey	5,000
Geotechnical Investigation	5,000
Utilities (assumes existing power service won't need to be upgraded)	1,500
Development Services fees	1,500
Coordination with RWQCB: Update WDR, Report of Waste Discharge	30,000
<u>Construction funding application:</u>	
Prepare General Package	3,000
Prepare Environmental Package	7,000
Prepare Technical Package	7,000
Prepare Financial Package	5,000
Coordinate with State - Miscellaneous	3,000
Prop 218 Wastewater assessment for ongoing billing	5,000
Estimated funds to secure Construction funding	\$402,000

ESTIMATED FUNDS TO SECURE CONSTRUCTION FUNDING (DWSRF)

Preparation of Engineering Report	20,000
Request for Proposal	7,000
Eng. Consultant - Plans and Specifications	160,000
Right of Way (assume no Right-of-Way Necessary)	500
Environmental Consultant (assumes CEQA exempt)	3,500
Topographic Survey	25,000
Geotechnical Investigation	15,000
Encroachment permit fees	1,000
Coordination with DDW	3,000
<u>Construction funding application:</u>	
Preparation of General Package	3,000
Preparation of Environmental Package	7,000
Preparation of Technical Package	7,000
Preparation of Financial Package	5,000
Coordination with State - Miscellaneous	3,000
Estimated funds to secure Construction funding	\$ 260,000