

CSA 1 Survey Information

Update on Prop 218 for Water and Sewer Rate Increase:

- On June 29, 2019, the Tamarack community directed staff to move forward with a rate adjustment procedure (Prop 218 process) to increase water and sewer service fees to bring the CSA 1 cash balance out of the negative and to balance revenues with current operating expenses.
- Documents for the procedure were drafted and sent to County Counsel for review where we were informed that CSA law no longer allows water and sewer fees to be collected through tax assessments. This means that the District will now have to collect water and sewer services fees through **bi-monthly water and sewer bills**.
- Staff will continue to move forward with the water and sewer fee increase as planned. If approved by the Board of Supervisors, the new rates would not take effect until July 1, 2020 as the current water and sewer service fees for fiscal year 2019-20 have already been placed on your property tax rolls.
- Upon completion of County Counsel's review of the rate adjustment procedure documents, the County will hold another public meeting to discuss the process and answer any questions you may have.

Update on Options for Infrastructure Replacement:

- On June 29, 2019, financing options were discussed for water and sewer system improvements. The original financing options can be found on CSA 1 website <https://www.co.fresno.ca.us/csa1> under "Community Meeting Presentation June 29, 2019."
- Since the meeting, a State representative from the Clean Water State Revolving Fund (CWSRF), wastewater loan side, has informed the County that planning loans are currently unavailable for wastewater projects. They also informed the department that since there is such a high demand for wastewater construction loans, the State is utilizing a priority-scoring checklist to determine which projects to fund.
- At this time, CSA 1's wastewater improvement project would not score high enough to qualify for funding. The cut-off for funding changes year to year and the County will continue to work with the State to access the best time to apply for financing.
- Since staff has identified the water infrastructure project as the priority project and because Drinking Water State Revolving Fund (DWSRF) loans are readily available, staff recommends pursuing funding for the water project.
- A brief review of the loan types (construction loan vs planning and construction loan) are displayed below, followed by cost information for each option.

Please complete the attached survey to indicate whether to proceed with a construction loan or with a planning and construction loan for the Water Infrastructure Project and return the survey before September 27, 2019.

If you have any questions, please contact Jennifer Cavalla at (559) 600-4321 or jcavalla@fresnocountyca.gov

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

CONSTRUCTION LOAN FOR WATER PROJECT

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

PLANNING & CONSTRUCTION LOAN FOR WATER PROJECT

District Total:

- One-Time Assessment: \$79,500
- 30-Year Loan: \$1,678,000

Per EDU:

- One-Time Assessment: \$1,664
- 30-Year Annual Loan Payment: \$1,700
- Total Out-of-Pocket Cost: \$52,664

Prop 218 One-Time Assessment	5,000
<u>Planning funding application:</u>	
Preparation of General Package	2,000
Preparation of Environmental Package	2,500
Preparation of Technical Package	20,000
Preparation of Financial Package	47,000
Coordination with State - Miscellaneous	3,000
Estimated funds to secure planning funding	\$79,500