

REPORT TO THE BOARD OF SUPERVISORS
COUNTY OF FRESNO

COUNTY SERVICE AREA 32
CANTUA CREEK

FISCAL YEAR 2017-2018

Submitted By:
DEPARTMENT OF PUBLIC WORKS AND PLANNING

Prepared By:
RESOURCES DIVISION

June 2017

NARRATIVE

County Service Area 32 (CSA 32) was formed in 1981 to provide services for the Cantua Creek farm labor housing development. This subdivision is located at Clarkson Avenue, west of San Mateo Avenue in the community of Cantua Creek. There are 79 parcels in the subdivision. Services provided by CSA 32 include community water, sewer, garbage collection and street lighting. Of the 79 parcels, there are 73 single family residential units, Cantua Elementary School, school homes, a mobile home park, and three out-of-district residential properties that receive services. The out-of-district users are only provided water and sewer services.

Based on a January, 28, 2014 rate adjustment proceeding, the water and sewer rates were increased in February 1, 2014. The sewer base fee has an annual inflation increase not to exceed 3% every July 1st until July 1, 2019.

On August 25, 2015 a new rate structure was established for the water fees. This new rate structure established a base fee that covers the costs of operations, maintenance, and administration. Also a commodity fee was added to cover the costs of raw water purchases. Starting on July 1, 2016, there will be a base fee increase for inflation not to exceed 3.5% until July 1, 2017. The commodity fee may increase or decrease based on the rates of the raw water provider per Government Code 53756 and the Resolution signed by the Board of Supervisors on August 25, 2015. The commodity fees are charged to each connection per each gallon of water actually consumed by that connection.

Out-of-District Basic Sewer Fee

Any equivalent out-of-district users pay one and one-half times the rate charged District residents, for each Equivalent Dwelling Unit (EDU).

The various out-of-district accounts are as follows:

School Homes	(13.5 EDUs)
School Building	(5.8 EDUs)

Based on a request by Mid-Valley Disposal to increase the rates by a cost of living adjustment, the Refuse Collection rates shall be increased by 3% annually.

MAINTENANCE OF THE COMMUNITY BUILDING AND GROUNDS

On November 14, 2000, at a public protest hearing the Board requested deletion of this rate due to the Community Building no longer being utilized.

SIGNIFICANT ISSUES

Operators Change

Effective April 1, 2010 Fresno County Special Districts staff assumed operational responsibilities for CSA 32 – Cantua Creek.

Charges for Water

On March 1, 2014, Westlands Water District (Westlands) implemented a 229% increase in fees for Municipal and Industrial raw water. CSA 30 experienced an increase of raw water fees from \$348 to \$1,144 per acre-foot (AF). The large increase in raw water costs was not included in the FY 13-14 budget. The increase was included in the FY 14-15 budget. On March 1, 2015, Westlands implemented a 21% decrease in fees for raw water from \$1,144 to \$904 per AF for water. In November 2015 Westlands decreased their water rate to \$630 per AF. Westlands implemented another decrease on March 1, 2016. This decrease resulted in the current rate of \$489 per AF. The rates have continued to fluctuate with the water allocation increasing the rates changed to \$413.57 on March 1, 2017.

Proposition 218

A rate adjustment process was conducted in FY 10-11 to increase water and sewer fees. The rate adjustment proposal through the Proposition 218 process was not approved by property owners.

On January 28, 2014, through the Proposition 218 process, the Board of Supervisors adopted Resolution 14-030 and 14-031 establishing increased water and sewer fees for operation and maintenance costs for CSA 32 including an amount to pay back, with interest, the loan modification approved by the Board on December 10, 2010. Thereafter, each year the rates for both water and sewer were to be increased for inflation not to exceed 3%.

After unsuccessful attempts to attain drought related State and Federal grants to help pay for the CSA 32 sharply increased raw water fees, staff conducted another rate adjustment process to restructure water rates in February of 2015. The rate adjustment proposal, through the Proposition 218 process, was not approved by property owners.

Staff worked with State and Federal officials to attain drought-related grant funding for the remainder of FY 14-15 and through FY 17-18. Staff conducted another rate adjustment proceeding, in which the proposed rates included State funding, in August 2015. This rate proposal was approved by property owners and implemented by the Board of Supervisors.

Grant

The CSA 32 system was issued Compliance Order # 03-12-080-003 on February 14, 2008 due to Trihalomethanes (TTHM) violations. The surface water treatment plants at CSA 32 and County Service Area 30 (CSA 30) are near in proximity and have similar disinfection byproduct issues. The two systems are old and may not provide optimal total organic carbon (TOC) reduction to help in control of TTHM. Contact time (CT) may not be achieved under all conditions according to the permit issued by State Water Resources Control Board (SWRCB) in January 2009. Additionally, one of the existing filtration plants is an inline filtration plant, which SWRCB has determined is not acceptable for water obtained from the California Aqueduct.

On December 14, 2010, the Board of Supervisors adopted Resolution 10-464 authorizing the submittal of a financial assistance application to SWRCB for funding under the Drinking Water State Revolving Fund (DWSRF) program. Acting on behalf of CSA 30 and CSA 32, the Department submitted funding applications to SWRCB. These applications requested funding under the DWSRF program to complete the planning necessary to improve the CSA 30 and CSA 32 facilities.

After initial review of the application, SWRCB determined that the communities were not eligible for funding. At the time the application was submitted, DWSRF policy was that disadvantaged communities were eligible for 80 percent grant funding and 20 percent loan funding to fund project costs. SWRCB performed an ability to pay analysis and determined that the communities would not be able to repay the 20 percent loan portion of the funding. Therefore, SWRCB declined the application.

Upon passage of Assembly Bill 983 (AB 983) 100 percent grant funding became available to severely disadvantaged communities. Department staff researched income statistics for the communities of CSA 30 and CSA 32 and found, based upon AB 983 criteria that both communities would be eligible for 100 percent grant funding, eliminating the need to repay. This information was provided to SWRCB which subsequently approved the applications and offered 100 percent grant funding.

Extensive research was conducted during the planning and design phase of the consolidation project for County Service Area 30, El Porvenir and County Service Area 32, Cantua Creek. It was determined that constructing a new surface water treatment facility is not feasible due to the high costs estimated to operate and maintain the facility that would be borne by the economically disadvantaged communities of County Service Area 30, El Porvenir and County Service Area 32, Cantua Creek. Therefore pursuing the groundwater alternative is the most viable option. County staff has submitted an application for funding for the planning phase of the groundwater project.

CSA 32 - Cantua Creek
 COUNTY OF FRESNO SPECIAL DISTRICTS
 PROJECTED BUDGET EXPENDITURES 2017 - 2018

ORG: 9172
 FUND: 0820
 AUDITOR CODE: 6232
 SUBCLASS: 16000

ACCOUNT	BUDGET FY 2016-2017	ESTIMATED EXPENSES FY 2016-2017	PROPOSED BUDGET FY 2017-2018
Services & Supplies			
07010 AGRICULTURE	\$90,000	\$21,744	\$35,000
07070 HOUSEHOLD EXPENSE	\$25,000	\$22,656	\$25,000
07101 LIABILITY EXPENSE	\$2,000	\$1,323	\$1,364
07205 MAINTENANCE-EQUIPMENT	\$10,500	\$5,447	\$11,000
07220 MAINTENANCE-BUILDINGS & GROUNDS	\$10,000	\$10,743	\$11,750
07250 MEMBERSHIPS	\$168	\$161	\$165
07265 OFFICE EXPENSE	\$100	\$0	\$100
07268 POSTAGE	\$3,000	\$1,145	\$3,000
07287 PEOPLESOFT FINANCIAL CHG	\$4,000	\$4,105	\$4,500
07295 PROF & SPECIAL SERVICES	\$140,148	\$105,624	\$117,689
07385 SMALL TOOLS & INSTRUMENTS	\$0	\$171	\$200
07430 UTILITIES	\$17,200	\$13,411	\$16,000
07565 COUNTYWIDE COST ALLOCATION	\$500	\$0	\$0
Services & Supplies Subtotals	\$302,616	\$186,530	\$225,768
Infrastructure			
08400 INFRASTRUCTURE	\$1,100,000	\$139,344	\$960,655
Infrastructure Subtotals	\$1,100,000	\$139,344	\$960,655
TOTAL EXPENDITURES:	\$1,402,616	\$325,874	\$1,186,423

Increase to Reserves

Total Budget (Total Expenditures + New Reserves)

Revenues

Ending Reserves/Designations 6/30/18

\$0
\$1,186,423
\$1,186,423
\$0

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METHOD OF FINANCING
2017-2018 FISCAL YEAR

BOOK NAME: 0
AUDITOR CODE: 6232

BUDGET: 9172
FUND: 0820
SUBCLASS: 16000

ESTIMATED FUND BALANCE:	June 30, 2017		
A. FUNDS IN COUNTY TREASURY		\$0	
B. LESS WARRANTS OUTSTANDING		\$0	
C. LESS RESERVES/DESIGNATIONS		\$0	
ESTIMATED UNRESERVED/UNDESIGNED BALANCE(A-B-C)			1. \$0
RELEASE OF PRIOR YEAR RESERVES/DESIGNATIONS			2. \$0

ESTIMATED REVENUES

3010 Estimated Tax Revenues(3007-3025)

3380 Interest	\$0
3575 State-Other Srf Reimb	\$959,768
5800 Other Miscellaneous	\$0
3404 Other Rental Of Bldgs & Land	\$2,050

OTHER CHARGES FOR CURR SERVS 5060		Yearly Charges per Connection/Parcel	Monthly Charges Per Connection/Parcel	Total Revenues Per Year
SERVICE	# of Connections/Parcels			
GARBAGE COLLECT	71	\$322.92	\$26.91	\$22,927.32
HEALTH DEPT SURVEIL FEE	109	\$4.08	\$0.34	\$444.72
MOBILE PARK WATER BASE	1	\$14,983.20	\$1,248.60	\$14,983.20
OUT OF DISTRICT WATER BASE	3	\$1,321.56	\$110.13	\$3,964.68
REG. WATER QUALITY FEE	90	\$73.56	\$6.13	\$6,620.40
RESIDENTIAL SEWER	71	\$818.52	\$68.21	\$58,114.92
RESIDENTIAL WATER BASE	72	\$844.08	\$70.34	\$60,773.76
SCHOOL BUILDING SEWER	1	\$4,779.12	\$398.26	\$4,779.12
SCHOOL BUILDING WATER BASE	1	\$4,272.00	\$356.00	\$4,272.00
SCHOOL HOMES SEWER	1	\$11,055.24	\$921.27	\$11,055.24
SCHOOL HOMES WATER BASE	1	\$13,130.52	\$1,094.21	\$13,130.52
SCHOOL RAW	1	\$15,000.00	\$1,250.00	\$15,000.00
STREET LIGHTS	71	\$7.44	\$0.62	\$528.24
WATER COMMODITY FEE	79	\$101.40	\$8.45	\$8,010.60
TOTAL REVENUES FROM OTHER CHARGES FOR CURR SERVS			TOTAL:	\$224,604.72
				\$224,605

ESTIMATED TOTAL CURRENT REVENUES \$1,186,423

TOTAL FUNDS FOR FISCAL YEAR 2017-2018 \$1,186,423

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