

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



3-34

On motion of Supervisor Ashley, seconded by Supervisor Perez and duly carried,
IT WAS ORDERED that the recommendation from Economic Development
Agency regarding County Service Areas Proposed Rates and Fees, County-wide is taken off
calendar.

Roll Call:

Ayes: Jeffries, Washington, Perez and Ashley
Nays: None
Absent: Tavaglione

I hereby certify that the foregoing is a full true, and correct copy of an order made and
entered on August 29, 2017 of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors
Dated: August 29, 2017
Kecia Harper-Ihem, Clerk of the Board of Supervisors, in
and for the County of Riverside, State of California.

(seal)

By:  Deputy

AGENDA NO.
3-34

xc: EDA, COB

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM
3.34
(ID # 4508)

MEETING DATE:

Tuesday, August 29, 2017

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): County Service Areas Proposed Rates and Fees, County-wide, [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Existing Facilities and Section 15061 (b)(3);
2. Approve the proposed rates and fees for the County Service Areas (CSA) per Exhibit A;
3. Authorize annual rate increases for water, wastewater, and sewer related fees, based on Consumer Price Index (CPI) increases for a term of the next five years.

ACTION:

Robert Field, Assistant County Executive Officer/EDA 8/8/2017

MINUTES OF THE BOARD OF SUPERVISORS

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: County Services Areas			Budget Adjustment:	No
			For Fiscal Year:	17/18

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Economic Development Agency has worked diligently with the County Service Areas to absorb high energy cost adjustments, operating supplies, equipment purchases and personnel wage increases. County Service Area 51(Desert Center), 62 (Ripley), and 122 (Mesa Verde) provide domestic water and sewer service to customers in economically challenged areas of Riverside County. As of today, there are no additional cuts or operational efficiencies that can be implemented without severely limiting the County Service Area's ability to deliver safe, clean drinking water to these residents. An adjustment to the rates and fees is now required in order to meet new water regulations ordered by the State of California and also maintain the existing facilities and equipment in good order to avoid expensive total replacement. In order to ensure water, wastewater, and sewer fees continue to cover associated costs, it is recommended that these fees be automatically adjusted annually based on Consumer Price Index. After a five year period, the fees will again be reassessed.

Additional CSAs provide services for sports fields and community events. A fee schedule for those wanting to practice on the fields and any vendor to utilize facilities for events or celebrations has been developed to recover the cost of additional use of utilities, personnel and equipment. As development continues to increase, CSAs require an engineer's report that establish special tax assessments for enhanced services to be provided. Fees are being established for the creation and processing of these reports.

Impact on Residents and Businesses

For customers residing in these County Service Areas, the average monthly bill for water service is currently \$96.00 (CSA 51), \$52.50 (CSA 62) and \$21.00 (CSA 122). If the proposed rates are approved, the new monthly average bill will be \$112.50 (CSA 51), \$61.10 (CSA 62) and \$24.00 (CSA 122). Limited availability of community facilities has increased the usage of sports fields including the golf course in CSA 51. Increase in use and rental fees will assist in maintaining the grounds and water usage. Aging groundwater wells supply 100% of the community water. These wells have been maintained to current state standards; however, new regulations will require the County Service Area to drill additional wells in order to meet tighter water standards and provide back-up water production in the event of a natural disaster. The

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fees to process engineer's reports and establish tax assessments do not have an impact on residents or nearby businesses.

SUPPLEMENTAL:

Additional Fiscal Information

The average increase in fees and rates is approximately 12.7% for CSA 51, 7.9% for CSA 62, and 10.9% for CSA 122. The rate increases proposed are minimal compared to the Consumer Price Index (CPI), which has risen by 60% since our last rate increase of February 2010. All operating expenses including State permits, utilities, supplies, salaries and governmental charges have risen over the years without changes to the water rates charged to customers. As reported to the State of California, these CSAs have been operating at a deficit for the past five years and can no longer delay implementing cost recovery. This increase in rates and fees is absolutely necessary in order to cover the basic operating expenses incurred in providing clean and safe water services to these small communities.

ATTACHMENTS:

- Exhibit A

RF:JWW:SH:AJ MT 4508


Rohini Dasika, Principal Management Analyst 8/21/2017