



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** January 22, 2013

From: Marc Puckett, Assistant Town Manager **Item No:** 9
Finance & Administration

Subject: A RESOLUTION SETTING THE TIME AND PLACE FOR A PUBLIC HEARING ON SEWER USER CHARGE INCREASES IN AN AMOUNT OF THREE DOLLARS AND SEVENTY THREE CENTS (\$3.73) PER EQUIVALENT DWELLING UNIT PER MONTH AND PROVIDING DIRECTION TO STAFF TO PROCEED WITH THE SPECIAL NOTICE PROCEEDING AS REQUIRED BY LAW

T.M. Approval: _____ **Budgeted Item:** Yes No N/A

RECOMMENDED ACTION:

That the Town Council adopt Resolution 2013-05 stating its intention to hold a Public Hearing on March 12, 2013 to increase sewer user charges and direct staff to proceed with the special notice as required by law.

SUMMARY:

In May, 2012, the Victor Valley Waste Water Reclamation Authority (VWVRA) proposed an increase of 14.9% in the sewer user charge for member agencies for the fiscal year 2012-13. The VWVRA increase was intended to provide funding to off-set subsidies for the capital cost of maintaining its facilities and sewer system infrastructure. This increase was approved and became effective on July 1, 2012.

To date, the Town has not passed through the cost increase and has absorbed over \$112,500 in increased costs. At the time of the proposed public hearing on March 12, the Town will have incurred over \$140,000 in additional sewage charges. The VWVRA rate increase has increased the Town's sewage charges by almost \$17,000 per month. The Town's Sewer Fund cannot sustain the increased costs due to the VWVRA rate increase.

Further, for any proposed fee increase the Town must comply with the Proposition 218 notice requirements. This requirement provides that notices of the proposed fee

increase must be sent to the owner of record of each identified parcel upon which any new or increased sewer rates or charges are being proposed for adoption at least forty-five (45) days in advance of the Public Hearing. This notice procedure will cost the Town approximately \$15,000.

Currently, the Town charges sewer users twenty four dollars and forty-six cents (\$24.46) per equivalent dwelling unit (EDU) per month. The fee is proposed to increase by three dollars and seventy-three cents (\$3.73) or 15.25% to twenty eight dollars and nineteen cents (\$28.19) per EDU per month. Increasing the sewer user charges by 15.25% by passing through the VVWRA rate increase will allow the Town to recapture its future increased cost for waste water treatment and a portion but not all of the increased costs the Town has incurred during the current fiscal year.

If the Town Council adopts Resolution Number 2013-05 the notice will be mailed and distributed to the property owners of record. Each property owner will have the right to submit a written or oral protest against the proposed fee increase and may do so by mail or in person to the Town Clerk no later than the conclusion of the Public Hearing on March 12, 2013. At the Public Hearing, the Town Council will consider all protests against the proposed fee increase. If written protests against the proposed fee increase are presented by a majority of property owners of identified parcels, the protest would be affirmed and the Town would not impose the proposed fee increase. If there is no majority protest, the Town Council would then consider a resolution to adopt the proposed fee increase. If adopted, the fee increase would become effective on March 13, 2013.

ATTACHMENT:

Resolution Number 2013-05

RESOLUTION NO. 2013-05

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY SETTING THE TIME AND PLACE FOR A PUBLIC HEARING ON THE SEWER FEE INCREASE IN AN AMOUNT OF THREE DOLLARS SEVENTY-THREE CENTS (\$3.73) PER EQUIVALENT DWELLING UNIT PER MONTH AND DIRECTING STAFF TO PROCEED WITH THE SPECIAL NOTICE REQUIRED BY LAW

WHEREAS the Town Council of the Town of Apple Valley is a member entity of the Victor Valley Wastewater Reclamation Authority (VWVRA), a Joint Powers Authority, duly formed under the laws of the State of California; and

WHEREAS, the VWVRA approved a 14.9% increase in the sewer user fees for member agencies for fiscal year 2012-13 effective on July 1 which increased VWVRA's rates from \$2200 per million gallons treated, to \$2528 per million gallons treated or a \$328 increase per MG treated and from Nineteen Dollars Thirty Eight Cents (\$19.38) to Twenty Two Dollars Twenty Seven Cents per equivalent dwelling unit (EDU) per month; and

WHEREAS the Town as a member entity of the VWVRA, has been charged the additional 14.9% increase for sewage treatment costs since July 1, 2012; and

WHEREAS the Town currently charges sewer user fees of Twenty Four Dollars Forty Six Cents (\$24.46) per EDU (the current sewer user fee); and

WHEREAS the Town is requesting to increase the current sewer user fee by an amount of Three Dollars Seventy-Three Cents (\$3.73) or 15.25% in order to recapture and recover the additional sewage treatment charges to the Town charged to it by the VWVRA; and

WHEREAS the current Sewer User Fee will be increased by Three Dollars Seventy-Three Cents (\$3.73) to Twenty-Eight Dollars and Nineteen Cents (\$28.19); and

WHEREAS the revenues derived from the fees and charges, as amended, will not exceed the cost reasonably borne in providing the services, and will not be used for any purposes other than that for which the fees and charges are imposed, and the fees and charges are not being imposed for general governmental services.

WHEREAS the Town desires to comply with Section 6 of Article XIII(D) of the California Constitution regarding the notice, hearing and protest procedures.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Apple Valley as follows:

- 1) The revenues derived from the proposed fee increase shall not exceed the funds required to provide the property related services.
- 2) The revenues derived from the proposed fee increase shall not be used for any purpose other than that for which the proposed fee is imposed.
- 3) The hearing on the proposed fee increase shall be held on the date of the Town Council's regularly scheduled meeting on

Date: March 12, 2013
Time: 6:30 p.m., or as soon thereafter as the matter may be heard
At: Town Council Chambers
14955 Dale Evans Parkway
Apple Valley Ca, 92307

- 4) The Town shall give notice of the time and place of the Public Hearing of the proposed fee increase to all property owners within the Town affected by the proposed fee increase by causing the publishing of this Resolution once in the local newspaper for two consecutive weeks not less than ten (10) days before the date of the Public Hearing, and by posting it on the sites customarily used by the Town Council for the posting of notices.
- 5) In addition to the published noticed provided in #4 above, the special notice proceeding on the proposed fee increase pursuant to Section 6, of Article XIII(D) of the California Constitution consists of a mailed notice, distributed to property owners of record within the Town as of the County's last equalized roll. The notice shall be in writing and shall state all of the following:
 - a. The amount of the proposed fee increase proposed to be imposed upon each parcel; and
 - b. The basis upon which the amount of the proposed fee increase was calculated; and
 - c. The reason for the proposed fee increase; and
 - d. The date, time, and location of the Public Hearing on the Proposed fee increase

Each property owner has the right to submit a protest against the proposed fee increase, either in writing or orally, to the Town Clerk no later than the conclusion of the Public Hearing on March 12, 2013. At the Public Hearing, the Town Council shall consider all protests against the proposed fee increase and if said protests are presented fairly by a majority of the owners of the identified parcels, the Town shall not impose the proposed fee.

APPROVED and **ADOPTED** by the Town Council of the Town of Apple Valley this 22nd day of January, 2013.

Curt Emick, Mayor

ATTEST:

La Vonda M-Pearson, Town Clerk