SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-A**

FROM: Ed Fortner, General Manager

Meeting Date: August 6, 2020
SUBJECT: RES. 20-20; PUBLIC HEARING RE ANNUAL FLAT CHARGE

RECOMMENDED ACTION:

- Open Public Hearing, hear comments, close public hearing
- Adopt Resolution 20-20, Overruling Protests and Confirming Report on the annual Flat Charge at the same level ($198 per connection) as recent years

FISCAL IMPACT:

The FY 2019-20 assessment generated $747,073 in annual revenues.

DISCUSSION:

On an annual basis since July 1992, the District has imposed a flat charge for each separate water connection or meter to a property. The flat charge is $198 per meter, an amount unchanged since FY 2002-03.

Resolution 20-20 keeps the Flat Charge at $198 per connection. The flat charge is added to the tax bill and collected by the County, along with all other county property taxes and assessments.

The funds collected are one source of revenue used to pay for annual debt service incurred for the original purchase of the water system and subsequent capital projects, with any surplus used for ongoing and future capital projects. The District has worked over the last few years to refinance District debt and increase surplus operating revenue with a goal toward self-funding future capital improvements. The table on the next page shows progress towards this goal for the past three years, with budgeted numbers for FY 2020-21:

Funds for Self-Funded CIP* Goal				
	FY 2017-18	**FY 2018-19**	**FY 2019-20**	**FY 2020-21 (budgeted)**
Flat Charge Revenue	$750,165	$751,484	$747,073	$750,000
New Service Construction	$15,764	$13,107	$44,511	$27,000
CDR* Revenue	$278,615	$288,172	$296,383	$316,573
Interest Revenue	$17,073	$32,902	$27,387	$25,000
Equals CIRF Revenue for Debt and CIP	$1,061,617	$1,085,665	$1,115,354	$1,118,573
Less Debt Principal + Interest	-$1,009,259	-$1,014,385	-$1,028,074	-$1,000,095
Equals CIRF Revenue Available for CIP	**$52,358**	**$71,280**	**$87,280**	**$118,478**
Plus Operations transfers to CIRF (Goal: $500,000)	$320,000	$210,000	$190,000	$270,000
Equals TOTAL available for CIP self-funding	$372,358	$281,280	$277,280	$388,478
**CDR: Capital Debt Reduction revenue*				
**CIP: Capital Improvement Program*				

Historically the District has not counted on CIRF revenue, specifically flat charge revenue, to be available for self-funding capital improvements – it has all been needed to make our annual debt payments. As the chart shows, that has slowly been changing. If the District refrains from taking on additional capital debt, staff believes CIRF revenue will become a significant source of self-funded capital project revenue in the next few years.

Resolution No. 20-20

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT OVERRULING PROTESTS AND CONFIRMING REPORT ON ANNUAL FLAT CHARGE FOR SWEETWATER SPRINGS WATER DISTRICT.

WHEREAS, this Board did on July 14, 1992, adopt Ordinance No. 8 which established an annual flat charge, and authorized collection of such charge on the tax roll of the County of Sonoma, and

WHEREAS, the District has prepared a written report containing a description of each parcel of real property receiving services and facilities from the District and the amount of the flat charge for each parcel for the 2020-21 fiscal year, and

WHEREAS, said written report has been on file with the Clerk of said District, and,

WHEREAS, notice appointing the time and place of hearing protests on said report was duly given in the manner provided by law; and

WHEREAS, all written protests and other written communications were publicly read at said meeting and all persons desiring to be heard were fully heard,

NOW, THEREFORE BE IT RESOLVED, as follows:

1. That all objections to and protests against said report, if any, have been heard by this Board and that said objections and protests be, and each of them is hereby overruled.

2. That said report be, and it is hereby adopted in full with the revisions to each charge as specified therein, and that said charges shall be collected on the tax roll of the County of Sonoma, in the manner provided by law.

3. That the Clerk of this District be hereby directed to file with the County Auditor of Sonoma County, on or before the 10th day of August, 2020, a copy of said report, upon which shall be endorsed over her signature a statement that the report has been adopted by the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT.

4. That the County Auditor of Sonoma County, shall upon receipt of said report, enter the amount of the charges against the respective lots or parcels as they appear on the assessment roll.

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I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted and passed by the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT, Sonoma County, California, at a meeting held on August 6, 2020, by the following vote.

Director	Aye	No
Sukey Robb-Wilder	_____	_____
Tim Lipinski	_____	_____
Richard Holmer	_____	_____
Gaylord Schaap	_____	_____
Larry Spillane	_____	_____

_____
Rich Holmer
President of the Board of Directors

_____
Attest: Julie A. Kenny
Clerk of the Board of Directors