









Del Paso Manor Water District  
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**IMPORTANT INFORMATION INSIDE**  
 Second community meeting and updates about rate setting process

## QUICK FACTS TO KNOW

- 
**Bartle Wells**, a third-party financial advisor with 50-plus years of expertise, is performing the cost of service analysis to establish the rate structure needed for operation and maintenance.
- 
**Del Paso Manor District** is conducting this process at the community level to allow for customer input and open, transparent planning.
- 
**The last customer water rate increase** was six years ago. With expenses exceeding revenues, the district must increase rates to sustain operations beyond 2018.
- 
**The rate alternatives** address the customer water charge for operations and maintenance only, not the system maintenance charge to improve aging pipelines and wells.
- 
**If the majority of customers** oppose the proposed rate schedule, the district will potentially face consolidation or being acquired by a private utility.
- 
**We encourage you** to learn about our district, challenges and potential solutions and, ultimately, make informed decisions based on the facts.

## STAY INFORMED AND ENGAGE WITH US



[delpasomanorwd.org](http://delpasomanorwd.org)



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Please share your email and phone number with us. We plan to enhance our communications with customers through additional methods as we build out our database. We're committed to keeping you informed in a transparent, proactive manner!

# SECOND COMMUNITY MEETING SET FOR MARCH 20

Please join us at our next community meeting about your water rates. This meeting builds on the outcome of the February community meeting and March 5 board meeting. Bartle Wells will present an update about the cost-of-service analysis and additional rate scenarios for consideration. We again invite you to join us to learn more and share your input.

**Community Meeting**  
**March 20 at 6:30 p.m.**  
**AT&T Auditorium**  
**2700 Watt Avenue**



While most districts conduct rate planning at a committee level, we are conducting this process at a community level for full transparency. This means customers have the opportunity to review and provide input on the analyses and recommendations alongside the Board of Directors.

## FEBRUARY COMMUNITY MEETING HIGHLIGHTS

More than 100 customers joined our first community meeting where they, together with the board, heard for the first time from Bartle Wells. The consultant presented a preliminary review of the water system finances, operating and maintenance needs, current water rates and two initial alternatives for a rate increase for operations and system maintenance.

### Why Rates Need to Increase

Based on its cost-of-service analysis, Bartle Wells informed the board and customers that the district needs to increase water rates to:

- Eliminate the operation and maintenance deficits due to increases in operation costs, unfunded pension liabilities, mandated testing requirements and leak repair costs
- Potentially modernize the district with improvements to computer hardware and software including online bill pay features
- Perform preventive maintenance well repairs
- Address staff succession planning costs
- Establish a reserve fund

### Why a Reserve Fund

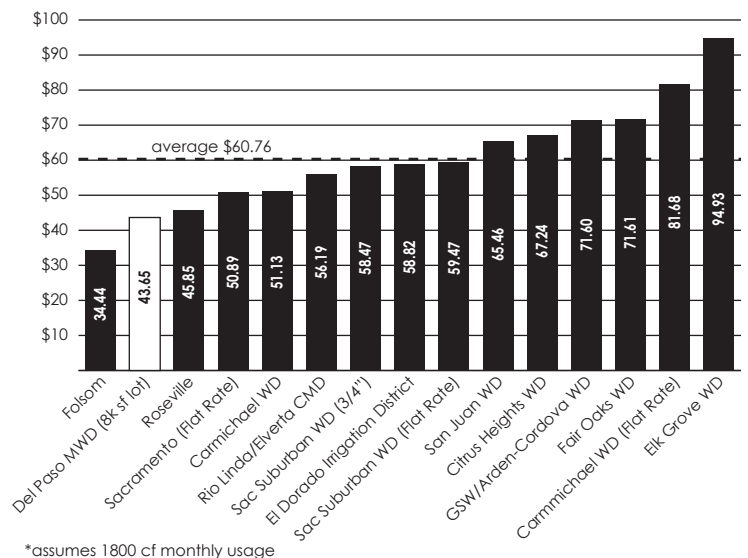
Bartle Wells indicated it is prudent for water districts to have a reserve fund to maintain sound financial operations. Although most districts maintain a reserve fund to cover costs for one year, the Bartle Wells' proposal included a six-month reserve fund.

### Meeting Outcome

Following the presentation, the board and customers participated in a discussion with questions and answers. The board reconvened the meeting for a board discussion and to give direction for next steps. The board agreed to review the data in more detail and provide further direction to Bartle Wells at the March 5 board meeting.

### How Your Water Rates Compare to Others in the Region

Single Family Residential Monthly Water Rate Survey, Feb. 2018\*



## MARCH 5 BOARD MEETING OUTCOME

The board reviewed the projected expenses and initial rate alternatives for consideration in greater detail. Upon further review of the data, the board provided the following direction to Bartle Wells:

- Remove modernization costs from this rate proposal
  - The board will consider these costs when reviewing and updating the master plan
- Update expense projections
- Provide options for various reserve fund levels
- Provide additional rate alternatives for consideration

### Next Steps

Bartle Wells will present updated projections and additional rate alternatives to the Board of Directors and customers at the March 20 community meeting. At the end of the community meeting, the board will convene a formal board discussion to determine next steps. We again welcome your participation.



**delpasomanorwd.org**

Visit our website to view the presentation and additional materials.