

# WaterSpots

September 25, 2017



Ken and Rich

## Our Commitment to You

**Thank you** to everyone who asked us to increase our communications and share more information with customers. We will start using a newsletter again and our new website to provide comprehensive information, timely updates and transparent communications. The Board has also prioritized other ways to enhance outreach and solicit input from you. We also encourage you to contact us directly or join our board meetings to stay informed.

Please take a few minutes to read this issue. As always, please contact us with questions about anything covered in this issue. You can contact us by phone or by visiting our new website (see below for details) and clicking on the “Contact Us” link.

## Get to Know Us

**Did you know** our history dates to the late 1940s? Two developers, Lusk and King, constructed our water delivery system when they built homes in the Del Paso Manor area. In 1955, they sold their water company to the residents, who used bond financing to make the purchase and formed the district we are today. We continue to rely on the system of wells and pipelines installed nearly 70 years ago.

Today, a five-member, voter-elected board governs Del Paso Manor Water District that serves nearly 1,800 customers. We have four employees who work day in and day out to ensure reliable, high-quality water and fire protection for your community.

## Check Out Our New Website

**We’ve had many customers** request a district website. We listened and developed one! Visit [delpasomanorwd.org](http://delpasomanorwd.org) to connect with us. You’ll find information about the district, meeting dates and times, your services, our financials, our commitment to transparency, projects and more.

After considering input from many, including members of the public, we chose Streamline as the website platform based on a recommendation by the California Special Districts Association. Streamline is a well-established, cost-effective platform that our staff can maintain and meets all public agency requirements for websites. If you want to see additional information, let us know through the site’s “Contact Us” link.

The screenshot shows the website's header with the logo and navigation menu (Home, About, Who We Are, Financials, Documents, Projects/Construction, Contact Us). A search bar is also present. The main content area includes 'Our Mission' with a photo of a water tower, 'QUICKLINKS' (Services, Meetings, Board Members, Staff, Notices, FAQs), 'IMPORTANT NOTICE' regarding website updates, 'Cost of Service Analysis RFP / Questions & Answers' with a due date of September 25th at 4:00pm, and 'Website Updates' section. At the bottom, there is an 'Upcoming Meetings' section with a calendar view showing meetings on OCT 2, NOV 6, and DEC 4.

## We Won't Have Rate Increases This Year

Del Paso Manor will not have a rate increase this year. As you know, we had a Prop 218 notification for proposed rate increases earlier this year. We were unable to move forward with the needed rate increases due to a majority opposition from our customers. The proposed rate increases were necessary to cover:

### Operational Costs:

The cost of providing drinking water is increasing and has exceeded our revenues. The primary reasons are due to increased regulatory testing and compliance, unfunded liabilities and higher numbers of leak repairs.

### Pipelines and Wells/System Improvements:

While we've replaced older wells with two new wells and made other improvements, our pipelines and other six wells are aging. Many are deteriorating, beginning to fail and need major repairs and/or upgrades.



## Where We Are Now

**Currently using our reserve fund to sustain operations:** Our last customer rate increase was six years ago. Without the proposed rate increases in place, we are using our operations and maintenance reserve fund to sustain operations and your services.

While state law doesn't require us to have operational reserves, we maintain a small reserve for emergencies and/or temporary cash flow needs. We have looked at other sources of revenue such as fees and grant money but have not identified any for which we qualify.

Our reserve fund will carry us through 2018. Entering early 2019, we will not have revenue to meet expenses or bond covenants. Del Paso Manor will more than likely go into receivership and be sold to a private water company or forced into a consolidation. It will be necessary to raise rates to remain independent.

## What to Expect Moving Forward

**Additional analyses:** As part of the due diligence requested by some of you, the Board is considering hiring an independent consultant to conduct a cost of service analysis to document all operations and maintenance costs. This analysis will NOT address our needed infrastructure costs. It will address O&M costs and help establish the customer rate structure we need over the next three to five years for O&M financial stability. We will share this analysis through our website and discuss it at a meeting. We will also highlight its findings in a future newsletter.

**New rate proposal:** Following the analyses, we will introduce a new rate proposal in early 2018. It will only address our immediate need for revenue to cover operations and maintenance costs. If approved from a majority of our customers, we will then address the challenges to repair and upgrade portions of your water delivery system.

**Reliable, exceptional services:** We will continue to provide you with high-quality, reliable water and dedicated customer service as we work to overcome our challenges.

## Stay Informed And Engage With Us



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



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