

DEL PASO MANOR WATER DISTRICT

BOARD MEETING

DATE: August 20, 2024

AGENDA ITEM NO. 8.A

SUBJECT: NEW RATE STUDY AND PROPOSITION 218

STAFF CONTACT:

Adam Coyan, General Manager

BACKGROUND:

On July 5, 2022, the DPMWD Board of Directors approved a Request for Proposals (RFP) seeking a qualified applicant to conduct a rate study.

On August 15, 2022, the board passed resolution 22-0815-01 authorizing the General Manager to negotiate and execute an agreement with Bartle Wells Association to conduct a water rate study.

On July 17, 2023, the board approved the rate study and the dates for public workshop and protest hearing formally initiating the Districts Proposition 218 rate increase process.

On August 21, 2023, a community workshop was conducted with a presentation by Bartle Wells Association.

On September 18, 2023, a rate hearing/protest hearing was conducted, and the rate study was presented by Bartle Wells Association. Ordinance No. 2023-01 and Resolution No. 23-0918 were passed by a unanimous vote.

On April 10, 2024 LAFCo issued formal notice of intent for dissolution of DPMWD.

On May 1, 2024, Sacramento LAFCo passed a resolution of dissolution with a twelve-month remediation period ending May 1, 2025. The cost of repairs highlighted in the LAFCo Resolution of Dissolution is \$52 million dollars. This number should not be questioned or argued. The Resolution was passed by unanimous vote by LAFCo, this is now the standard that DPMWD needs to meet to prevent dissolution. This amount does not include the cost of the three new wells that DPMWD needs or the meters that need to be installed by 2032 according to SB 552. SB 552 also needs to be accepted as it was passed into law September 2021. Any argument of the above facts is a waste of the board and ratepayer's time and money.

ANALYSIS:

The complete process from approval of a request for proposals to voting on an ordinance to modify rates took 14.5 months. This was with conducting two meetings a month.

The costs associated with conducting the prop 218 increase are listed below:

Company	Amount
Forsgren Associates, Inc.	\$ 32,056.25
Kronick, Moskovitz, Tiedemann & Girard	\$ 98,100.98
Bartle Wells Associates	\$ 50,189.00
Tripepi Smith	\$ 42,260.27
Mailrite	\$ 9,533.49
SJUSD - El Camino High School	\$ 594.00
Terrapin Technology Group	\$ 4,160.00
Total	\$236,893.99

RECOMMENDATION:

Continuing with voluntary consolidation with SSWD, there is not enough time for a new rate study or prop 218 prior to LAFCo's Resolution of Dissolution's remediation date of May 1, 2025.

ATTACHMENTS:

N/A

ENVIRONMENTAL IMPACT:

This item is an update to an existing structure and does not need a CEQA review.

FINANCIAL IMPACT:

This item is in the current budget and the project has been approved.