

## **ITEM #5.A**

*Approval of Warrants and Payroll*

**Del Paso Manor Water District**  
**SEPTEMBER 2023 ADDITIONAL VENDORS FOR APPROVAL**  
**(For Approval After 09/05/2023 Regular Meeting)**

VENDORS NAME	DESCRIPTION	CIP	AMOUNT	CHECK #
ACWA JPIA	Health		\$549.41	
ADP	Payroll			
ADP Taxes	Payroll Taxes			
Appletree Answers	Answering service		\$502.91	
AT&T	Internet; Phone/Fax		\$85.60	
AT&T	Phone		\$211.33	CC
AT&T Mobility	Cell Phones; iPads		\$442.94	
BSK	Labs		\$5,786.00	
Emigh Hardware	Material/Supplies		\$245.06	
Kronick, Moskovitz, Tiedemann & Girard	Services Rendered Through August 2023		\$12,429.26	
Leaf	Photocopy Machine Lease		\$277.76	
Mailrite Print and Mail, Inc	Prop 218 Notices		\$5,539.54	
Munibilling	Merchant Return Fee (August 2023)		\$10.00	
Robert Merritt	CPA - Services Rendered Through August 2023		\$1,330.00	
Sacramento Local Agency Formation Commission (LAFCo)	Special District Assessment (FY 2023-24)		\$235.00	
Sierra Chemical Company	Chemicals		\$462.00	
tak Communications, Inc	2116 Lorenzo Lane		\$7,823.94	
Terrapin Technology Group	8/21/2023 AV Services		\$2,080.00	
Terrapin Technology Group	Software / Computers		\$167.05	
Tripepi Smith & Associates, Inc.	8/21/2023 218 Workshop		\$1,526.57	
Umpqua Bank	District Credit Card		\$3,454.95	
USA BlueBook	4268 Stock		\$371.68	

**MONTHLY TOTAL----->**

**\$0.00**

**\$43,531.00**

## **ITEM #8.A**

*Proposition 218 Protest Hearing and Potential Adoption of Resolution  
No. 23-0918 and Ordinance No. 2023-01 Contingent Upon Results of  
Protest Tabulation*

**DEL PASO MANOR WATER DISTRICT**

**REGULAR BOARD MEETING**

**DATE: September 18, 2023**

**AGENDA ITEM NO. 8.A.**

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**SUBJECT: Proposition 218 Protest Hearing and Potential Adoption of Resolution No. 23-0918 and Ordinance No. 2023-01 Contingent Upon Results of Protest Tabulation**

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**STAFF CONTACT:**

General Counsel

**BACKGROUND:**

The Del Paso Manor Water District (“District”) provides water services to residential and commercial customers located in Sacramento County. Currently, the District serves 1,975 accounts across an approximate service area of 1.5 square miles. The District maintains and oversees water system pumps, wells, pipelines, and associated facilities and equipment. On August 1, 2023, the District mailed notice to its parcel owners of record and customers of record that the District was undertaking a Proposition 218 process to consider adopting new rates and charges for water delivery and service within the District’s service area. The reasons for the proposed rate adjustments are to continue to provide safe and reliable water to each customer based on the actual cost of providing this service and the cost of anticipated ongoing maintenance and capital costs. The proposed water rates were developed based on the District’s costs to provide water service and considering future annual operating costs and budgeted repair and replacement expenses by evaluating the prior years’ audited financial data. A cost of service study prepared by independent consulting firm Bartle Wells Associates was made available on the District’s website and contained a detailed description of the analysis.

The Proposition 218 notice mailed on August 1, 2023, notified parcel owners of record and customers of record that the District would hold a public hearing on September 18, 2023, to consider adopting new rates and charges. September 18, 2023, is more than 45 days after the mailed notice, as required by Proposition 218. The notice also informed the public that the District may not implement the proposed water rate increases if a majority of the owners and customers of record file written protests opposing the proposed water rate increase before the close of the public comment period at the hearing on September 18, 2023. The notice also detailed how a written protest may be submitted before or at the public hearing on September 18, 2023.

The mailed notice also notified owners and customers of record how to comply with the District’s Policy Number 3240 (Policy 3240”), which runs concurrently with the District’s Proposition 218 process. Policy 3240 established an exhaustion procedure for owners and customers of record to submit substantive legal deficiencies with the proposed rates or rate study, called “objections.” Objections under Policy 3240 were due to the District on September 11, 2023. On September 13, 2023, the District held a special meeting to consider the objections that were received. The District

noted the objections and found that the objections did not present any procedural or substantive legal deficiencies with the proposed rates or the rate study.

The District has complied with the procedural and substantive requirements of Proposition 218. The Proposition 218 protest hearing is scheduled as an item on the District's agenda for its regular Board meeting on September 18, 2023. At the protest hearing, Bartle Wells Associates will deliver a presentation on the rate study, including the proposed rate increases and how the rates will be expended.

**RECOMMENDATIONS:**

- Accept written protests until the close of the public comment portion of the protest hearing at the Board meeting. After the protests are tabulated, publicly announce how many protests were received.
- Adopt Resolution No. 23-0918 and direct staff to insert the final tabulation numbers.
- If a majority of the parcel owners of record and customers of record did not protest the proposed rate increase, we recommend adopting Ordinance No. 2023-01 adopting and implementing the proposed rates, effective November 1, 2023.
- If a majority of the parcel owners of record and customers of record submitted written protests to the proposed rate increase, we recommend directing staff to develop proposed next steps and report back to the Board at a subsequent meeting.

**RESOLUTION NO. 23-0918**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
DEL PASO MANOR WATER DISTRICT  
RATIFYING RESULTS OF THE PROPOSITION 218 PROTEST HEARING  
ON SEPTEMBER 18, 2023, REGARDING PROPOSED WATER SERVICE RATES**

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**WHEREAS**, the Del Paso Manor Water District (“District”) owns and operates a public water system;

**WHEREAS**, State law requires that certain changes to water service rates occur in accordance with procedures outlined in Article XIII D, Section 6, of the California Constitution, commonly referred to as “Proposition 218”;

**WHEREAS**, a Water Rate Study has been prepared that recommends the adoption of the rates, fees and charges as specified in Exhibit A to this Resolution, which Exhibit is included herein as if set forth in full; and

**WHEREAS**, the District must increase water rates in order to obtain adequate funding for operations, maintenance, repairs, and necessary improvements to the water system.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DEL PASO MANOR WATER DISTRICT:**

1. The Board of Directors does hereby find that the foregoing recitals are true and correct and hereby incorporates them into its findings.

2. In compliance with Article XIII D, Section 6, of the California Constitution, Proposition 218 notices were mailed to property owners of record and customers of record within the District's service area on August 1, 2023 (48 days prior to the Protest Hearing), which complies with Proposition 218's minimum 45-day notice requirements.

3. The District Board of Directors held a public protest hearing on September 18, 2023, to consider the results of the protest proceedings conducted in accordance with California Constitution Article XIII D, section 6.

4. After receiving and considering documentary and oral testimony, the District Board declared the public hearing closed and considered whether written protests were received from property owners or customers of record representing a majority of owners of the identified parcels.

5. The General Manager has counted \_\_\_\_\_ protests. Because there are 1,975 connections in the District, the Board has determined that there is / is not a majority protest.

I certify that the foregoing Resolution was adopted by the Board of Directors of the Del Paso Manor Water District at a regular meeting held on the 18th day of September 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Ryan Saunders, President  
Board of Directors

ATTEST:

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Adam Coyan, General Manager

**ORDINANCE NO. 2023-01**

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE  
DEL PASO MANOR WATER DISTRICT  
ADOPTING AND IMPLEMENTING PROPOSED RATES EFFECTIVE NOVEMBER 1, 2023,  
CONTINGENT UPON RESULTS OF PROTEST TABULATION**

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**WHEREAS**, the Del Paso Manor Water District ("District") owns and operates a public water system;

**WHEREAS**, State law requires that certain changes to water service rates occur in accordance with procedures outlined in Article XIII D, Section 6, of the California Constitution, commonly referred to as "Proposition 218";

**WHEREAS**, a Water Rate Study has been prepared that recommends the adoption of the rates, fees, and charges as specified in Exhibit A to this Resolution, which Exhibit is incorporated herein as if set forth in full;

**WHEREAS**, the District must increase water rates in order to obtain adequate funding for operations, maintenance, repairs, and necessary improvements to the water system;

**WHEREAS**, in compliance with Article XIII D, Section 6, of the California Constitution, Proposition 218 notices were mailed to property owners of record and customers of record within the District's service area on August 1, 2023 (48 days prior to the Protest Hearing), which complies with Proposition 218's minimum 45-day notice requirements;

**WHEREAS**, the amount of the proposed water service rates will not exceed the proportionate cost of the service attributable to each parcel upon which they are proposed for imposition;

**WHEREAS**, the District Board of Directors held a public protest hearing on September 18, 2023, to consider the results of the protest proceedings conducted in accordance with California Constitution Article XIII D, section 6; and,

**WHEREAS**, the tabulations team has counted the protests and, as evidenced by the Board's adoption of Resolution 23-0918 the Board has determined that there is not a majority protest.

**NOW, THEREFORE, the Board of Directors of the Del Paso Manor Water District does hereby ordain as follows:**

**SECTION 1.** Recitals. The foregoing recitals are true and correct and they are hereby incorporated into the Board of Directors' findings.

**SECTION 2.** Proposition 218 Compliance. The District has complied with the procedural requirements of Article XIII D and, based upon the District's Water Rate Study and the District's responses to objections submitted pursuant to District Policy No. 3240, the water service rates set forth in Exhibit A comply with Article XIII D, section 6, subsections (b)(1) through (5).



**SECTION 3.** Levy of Charges. Subject to the contingency provided in Section 5 below, the Board of Directors hereby approves and adopts, pursuant to the California Water Code section 31000 *et seq.*, the increased water service rates attached hereto as Exhibit A, effective November 1, 2023, and increasing annually on July 1, through Fiscal Year 2027-28.

**SECTION 4.** CEQA Exemption. The Board of Directors hereby finds that the levy of the proposed water service rates as supported by the District’s Water Rate Study (incorporated herein by reference) is exempt from California Environmental Quality Act (“CEQA”) review under Public Resources Code section 21080(b)(8) and CEQA Guidelines section 15273, because the proposed water service rates are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the District’s water system, are necessary to maintain service within the District’s existing service area, and will not result in expansion of the system. The Board of Directors further finds that the action entails the creation of a government funding mechanism that is exempt from CEQA as not being a “project” pursuant to CEQA guidelines section 15378. The Board of Directors authorizes the General Manager to file a notice of exemption with the County Clerk to that effect.

**SECTION 5.** General Authorization. The General Manager is hereby authorized and directed to execute and deliver any and all documents and take any and all actions that may be necessary or advisable, in his discretion, in order to effect the purposes of this Ordinance. All actions heretofore taken by officers, employees, and agents of the District that are in conformity with the purposes and intent of this Ordinance are hereby approved, confirmed, and ratified.

**SECTION 6.** Effective Date. This Ordinance will take effect immediately upon adoption by the Board of Directors. As stated in Section 3 of this Ordinance, the increased water service rates attached hereto as Exhibit A are effective November 1, 2023, and increase annually on July 1 through Fiscal Year 2027-28.

**PASSED AND ADOPTED** by the District Board of Directors on September 18, 2023:

I certify that the foregoing Ordinance was adopted by the Board of Directors of the Del Paso Manor Water District at a regular meeting held on the 18th day of September 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Ryan Saunders, President  
Board of Directors

ATTEST:

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Adam Coyan, General Manager

# **EXHIBIT A**



Del Paso Manor Water District  
1817 Maryal Drive, Suite 300  
Sacramento, California 95864

**PROPOSITION 218 NOTIFICATION  
NOTICE OF PUBLIC HEARING TO CONSIDER CHANGES TO THE  
DEL PASO MANOR WATER DISTRICT WATER RATES**

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The Del Paso Manor Water District (DPMWD) has set a public hearing for September 18, 2023, to consider adoption of new rates and charges for water delivery and service in its service area (water rates). The proposed water rates represent an increase in existing water rates that will support a cost of service structure consistent with current law. Details are as follows:

**Proposal:**

The proposed water rates for delivery of water are intended to provide revenue for water system operation and maintenance and Capital Improvements. The water rates will be adjusted annually to provide for future costs, as shown in Tables 1 and 2. The attached tables are provided to help you identify how your cost for water service will change.

**Reason and Basis for the Proposed Rates:**

DPMWD provides water services to residential and commercial customers located in Sacramento County. Currently DPMWD serves over 1,900 accounts across an approximate service area of 1.5 square miles. DPMWD maintains and oversees water system pumps, wells, pipelines, and associated facilities and equipment.

The reasons for the proposed rate adjustments are to continue to provide safe and reliable water to each customer based on the actual cost of providing this service and the cost of anticipated ongoing maintenance and capital costs.

The proposed water rates were developed based on DPMWD's costs to provide water service and considering future annual operating costs and budgeted repair and replacement expenses by evaluating the prior years' audited financial data. A cost of service study prepared by independent consulting firm Bartle Wells Associates is available on DPMWD's website and contains a detailed description of the analysis.

**Notice of Public Hearing:**

On September 18, 2023, at 6:00pm, at the El Camino Fundamental High School Gymnasium **located at 4300 El Camino Avenue, Sacramento, California 95821**, the Del Paso Manor Water District Board of Directors will hold a public hearing to consider the proposed water rates for the delivery of water service in its service area effective no sooner than November 1, 2023.

**Proposed Water Rates 2023 through 2028:**

The residential water rates are made up of two components: 1) a flat rate operating and maintenance (O&M) charge and 2) a flat rate capital improvement plan charge. The flat rate O&M charge recovers the operating and maintenance costs associated with serving the account. The flat rate O&M charge is determined based on the number of dwellings served and the account's lot size. The capital improvement plan charge is determined based on each account's respective connection size and is designed to recover a percentage share of the capital and debt service payments made by DPMWD.

The commercial water rates are generally made up of three key components: 1) a fixed O&M meter charge, 2) a volumetric O&M charge, and 3) a flat rate capital improvement plan charge. The meter charge is based on meter size and reflects each user's relative proportional demand on the system. The volumetric charge is designed to recover DPMWD's expenses associated with supplying the water used by that account. The capital improvement plan charge is the same charge paid by residential customers and is determined based on the account's connection/meter size.

**Table 1. Proposed Residential Service Charge (Monthly Charges):**

<b>Single Family O&amp;M Rate, \$ per Month</b>	<b>Current</b>	<b>11/1/2023</b>	<b>7/1/2024</b>	<b>7/1/2025</b>	<b>7/1/2026</b>	<b>7/1/2027</b>
0 - 5,000 sq. ft. lot	\$26.90	\$41.70	\$43.78	\$45.97	\$48.27	\$50.68
5,001 - 8,000 sq. ft. lot	\$35.20	\$54.56	\$57.29	\$60.15	\$63.16	\$66.32
8,001 - 11,000 sq. ft. lot	\$41.40	\$64.17	\$67.38	\$70.75	\$74.28	\$78.00
11,001 - 14,000 sq. ft. lot	\$47.60	\$73.78	\$77.47	\$81.34	\$85.41	\$89.68
14,001 - 17,000 sq. ft. lot	\$53.80	\$83.39	\$87.56	\$91.94	\$96.53	\$101.36
17,001 - 20,000 sq. ft. lot	\$60.05	\$93.08	\$97.73	\$102.62	\$107.75	\$113.14
Over 20,000 sq. ft. lot	\$60.05	\$93.08	\$97.73	\$102.62	\$107.75	\$113.14
Per 1k sq. ft. of lot above 20k	\$2.07	\$3.21	\$3.37	\$3.54	\$3.71	\$3.90
<b>Duplex/Multi-Family O&amp;M Rate, \$ per Month</b>	<b>Current</b>	<b>11/1/2023</b>	<b>7/1/2024</b>	<b>7/1/2025</b>	<b>7/1/2026</b>	<b>7/1/2027</b>
5,001 - 8,000 sq. ft. lot	\$56.90	\$88.20	\$92.60	\$97.23	\$102.10	\$107.20
8,001 - 11,000 sq. ft. lot	\$63.15	\$97.88	\$102.78	\$107.92	\$113.31	\$118.98
11,001 - 14,000 sq. ft. lot	\$69.35	\$107.49	\$112.87	\$118.51	\$124.44	\$130.66
<b>Capital Improvement Plan Charge (CIP Charge)</b>	<b>Current</b>	<b>11/1/2023</b>	<b>7/1/2024</b>	<b>7/1/2025</b>	<b>7/1/2026</b>	<b>7/1/2027</b>
Residential, up to 1"	\$23.05	\$23.05	\$44.17	\$44.17	\$44.17	\$44.17
Residential, 1.25"	\$28.81	\$34.58	\$66.26	\$66.26	\$66.26	\$66.26
Residential, 1.5"	\$34.58	\$46.10	\$88.35	\$88.35	\$88.35	\$88.35
Residential, 2"	\$46.10	\$73.76	\$141.36	\$141.36	\$141.36	\$141.36
Duplex	\$46.10	\$46.10	\$88.35	\$88.35	\$88.35	\$88.35
Residential over 1" (per 1")	\$23.05	\$23.05	\$44.17	\$44.17	\$44.17	\$44.17
Additional Connection, per 1"	\$23.05	\$23.05	\$44.17	\$44.17	\$44.17	\$44.17

**Table 2. Proposed Commercial Service (Monthly Charges):**

<b>Flat Rate Commercial, \$ per Month</b>	<b>Current</b>	<b>11/1/2023</b>	<b>7/1/2024</b>	<b>7/1/2025</b>	<b>7/1/2026</b>	<b>7/1/2027</b>
3/4" - 5/8"	\$45.50	\$70.53	\$74.05	\$77.75	\$81.64	\$85.72
1"	\$62.85	\$97.42	\$102.29	\$107.40	\$112.77	\$118.41
1 1/2"	\$90.90	\$140.90	\$147.94	\$155.34	\$163.10	\$171.26
2"	\$184.00	\$285.20	\$299.46	\$314.43	\$330.15	\$346.66
<b>Volumetric Rate, \$ per CCF</b>	<b>Current</b>	<b>11/1/2023</b>	<b>7/1/2024</b>	<b>7/1/2025</b>	<b>7/1/2026</b>	<b>7/1/2027</b>
\$ per 100 cubic ft	\$1.39	\$2.15	\$2.26	\$2.38	\$2.49	\$2.62
<b>Meter Readiness-to-Service Charge, \$ per Month</b>	<b>Current</b>	<b>11/1/2023</b>	<b>7/1/2024</b>	<b>7/1/2025</b>	<b>7/1/2026</b>	<b>7/1/2027</b>
5/8"	\$15.10	\$23.41	\$24.58	\$25.80	\$27.09	\$28.45
1"	\$37.80	\$58.59	\$61.52	\$64.60	\$67.83	\$71.22
1 1/2"	\$75.60	\$117.18	\$123.04	\$129.19	\$135.65	\$142.43
2"	\$120.95	\$187.47	\$196.85	\$206.69	\$217.02	\$227.87
3"	\$226.80	\$351.54	\$369.12	\$387.57	\$406.95	\$427.30
4"	\$378.00	\$585.90	\$615.20	\$645.95	\$678.25	\$712.17
6"	\$756.00	\$1,171.80	\$1,230.39	\$1,291.91	\$1,356.50	\$1,424.33
8"	\$1,209.60	\$1,874.88	\$1,968.62	\$2,067.06	\$2,170.41	\$2,278.93
10"	\$1,738.80	\$2,695.14	\$2,829.90	\$2,971.39	\$3,119.96	\$3,275.96
<b>Capital Improvement Plan Charge (CIP Charge)</b>	<b>Current</b>	<b>11/1/2023</b>	<b>7/1/2024</b>	<b>7/1/2025</b>	<b>7/1/2026</b>	<b>7/1/2027</b>
Commercial up to 1"	\$23.05	\$23.05	\$44.17	\$44.17	\$44.17	\$44.17
Commercial 1 1/2"	\$46.10	\$46.10	\$88.35	\$88.35	\$88.35	\$88.35
Commercial 2"	\$73.75	\$73.75	\$141.34	\$141.34	\$141.34	\$141.34
Commercial 3"	\$138.30	\$138.30	\$265.05	\$265.05	\$265.05	\$265.05
Commercial 4"	\$230.50	\$230.50	\$441.75	\$441.75	\$441.75	\$441.75
Commercial 6"	\$461.00	\$461.00	\$883.50	\$883.50	\$883.50	\$883.50
<b>Temporary Construction Water, \$ per CCF</b>	<b>Current</b>	<b>11/1/2023</b>	<b>7/1/2024</b>	<b>7/1/2025</b>	<b>7/1/2026</b>	<b>7/1/2027</b>
\$ per 100 cubic ft	\$1.43	\$2.15	\$2.26	\$2.38	\$2.49	\$2.62
<b>Fire Sprinkler Readiness Rate, \$ per Month</b>	<b>Current</b>	<b>11/1/2023</b>	<b>7/1/2024</b>	<b>7/1/2025</b>	<b>7/1/2026</b>	<b>7/1/2027</b>
4"	\$75.60	\$117.18	\$123.04	\$129.19	\$135.65	\$142.43
6"	\$151.20	\$234.36	\$246.08	\$258.38	\$271.30	\$284.87
8"	\$241.90	\$374.95	\$393.69	\$413.38	\$434.05	\$455.75
10"	\$347.75	\$539.01	\$565.96	\$594.26	\$623.97	\$655.17

### **How do I Oppose the Proposed Water Rate Increase?**

Interested parties can comment on the proposed DPMWD water rates. California law prohibits the District from implementing proposed water rate increases if a majority of owners of identified parcels or customers of record file written protests opposing the proposed water rate increases prior to the close of the public comment period at the hearing on September 18, 2023. The customer of record is the name of the person whose name is printed on the utility bills for the parcel. In accordance with the California Constitution as amended by Proposition 218, only one protest is allowed per parcel. For example, if both the tenant and the owner of the same parcel filed a protest, only one protest would be counted.

If you oppose the proposed DPMWD water rate increases, your protest must be submitted in writing to DPMWD and indicate it is a protest to the DPMWD rates. Written protests may be mailed or hand delivered to the Del Paso Manor Water District **1817 Maryal Drive, Suite 300, Sacramento, CA 95864**, or submitted at the public hearing on September 18, 2023. Mailed protests must be received by the district by the time and the date of the public hearing on September 18, 2023 to be considered. All other written protests must be received prior to the close of the public comment portion of the public hearing on September 18, 2023.

In order to be valid, a protest must clearly bear (1) the date, (2) designation of parcel address or parcel number, (3) printed name of the person submitting the protest, and (4) original signature of the record owner, or trustee, or authorized signatory of a corporation/partnership, or customer of record with respect to the property identified on the protest. Protests not bearing the original signature shall not be counted. Protests which have been altered by someone other than the person who signed them shall not be counted. Protests can be withdrawn upon written notice of intent to do so submitted before the closing of the public comment portion of the public hearing. Protests will be disclosable public records once received by the district.

At the public hearing on September 18, 2023, DPMWD will hear and consider all public comments regarding the fees (including oral comments), but only written protests submitted in accordance with the criteria above will be considered when determining whether a majority protest against the imposition of proposed fees exists. One protest per parcel will be tabulated and if the total protests exceeds fifty percent of the ratepayers, then the water rate increase may not be adopted as proposed.

NOTE – pursuant to Government Code section 53759, there is a 120-day statute of limitations for challenging any new, increased, or extended fee or charge.

#### **Additional Information:**

Additional information is available upon request or on the DPMWD website at <https://www.delpasomanorwd.org/>. If you have any questions regarding this notice, please call DPMWD at (916) 487-0419.