SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Ed Fortner, General Manager

Meeting Date: January 2, 2020

SUBJECT: Cost of Service Study RFP Discussion

RECOMMENDED ACTION: Receive report from the General Manager. Discussion and possible action.

FISCAL IMPACT: $40,000

DISCUSSION:

The District has budgeted $40,000 for a Cost of Service Study (COSS) to help shape water rates for the next five to ten years. I have reached out to Coastland Engineering and California Special District Association (CSDA) for guidance on selecting a rate consultant and shaping a Request for proposal (RFP). Coastland recommended the firm Bartle Wells Associates. I have reached out to Bartle Wells for assistance in developing the RFP taking into consideration California Proposition 218 and the San Juan Capistrano court ruling related to the defensibility of proper allocation of rates for various classes. All rates must be allocated/ applied to classes proportionally. Each tier must correspond to the actual costs of providing service at a given level of usage. California's mandated water conservation adds another layer of complexity to developing water rates. The RFP for the Cost of Service Study will be brought before the Board for discussion and approval at the February 6, 2020 meeting.