# SWEETWATER SPRINGS WATER DISTRICT

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

**FROM:** Ed Fortner, General Manager

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**Meeting Date: March 5, 2020**

**Subject: Water Services Rate Study Recommendations and Report**

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**RECOMMENDED ACTION:** Approve Resolution 20-09 Accepting the Water Rate Study and Give Direction on Rate Increase Recommendations.

**FISCAL IMPACT:** Rate Revenue Increase of $26,000 annually for each one percent increase.

**DISCUSSION:**

The Board has approved water rate increases of 3% annually for the last nine years based on a water rate study by Brelje and Race, which was completed in January 2007. These annual rate increases have not met the target goal of $500,000 annual net capital funds. The cost of living increases in overall expenses, wages, and benefits have limited attainment of this goal.

Bartle Wells Associates have now completed a new Water Service Rate Study. Abigail Seaman and Doug Dove will present the study and recommendations for rate increases over the next ten years. Julie and I have submitted data for the study and met over the phone with Doug and Abigail to discuss the initial findings. The financial picture is positive but aligns with earlier budget presentations given to the Board that show the need for rate increases of 5% to achieve the stated goal of $500,000 annual net capital funding. This recommendation is below most comparative increases in the area, and our rates are also lower than the majority of comparatives.

# Resolution No. 20-09

## A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT ADOPTING FINDINGS OF THE BARTLE AND WELLS ASSOCIATES 2020 WATER SERVICE RATE STUDY

**WHEREAS,** Sweetwater Springs Water District (the District) last conducted a Rate Study in 2007; and

**WHEREAS,** the District required an updated review of Water Rates and Water Rate Structure to comply with California Laws and Best Practice; and

**WHEREAS,** a Request For Proposals was advertised on January 6, 2020, and Proposals received on February 3, 2020; and

**WHEREAS,** the District awarded the work to Bartle and Wells as the low bidder; and

**WHEREAS,** Bartle and Wells presented the completed Rate Study and Recommendations to the Board on March 5, 2020.

**NOW, THEREFORE BE IT RESOLVED,** as follows:

The Board of Directors of Sweetwater Springs Water District do hereby accept the Bartle and Wells Associates Water Services Rate Study and the Study Findings.

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I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted and passed by the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT, Sonoma County, California, at a meeting held on March 5, 2020, by the following vote.

| Director | Aye | No |
|---|---|---|
| Sukey Robb-Wilder | _____ | _____ |
| Tim Lipinski | _____ | _____ |
| Richard Holmer | _____ | _____ |
| Gaylord Schaap | _____ | _____ |
| Larry Spillane | _____ | _____ |

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Sukey Robb-Wilder

Vice-President of the Board of Directors

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Attest: Julie A. Kenny

Clerk of the Board of Directors