SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: December 3, 2009

SUBJECT: DISCUSSION/ACTION RE POLICY REGARDING METHOD OF APPROVING RATES AND FEES

RECOMMENDED ACTION: Receive a report on changing the District's approach to approving water rates and fees from an ordinance to a resolution.

FISCAL IMPACT: none

DISCUSSION:

The District currently approves water rates and fees (water rates) by ordinance which requires an introduction at a public meeting, adoption at the next meeting, and then the rates become effective 30 days after adoption. Concurrent with that process is the Proposition 218 process which requires noticing of all property owners 45 days prior to consideration of new water rates with a required public hearing, and the budget process which is a multi-month effort, as well, and is the deliberation that determines whether there is a financial reason for changing water rates. Our current approach to coordinating the Prop 218 process with an ordinance is to combine the Prop 218 public hearing with the introduction of the ordinance. In that manner two required public hearings are served at one meeting. This means that the budget must be completed prior to these public hearings – water rates are based on budget requirements. Coordinating the three processes is a challenge and the multi step ordinance procedure does not serve our customers in any significant way. Most of this action occurs at the introduction stage of the ordinance and the adoption of the ordinance is a foregone conclusion.

Many water agencies – water districts and cities – approve water rates by resolution. Resolutions require only one meeting, the approved action become effective immediately, and the procedure, needing only one meeting, is easier to coordinate with Prop 218 and the budget process.

Staff recommend that the District change its water rate approval process to using the resolution approach. Coordination with Prop 218 will be easier, the budget process will have one more month, and the public will be served at an equal, if not better, way.