

Staff Report

TO: Board of Directors
FROM: Jennifer Hanson, General Manager
DATE: January 22, 2025
SUBJECT: Water Rate Schedule

ADMINISTRATION

RECOMMENDATION:

Provide input on schedule for development and implementation of new water rates.

BACKGROUND:

The Board last adopted water rates on April 24, 2019. The rates adopted were only for a three-year period, instead of a typical five-year period. There has not been an increase to water rates since 2021. New water rates are required to be in compliance with Proposition 218 that was approved by California voters in 1996. Proposition 218 requires public agencies to follow certain procedures when new rates are proposed. The District's water rates are required to be developed and implemented according to these procedures. Below is the high level schedule that will be followed to ensure compliance with Proposition 218:

- Jan/Feb 2025: Develop draft financial plan and rate analysis
- Early March 2025: Draft study tables
- **March 12, 2025: Board meeting: Present preliminary findings and recommendations**
- March 24, 2025: Draft report
- **April 9, 2025: Board meeting: Present final recommendations and authorize mailing of Prop. 218 notices**
- April 18, 2025: Mail Prop. 218 notices (April 25 latest date to mail notices)
- **June 11, 2025: Public hearing on proposed rates**
- July 1, 2025: Rates effective

In addition to the major milestones noted above, staff is also developing a communications plan that will ensure the public is aware of the rate setting process. Communications will include stakeholder meetings, media release, information releases through regular channels of communication, dedicated information on the website and other items of communication.

BUDGETARY IMPACT:

Funding for this activity was included in the 2025 Annual Budget.