



IDYLLWILD WATER DISTRICT

Memo

To: Board of Directors
From: Leo Havener, General Manager
Date: April 19, 2023
Subject: Item 4 – Building Ad Hoc Committee Update

Discussion:

Building As Hoc Committee will provide an update of findings.



IDYLLWILD WATER DISTRICT

Memo

To: Board of Directors
From: Leo Havener, General Manager
Date: April 19, 2023
Subject: Item 5 – Election of Officers of the Board of Directors

Recommendation:

Staff recommends the Board of Directors elect a President and Vice President for the remainder of the 2023 calendar year.

Background:

President Schelly resigned as Board President during the March 29, 2023, Special Board meeting, but remains as a Board Member. Therefore, The Board of Directors will select one of its members to serve as the President and one to serve as the Vice President of the Board. The newly elected President and Vice President for hold the positions for the remainder of the 2023 calendar year.



IDYLLWILD WATER DISTRICT

Memo

To: Board of Directors

From: Leo Havener, General Manager

Date: April 19, 2023

Subject: Item 6 – Set a Public Hearing on June 21, 2023, to Consider Water And Sewer Rates

Recommendation:

The Idyllwild Water District (“District”) Board of Directors (“Board”) will set a public hearing on June 21, 2023, at 6:00 p.m. at the Idyllwild Water District Board Room located at 25945 Highway 243, Idyllwild, California 92549 to consider the adoption of proposed rate changes for water and sewer covering Fiscal Years 2023-24, 2024-25, 2025-26, 2026-27, and 2027-28.

Background:

The District provides water, and sewer collection and treatment, to residents and businesses of Idyllwild. In 2022, the District hired Bartle Wells Associates to prepare a water and sewer rate study for Fiscal Years 2023-24, 2024-25, 2025-26, 2026-27, and 2027-28.

The proposed five-year rate plan will provide the District with sufficient funding to operate its facilities and comply with legal and regulatory requirements. This will allow the District to provide clean safe drinking water and water for fire protection, and to collect, treat, and dispose of wastewater properly and in an environmentally sound manner.

Under Proposition 218 (Article XIII D, Section 6 of the California Constitution), notice of a public hearing regarding rate increases must be mailed to property owners and tenants of the properties receiving water and sewer services at least 45 days in advance of the scheduled public hearing. Staff recommend setting the public hearing for June 21, 2023, in order to satisfy the notice requirements. A draft Proposition 218 public hearing notice is attached.

Staff seeks Board input on the draft Proposition 218 notice. Staff will then finalize and mail out the notice by May 5, 2023 (because May 7, 2023, is a Sunday), which is at least 45 days before the June 21, 2023, public hearing on the rate increases.

Attachments:

- Draft Proposition 218 Public Hearing Notice
- Resolution No. 792
- Miscellaneous Fees
- Frequently Asked Questions



IDYLLWILD WATER DISTRICT

NOTICE OF PUBLIC HEARING

Proposed Increases to
Water and Sewer Service Charges

NOTICE IS HEREBY GIVEN that the Idyllwild Water District Board of Directors will conduct a public hearing on or after 6:00 p.m. on June 21, 2023, or as soon as possible thereafter, in the Idyllwild Water District Board Room - 25945 Highway 243, Idyllwild, CA 92549 to consider the adoption of proposed rate changes for water and sewer service charges covering the Fiscal Years 2023-24, 2024-25, 2025-26, 2026-27, and 2027-28. Said public hearing will be held to consider all oral testimony and written protests to, and the adoption of the proposed rate increases.

ABOUT THIS NOTICE

In compliance with Article XIII D of the California Constitution (Proposition 218), we are notifying all property owners and customers about the hearing regarding proposed rate changes to their water and sewer charges. As the property owner or customer of record responsible for paying the proposed water and sewer service charges, you may submit a written protest to the proposed rates.

PROPOSED INCREASES

We are committed to providing the highest quality water and the most reliable sewer services that fairly distribute costs to all our customers. As part of this commitment, each year, we review our system assets and operations maintenance costs to meet your essential water and sewer service needs. The rate changes are proposed to fairly distribute ongoing costs among our customers, account for inflationary pressures on District operations, ensure financial stability of the District and allow for more infrastructure replacement. The District retained Bartle Wells Associates (BWA), a municipal financial consulting firm, to develop a constitutionally compliant rate structure.

While the Water System rate development includes not only an increase in the overall revenue generated by the charges in each of the next five-years, it also includes significant changes to the actual structure of the rates to be in compliance with legislative and judicial requirements in the elimination of "pre-paid water" allocations to residential customers, the elimination of Tiers for Commercial and Institutional Customers and the reduction from three (3) tiers to two (2) tiers for residential customers. The proposed rates

are calculated to recover District's costs of providing water service and proportionally allocate those costs. The Sewer Enterprise is not proposing any changes to the rate structure but is proposing to increase the rate per equivalent dwelling unit (EDU) in each of the next five years.

The proposed changes are necessary to ensure we fairly recover our costs to provide water and sewer services, encourage water efficiency, maintain fiscal stability, and reestablish an ongoing infrastructure replacement program.

BWA has prepared a cost-of-service study and report that describes the rate development process for the water and sewer enterprises. The BWA report can be found on the District's website: www.idyllwildwater.com.

EXPLANATION OF CHARGES

Commodity Charge: Variable charges (e.g. commodity) are the part of your bill you can control based on the amount of water you use each month. The commodity charges are measured in cubic feet (units), where 1 unit = 7.48 gallons. While water use habits vary, a typical household in our services area uses 200 – 400 units per month.

Monthly Fixed Service Charge: This is a fixed charge based on the size of the meter (in inches) serving water to a parcel or property. This structure charge helps recover a portion of our fixed costs such as billing, collections, meter reading and to cover the costs required to operate and maintain our water system to provide high quality, reliable water service. These costs do not vary based upon the amount of water we deliver to customers.

WRITTEN PROTESTS

If you are the record owner of a parcel that receives water service from our District or are a tenant directly responsible for the payment of water service charges, you have the right to file a formal written protest; provided, however, that only one written protest will be counted per parcel. Mail or deliver written protest to:

Idyllwild Water District
Attention: District Secretary
P Box 397
25945 Highway 243
Idyllwild, CA 92549

Protests must include your name, parcel number and / or service address, a clear written statement protesting the rate increase, and your signature. If the person submitting the written protest is the owner of record, but was not shown on Riverside County's last equalized assessment roll as the property owner, that person must provide written evidence that the person is the property owner. Any protest submitted via email or other electronic means will not count as a formal written protest in the formal tally

according to Proposition 218. You may also submit a written protest at the Public Hearing meeting on June 21, 2023, prior to the conclusion of the actual hearing. The District must receive all written protests prior to the close of the Public Hearing. Please identify on the front of the envelope for any protest, "2023 Public Hearing on Water and Sewer Rate Increases." Protests shall constitute a disclosable public record from and after the time they are received.

DOES MY INPUT COUNT AT THE PUBLIC HEARING?

We welcome members of the public to attend the Public Hearing about the proposed rate changes. Any person who attends the Public Hearing will have an opportunity to speak but verbal comments will not qualify as formal protests unless accompanied by a written protest.

ABOUT THE PUBLIC HEARING PROCESS

At the time of the Public Hearing, the Board of Directors will accept and consider all written protests and hear and consider oral comments to the proposed rates. Upon the conclusion of the Public Hearing, the Board of Directors will consider adoption of the proposed rate changes as described in this notice. If written protests against the proposed rates are not presented by a majority of the property owners or tenants of the identified parcels subject to the proposed rate increases, the Board of Directors will be authorized to adopt the rate increases. If adopted, the proposed rates in Exhibit A will become effective July 1, 2023. There is a 120-day statute of limitations for challenging any new, increased, or extended fee or charge.

Please contact us for further information about the basis and reasons for the proposed rate changes or any questions you have about your customer classification, service area or the rates proposed to be imposed to be imposed on your parcel.

Contact:

Idyllwild Water District
Phone: (951) 659-2143
Website: www.idyllwildwater.com



RESOLUTION NO. 792

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE IDYLLWILD WATER DISTRICT ADOPTING WATER RATES FOR FISCAL YEARS 2023-24, 2024-25, 2025-26, 2026-27 and 2027-28

WHEREAS, California Water Code Section 30000 et seq. authorizes the Idyllwild Water District to fix and collect water and sewer rates for water and sewer service provided to property owners and residents within the District; and

WHEREAS, there has been presented to the Board of Directors (Board) a proposed water and sewer rates for the District for the Fiscal Years 2023-24, 2024-25, 2025-26, 2026-27 and 2027-28; and

WHEREAS, the District previously adopted water rate Resolution Number 753 for the Fiscal Year 2022-23.

WHEREAS, at Regular meetings on April 19, 2023, and May 17, 2023, and June 21, 2023, the Board reviewed the 2023 Water and Sewer Rate Study, as well as holding a Public workshop hosted by the rate consultant in May 2023; and

WHEREAS, on June 21, 2023, the Board determined that the increases described in the Water and Sewer Rate Study are necessary and sufficient to cover, without exceeding, the cost to provide water and sewer service to each customer connection; and

WHEREAS, pursuant to Proposition 218, Article XIID, on April 19, 2023, the District mailed notice of the water rate increase to all property owners within the District's service area, which included the proposed rates for Fiscal Years 2023-24, 2024-25, 2025-26, 2026-27 and 2027-28; and

WHEREAS, the proposed water and sewer rates have been reviewed and considered by the Board, and it has been determined to be in the best interest of the District to adopt water rates for the sound financial operation of the District; and

WHEREAS, the Board held a public hearing on June 21, 2023 at 6:00 p.m. at the office of the District at which date, time, and place, the Board heard all persons who wished to comment on the subject and considered and tabulated all written protests; and

WHEREAS, the Board of Directors desires to establish water and sewer rates for Fiscal Years 2023-24, 2024-25, 2025-26, 2026-27 and 2027-28.

THEREFORE, BE IT RESOLVED, determined, and ordered by the Board of Directors of the Idyllwild Water District as follows:

- Section 1. The matters set forth in the recitals to this Resolution are true and correct statements.
- Section 2. The prior water rate schedule adopted as part of Resolution Number 753 is rescinded and replaced by Resolution Number 792.
- Section 3. Written protests against the proposed rates and charges were not presented by a majority of owners.
- Section 4. The Board of Directors has reviewed the entire record for this matter, which includes the 2023 Water and Sewer Rate Study (2023 Study), the final version of which is incorporated herein by reference, and the analyses of expenses and revenues set forth therein. Based on the Board of Directors' review, it finds and determines that the record supports the Board of Directors' findings that:
- A. As set forth in the 2023 Study, revenues derived from the rates and charges will not exceed the revenues required to provide the property related service; and
 - B. As set forth in the 2023 Study, revenues derived from the rates and charges will not be used for any purpose other than that for which the rates or charges are imposed; and
 - C. As set forth in the 2023 Study, the amount of a rate or charge imposed upon any parcel or person as an incident of property ownership does not exceed the proportional cost of the service attributable to the parcel.
- Section 5. The Board of Directors hereby determines that no rate or charge will be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question.
- Section 6. The Board of Directors hereby determines that no rate or charges will be imposed for general governmental services including, but not limited to police, ambulance, fire, or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.
- Section 7. The Board of Directors of the Idyllwild Water District do adopt the attached water and sewer rates attached hereto and made a part hereof to provide sufficient revenue for the sustainable operation of the Idyllwild Water District.
- Section 8. The attached water rates shall take effect on July 1, 2023.

MOVED, PASSED, AND ADOPTED this 21st day of June 2023.

IDYLLWILD WATER DISTRICT

Peter Szabadi, Vice President Board of Directors

ATTEST:

I, Leo Havener, Secretary of the IDYLLWILD WATER DISTRICT, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted by the Board of Directors of the IDYLLWILD WATER DISTRICT at its meeting of June 21, 2023, by the following vote:

AYES:

NAY:

ABSTAIN:

ABSENT:

Motion _____.

In witness whereof, I have executed by statement and affix the official seal of the IDYLLWILD WATER DISTRICT this 21st day of June 2023.

IDYLLWILD WATER DISTRICT

Leo Havener, Secretary to Board of Directors

IDYLLWILD WATER DISTRICT

Miscellaneous Fees July 1, 2023

<u>Item</u>	<u>Cost</u>
Sewer Capacity Fee	\$15,345.00/EDU
Sewer Installation Inspection Fee	\$250.00
Water Turn On / Off Fee	\$50.00
Door Hanger Fee (Non-Payment Shut-off Notice)	\$10.00
Not Sufficient Funds (NSF) / Returned Check Fee	\$30.00
Late Payment Fee	\$20.00
Sewer Audit of EDUs (Commercial) Customer Request	\$100.00
Water Availability Letter	\$50.00
Sewer Availability Letter	\$50.00
Transfer Fee (Water / Sewer)	\$50.00
Services Call (After Hours \$75.00)	\$50.00
Application Fee (Water / Sewer)	\$100.00
Construction Water (Renting Meter \$350 and \$500 Deposit for Usage)	\$0.20 / Cubic Foot
Construction Hydrant Meter Relocation Fee	\$25.00

Water Facilities Connection Fee

<u>Meter Size</u>	<u>Connection Fee</u>
0.625 - Inch Meter	\$8,782.00
0.75 - Inch Meter	\$9,172.00
1.00 - Inch Meter	\$14,954.00
1.50 - Inch Meter	\$23,980.00
2.00 - Inch Meter	\$42,255.00
3.00 - Inch Meter	\$67,724.00
4.00 - Inch Meter	\$76,540.00
6.00 - Inch Meter	\$146,800.00

Water Service Installation Fee

	<u>Actual Cost</u>
5/8 Inch Through 1.5 Inch	\$2,500.00 Deposit
2.0 Inch and Above	\$3,500.00 Deposit

Idyllwild Water District

Fiscal Year 2023-24 Rates

Frequently Asked Questions

Q: Why did I receive a notice about the Public Hearing on June 21, 2023, for the rates?

A: Proposition 218, passed by the voters in 1996 requires Idyllwild Water District to notify all water customers and ratepayers of the Board of Directors intention to change the way the water and/or sewer rates are to be collected or increased. The notice explains how and why the District is proposing the changes and how you can “protest” the proposed changes. The notice is also available on our website at www.idyllwildwater.com.

Q: How much will my new bill be?

A: The change in Rate Structure for Water Charges is extensive. For example, the bill of a residential customer using 300 units under the current rates is \$40.59 but would be \$42.93 under the new rates. However, the best way to determine what your new charges will be is the use the Rate Calculator on our Webpage (www.idyllwildwater.com). You can compare an old bill to the new charges. Use the drop-down menus to enter your meter size (first box) and type of customer (second box- i.e., residential or commercial) and then type the number of units you used in the third box and hit “enter.” The total monthly charge will be calculated. If you are also on Sewer don’t forget to add \$49.95 for residential customers or \$49.95/EDU (Equivalent Dwelling Unit) for commercial customers.

Q: Why are you eliminating pre-paid water?

A: Judicial interpretations of the California State Constitution have determined that pre-paid water charges some customers for a service (water usage) that they do not use and is not permitted.

Q: How were the revised rates developed?

A: The Idyllwild Water District Board of Directors engaged Bartle Wells Associates (BWA), a municipal financial consulting firm, to develop legally defensible rate structure options. The Board of Directors then selected the structure that was best suited to the unique needs of the Idyllwild Community. The BWA Rate Study is available on our website www.idyllwildwater.com.

On the water side, the rate structure is being completely reorganized and although the new rate structure is designed to generate 8% more total revenue each year, overall comparisons need to be done on a case-by-case basis to be meaningful. You can use the Rate Calculator on our Webpage (www.idyllwildwater.com) to compare your old charges with the proposed new charges.

Q: What are the Changes to the Water Rate Structure?

A: Increase in the Base Water meter monthly fee from \$40.59 to \$42.93

Creating Two tiers only

Tier 1 400 C.F The rate For First 400 C.F will go from \$0.0234 to .0530

Tier 2 < 400 C.F The Rate for upper than <400 Will go down from 0.01218 to \$.0870

Q: What will you do with the additional revenue?

A: Additional revenue is required to allow the District to implement a consistent infrastructure replacement or Capital Improvement Program (CIP). The 2024 Pipeline Project was the first replacement project since 2018. Over 15% of the District's pipelines are over 50-years old and some of the storage facilities (steel reservoirs) need substantial refurbishment. Additional revenue is also needed to rebuild the District's reserve funds which are at 83% of the Target levels set by the Board. In April 2020, the Board of Directors reduced the target Reserve Fund levels to reduce upward pressure on rates but still maintain prudent back-up funding for the District's operations and potential emergencies.

Q: What does the District Spend money on?

A: The District's proposed budget for Fiscal Year 2022-2023 is posted on the District Website, www.idyllwildwater.com.

Q: How can the District have tiered rates? I thought they were illegal.

A: Tiered rates are illegal. However, they must be supported through a detailed rate study which the District had prepared by BWA, a municipal financial consulting firm. That study is available on the District website www.idyllwildwater.com.



IDYLLWILD WATER DISTRICT

Memo

To: Board of Directors

From: Leo Havener, General Manager

Date: April 19, 2023

Subject: Item 7 – Policy Regarding Remote Participation at District Board Meetings Pursuant to AB 2449

Recommendation:

Board of Directors will consider establishing and set forth the District's policy pertaining to the remote participation of District Board members during District Board meetings pursuant to the requirements set forth by AB 2449.

Background:

AB 2449 creates an exception to allow a District Board member to appear by teleconference at a meeting due to a "just cause" or "emergency circumstance" without complying with the teleconferencing requirements that each teleconference location be identified in the notice and agenda and that each teleconference location be accessible to the public, if at least a quorum of the District Board members participate in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the local agency's jurisdiction.

This exception assumes that there is no proclaimed (state or local) state of emergency.

Attachments:

- Policy Regarding Remote Participation at District Board Meetings Pursuant to AB 2449



POLICY AND PROCEDURE

IDYLLWILD WATER DISTRICT

APPROVAL DATE	MANUAL	POLICY NO. 2023.001
APPROVED BY: Board of Directors	Policy Regarding Remote Participation at District Board Meetings Pursuant to AB 2449	EFFECTIVE DATE
		Page 1 of 4

Purpose:

To establish and set forth the District’s policy pertaining to the remote participation of District Board members during District Board meetings pursuant to the requirements set forth by AB 2449.

Policy:

Overview:

AB 2449 creates an exception to allow a District Board member to appear by teleconference at a meeting due to a “just cause” or “emergency circumstance” without complying with the teleconferencing requirements that each teleconference location be identified in the notice and agenda and that each teleconference location be accessible to the public, if at least a quorum of the District Board members participate in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the local agency’s jurisdiction.

This exception assumes that there is no proclaimed (state or local) state of emergency.

What qualifies as just cause:

- Childcare or caregiving of child, parent, grandparent, sibling, spouse, or domestic partner that requires a Board member to participate remotely.
- A contagious illness prevents a Board member from attending in person.
- A need related to a disability not otherwise accommodated.
- Travel while on official business of the legislative body or another state or local agency.

What qualifies as emergency circumstance:

- Physical or family medical emergency that prevents a Board member from attending in person.



POLICY AND PROCEDURE

IDYLLWILD WATER DISTRICT

Who may participate through teleconference under AB 2449:

- District Board members

What a Board member must do for just cause:

- Notify the Board as soon as possible of need to participate remotely.
- Provide the Board with a general description of the circumstances relating to need to appear remotely (see below)
 - General description need not exceed 20 words and must not require the Board member to disclose medical diagnosis or disability; or any personal medical information exempt under law.
- Approval of the Board is not required.

What a member must do for emergency circumstance:

- Make request to the Board as soon as possible to participate remotely.
- Provide the Board with a general description of the circumstances relating to the need to appear remotely.
- Approval of the Board is required:
- Must place on agenda; OR if no time to place on agenda, Board must vote at the beginning of the meeting (majority required) as an urgency item added to the agenda that requires immediate action and came to the Board's attention after the posting of the agenda. The urgency item will be taken after calling the meeting to order and before any other items of business.

Limitations:

- Just Cause: Board members may participate in meetings by teleconference under the Just Cause exemption no more than two (2) meetings per year.
- Board members may participate in Board meetings by teleconference under AB 2449 for no more than three (3) consecutive months or no more than 20% of regular meetings of the legislative body within a calendar year. For legislative bodies that meet monthly or no more than twelve (12) times per year, no more than two (2) meetings per calendar year.

Requirements for Remote Participation:

- The agenda must clearly identify the opportunity for the public to attend via call-in, internet-based service, and in-person (i.e., it must provide the appropriate phone numbers, web addresses, and physical addresses to view/attend the meeting).
- A quorum of the Board must participate in person in the meeting location listed on the posted agenda.



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IDYLLWILD WATER DISTRICT

- The Board member must participate through both audio and visual technology. This means the Board member's camera must be on throughout the entire meeting. Staff presentations must be shown in a manner that the remote Board member is visible throughout the entire meeting.
- All votes must be by roll call.
 - Remote Board member must publicly disclose if someone over the age of 18 is in the room and the relationship that the Board member maintains with this person.
- In the event of a disruption that prevents members of the public to participate using a call-in or internet-based option, the Board may take no further action until public access is restored.
- Board must allow reasonable time for the public to register and have opportunity to provide public comment. Board must be mindful of delays in webcast and be sure to provide adequate time for public to request to speak before taking action on any item. Staff should resolve technology issues, feedback, echoes, and other technical glitches that will disrupt the proceedings before beginning with official business, even if a recess is required.

Process for Conducting Meeting When Board Member Participates Remotely due to Just Cause or Emergency Circumstances:

- First confirm that at least a quorum of the Board is present at the meeting location as identified on the agenda.
- Confirm that a two-way audio-visual platform or a two-way telephonic service and a live webcasting of the Board meeting is active and was identified on the meeting agenda so that the public may participate remotely.
- Address the Board member participating remotely and ask the reason for their absence:
 - "Just Cause" and provide general description of the circumstances relating to need to appear remotely.
 - "Emergency Circumstances" and provide general description of the circumstances relating to need to appear remotely.
- Confirm with the Board's Clerk the number of times this specific Board member has appeared remotely within the calendar year.
- If member is requesting remote participate due to an "emergency circumstance," address Board for a roll call vote:
 - If request is received more than 72 hours before the Board meeting (or 24 hours for a special meeting), add a request to participate by teleconference as the first item of business on the posted agenda.
 - Pass a motion to accept the virtual participation of [Board member's name] due to an "emergency circumstance." This motion must be approved by a majority vote of the Board.



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- If request is received after the posting of the agenda and within 72 hours of the Board meeting (or within 24 hours for a special meeting), the following procedure applies:
 - Announce that the Board will act on this request to participate remotely under Government Code Section 54954.2(b).
 - Pass a motion to accept the virtual participation of [Board member's name] due to an "emergency circumstance". This motion must be approved by a majority vote of the body.
- Ask the Board member participating remotely if any individual over the age of 18 is present at the remote location with them. If yes, they must identify them and their relationship to the Board member.
- Remind Board member to keep camera on throughout the entire meeting (except during recess).
- Minutes should reflect:
 - The name and position of the Board member who appeared remotely under AB 2449's procedures.
 - The number of times each Board member has appeared remotely within the calendar year.
 - For remote participation due to "emergency circumstances," the motion to allow (or not allow) remote participation read into the record and vote recorded in the minutes.

If Request to Participate Remotely is NOT Approved:

- If a Board member seeks to participate due to a specified "emergency circumstance" and the Board votes **not to accept** the basis for virtual attendance under AB 2449, then the Board member may only participate/watch as a general member of the public and cannot vote on any action item.