

**Mission Springs Water District Board of Directors
Special Meeting (Workshop) Minutes
Monday June 24, 2019 – 11:00 a.m.**

CALL TO ORDER: 11:00 A.M.

ROLL CALL

Directors Present: Wright, Sewell, Grasha, Martin, Duncan

Directors Absent:

Staff Present: Wallum, Petee, Friend, McCue, Ceja, Llort, Idnani

Legal Counsel: John Pinkney

Prior to public input, President Duncan clarified the purpose of this meeting. He stated, despite what may have been heard via social media, the Board is not here today to take action on a rate reduction. This meeting is to review the findings of the most recent revenue sufficiency analysis.

PUBLIC INPUT

No public input

PRESENTATION OF UPDATE TO 2015 WATER AND SEWER COST OF SERVICE STUDY

Update, discussion and direction to staff.

Jonathan Varnes of Lighthouse Utility Consulting presented via conference line. Mr. Varnes reviewed the rate study process. The three phases to a water and sewer utility rate study are; Revenue Sufficiency Analysis, Cost of Service Analysis and Rate Design Analysis. The results of the last study done in 2015 determined that the current rate structure was not enough to support our revenue, thus the Board implemented the five-year rate increase. The current study was performed to determine if the 2020 increase is still sufficient. Mr. Varnes presented what has changed in the budget since the last study and reviewed the goals of the revenue sufficiency analysis. It was determined the adopted rates for FY 2020 are still sufficient, however future rate pressure begins to emerge toward FY 2023 and FY 2024 for both the water utility and sewer utility. It was recommended that consideration of a series of new annual rate increases be addressed.

The Board took no additional action at this time.

GENERAL MANAGER'S COMMENTS

DIRECTORS' COMMENTS

Director Wright noted when the downturn in the economy came the District lost over 25% of our revenue every year for several years.

Director Sewell asked if the projected sewer rates considered the cost of the new regional plant. Mr. Wallum confirmed it does.

Vice President Martin noted the tax revenue of other Districts versus the true cost of water. There was a brief conversation regarding the cost of SGMA.

ADJOURN: 11:50 A.M.

Respectfully submitted,



Arden Wallum, District Secretary