

Agenda

**Special Meeting
of the Board of Directors of
Yuima Municipal Water District
Wednesday, November 17, 2021 4:00 P.M.
34928 Valley Center Road, Pauma Valley, California**

Roland Simpson, President
Steve Wehr, Vice President
Don Broomell, Secretary/Treasurer

Laney Villalobos, Director
Bruce Knox, Director

AGENDA TOPICS

- 4:00 p.m.
1. **Roll Call** - Determination of Quorum Broomell
 2. **Pledge of Allegiance**
 3. **Approval of Agenda** – At its option, the Board may approve the agenda, delete an item, reorder items and add an item to the agenda per the provisions of Government Code §54954.2. Simpson
 4. **Public Comment** – This is an opportunity for members of the public to address the Board on matters of interest within the Board’s jurisdiction that are not listed on the agenda. The Brown Act does not allow any discussion by the Board or staff on matters raised during public comment except; 1) to briefly respond to statements made or questions posed; 2) ask questions for clarification; 3) receive and file the matter; 4) if it is within staff’s authority, refer it to them for a reply; or 5) direct that it be placed on a future board agenda for a report or action. Inquiries pertaining to an item on the agenda will be received during deliberation on that agenda item. No action can be taken unless specifically listed on the agenda (Government Code §54954.3) Simpson
- I. **ACTION DISCUSSION**
1. Proposed Resolution Setting Forth the Time and Place of Prop 218 Hearing and Authorizing Staff to Mail Prop 218 Compliant Notice of Hearing for a Water Rate Increase. Simpson

Background: In order to comply with the new Permanent Special Agricultural Water Rate (PSAWR) program adopted by the San Diego County Water Authority the District must adjust the water rate differential between PSAWR users and other rate payers beginning with the February 1, 2022 billing cycle. In order to meet the mailing requirements, notices will need to be mailed by December 6, 2021 for the hearing to be held January 24, 2022. Since this notice is required prior to the District completing its calculation of the water rate differential received from the San Diego County Water Authority on October 6, 2021, it is proposed that the notice include wording up to a maximum percentage on all water, and meter related fees and charges. If it is determined that the increases are direct pass-through and include no local Yuima portion, then no notice is required as prior adopted resolution covered all direct pass through increases. In order to invite comments from the public, it is necessary to schedule a public hearing and give appropriate notice. The proposed resolution sets the hearing to be held at 2:10 p.m. on January 24, 2022.

Recommendation: That, the Board approve the proposed resolution which sets the hearing before the Board at 2:10 p.m. on January 24, 2022.

II. OTHER BUSINESS

III. ADJOURNMENT

NOTE: In compliance with the Americans with Disabilities Act, if special assistance is needed to participate in the Board meeting, please contact the General Manager at (760) 742-3704 at least 48 hours before the meeting to enable the District to make reasonable accommodations. The meeting begins at 4:00 p.m. The time listed for individual agenda items is an estimate only. Any writings or documents provided to a majority of the members of the Yuima Municipal Water District Board of Directors regarding any item on this agenda will be made available for public inspection during normal business hours in the office of the General Manager located at 34928 Valley Center Road, Pauma Valley.

I.
ACTION & DISCUSSION



November 17, 2021

TO: Honorable President and Board of Directors

FROM: Amy Reeh, General Manager

SUBJECT: IDA PSAWR Cost Differential Rate Calculation Methodology and Resolution setting forth the time and place of hearing and giving notice of hearing for a Water Rate increase.

BACKGROUND

On December 31, 2020, the Temporary Special Agriculture Water Rate (TSAWR) program officially ended. In response to the request of water agencies throughout the county, the San Diego County Water Authority (CWA) adopted a new Permanent Special Agriculture Water Rate (PSAWR) effective January 1, 2021; however, CWA gave a grace period of 8 months to allow for agencies to notify customers of the new program, collect PSAWR program applications and verify eligibility of those applications. District staff finally completed this process in August of 2021.

Historically SDCWA allowed the District to accept “self-certifications” from customers to determine eligibility in the TSAWR program but the new program requires the parcel owner or the individual growing agricultural on the parcel to be registered on one of four approved lists. Eligibility is

- Grower’s List
- Active Certified Producers List
- Organic Producers List
- Regional Board General Agricultural Order Enrollment List (Pesticide Control)

This requirement resulted in a change in how the District will calculate the amount of PSAWR water sold to customers within the Improvement District A. Unfortunately, it also resulted in the necessity to do a rate adjustment to the non-PSAWR eligible rate classes (Domestic, Non-PSAWR Ag, Non-PSAWR Ag with Incidental Domestic) in order to properly reflect the required cost benefit differential. Below is a listing of the number of IDA customers that will be affected.

Customer Rate Class	# of Customers
Domestic	74
Non-PSAWR Ag	21
Non-PSAWR Ag with Incidental Domestic	13

Effective beginning January 1, 2022 the IDA rates must reflect a differential of that encompasses the same cost benefit differential given to us by SDCWA between the PSAWR rate and the Non-PSAWR rate classes.

District staff will present three options to the Board and explain the methodology used in each option.

In order to comply with state law, the District is required to set a date for a public hearing for the possible rate increase and send out Prop 218 notices by December 6th. In order to meet those deadlines without have final rate calculations and options available, Staff is preparing a Prop 218 compliant notice that will indicate the appropriate cost increase information.

RECOMMENDATION

That should the Board agree, they approve the resolution as presented.

SUBMITTED BY:



**Amy Reeh
General Manager**

PSAWR Cost Benefit Differential is comprised of 3 components: Water Rate Differential, Storage Charge and Supply Reliability Charge. The cost benefit pass through must reflect the Ag customer pay a lesser rate that encompasses these three components.

SDCWA Water Rate	
PSAWR	\$1,282
Non-PSAWR	\$1,492
District's per acre foot Storage Charge	166
District's per acre foot Supply Reliability Charge	107
Total Cost Benefit Differential Pass Through	\$483

Water Rate Cost Benefit
Differential \$210 / af

Total cost of CWA water to IDA		Yuima's cost to deliver Water to Tap Meters	IDA Total Cost / AF for CWA Water
PSAWR	\$1,282	\$23	\$1,305
Non-PSAWR	\$1,492	\$23	\$1,515

Calculation Factors	
IDA's Total Estimated Sales	4682 acre feet
IDA's Delivery of Imported Water	2,530
IDA's portion of estimated CWA Fixed Costs	380,332
% of Sales that is Imported Water	54.0%
% of Sales that is Local Water	46.0%
% of Sales that is PSAWR (Ag)	93.5%
% of Sales that is Non-PSAWR	6.5%

Estimated IDA Fixed Cost Pass-through Charges

		PSAWR- 93.5%	Non-PSAWR- 6.5%
Estimated Deliveries of imported water	\$2,530	\$2,366	164.45
Customer Service	\$165,437	\$154,684	10753.405
Storage*	\$35,437		35437
Supply Reliability*	\$13,018		13018
RTS	\$78,751	\$73,632	5118.815
Capacity	\$87,689	\$81,989	5699.785
	\$380,332	\$310,305	70027.005
Total Cost per Acre Foot		\$131.18	\$425.83

*PSAWR Eligible customers cannot pay the Storage or Supply reliability portion of the fixed costs

Option 1 - Fixed Cost Pass Through Melded into Rate					
	Imported Supply Operating Costs 54% of total costs	IDA PSAWR	IDA Non PSAWR	Local Supply is 46% of total Water Sold in IDA	
		93.5%	6.5%		
Total IDA Expense - with Fixed Costs.	\$1,925,269	\$1,207,491	\$1,083,698	\$123,792	\$717,778
Total Estimate Water Sales	4,682	2,530	2,366	164	2,152
Operating Cost per acre foot		\$477	\$458.03	\$754.83	\$333.54
Fully Melded Rate		PSAWR	Non-PSAWR		
Imported Water Purchased from Tap Meters	2,530.0	\$1,305	\$1,515		
Operational cost to deliver Imported Supply		\$458.03	\$754.83		
Total Cost Imported Water Delivered		\$1,763.03	\$4,171,328.25	\$2,269.83	\$372,252.31
IDA Local Supply	2,152.0	\$334	\$671,249.59	\$334	\$46,593.00
Total Costs			\$4,842,577.84		\$418,845.31
Total Water Sales		4378.5		303.5	
Melded Water Rate (total costs divided by Water Sales)			\$1,105.99		\$1,379.85
Option 1: Melds IDA's portion of the CWA fixed costs into the Water Rate, Increases the Domestic Cost only but requires a larger use of Rate Stabilization funds to cover shortfall created by keeping the Ag rate static.					

Option 2 - Fixed Cost Pass Through directly to Customer					
	Imported Supply Operating Costs 54% of total costs	IDA PSAWR	IDA Non PSAWR	Local Supply is 46% of total Water Sold in IDA	
		93.5%	6.5%		
Total IDA Expense - No fixed Costs	\$1,544,937	\$827,159	\$773,393	\$53,765	\$717,778
Total Estimate Water Sales	4,682	2,530	2,366	164	2,152
Operating Cost per acre foot		\$327	\$326.88	\$327.84	\$333.54
Fully Melded Rate		PSAWR	Non-PSAWR		
Imported Water Purchased from Tap Meters	2,530.0	\$1,305	\$1,515		
Operational cost to deliver Imported Supply		\$326.88	\$327.84		
Total Cost Imported Water Delivered		\$1,631.88	\$3,861,023.25	\$1,842.84	\$302,225.31
IDA Local Supply	2,152.0	\$334	\$671,249.59	\$334	\$46,593.00
Total Costs			\$4,532,272.84		\$348,818.31
Total Water Sales		4378.5		303.5	
Melded Water Rate (total costs divided by Water Sales)			\$1,035.12		\$1,379.85
Option 2: Removes IDA's portion of the CWA fixed costs from the Water Rate, and passes through as a fixed charge to each customer based on usage. Decreases the PSAWR and increases the Domestic rates but requires a larger amount of Rate Stabilization funds than Option 2. Cons: If a large agricultural customer leaves the District, their portion of the Fixed Costs gets redistributed to the remaining customers. This could mean a % increase to remaining customers.					
Option 3: Removes IDA's portion of the CWA fixed costs from the Water Rate, and passes through as a fixed charge to each customer based on usage. Increases the Domestic Cost only and requires a smaller amount of Rate Stabilization funds. Cons: If a large agricultural customer leaves the District, their portion of the Fixed Costs gets redistributed to the remaining customers. This is could mean a % increase to the remaining customers.					

IDA PSAWR Rate Cost Benefit Pass-Through			
	Option1	Option 2	Option 3
	Melded Rate	Melded Rate	Melded Rate
	Including CWA Pass-Thru	NOT Including CWA Pass-Thru	NOT Including CWA Pass-Thru w/ Rate Stabilization Drawdown offset
PSAWR	\$1,076.59	\$1,035.12	\$1,076.59
Non-PSAWR	\$1,379.85	\$1,149.76	\$1,149.76
Rate Stabilization Funds Used	\$382,170	\$240,785	\$215,876
How will these options be reflected on a bill?			
Average Ag Customer bill (3" meter)			
Monthly Meter Fee	\$353.59	\$353.59	\$353.59
Fixed Cost Pass Through		\$497.34	\$497.34
Pumping Charge(Zone 2)	\$1,177.52	\$1,177.52	\$1,177.52
Water Commodity(7.13 Af aver.)	\$7,676.09	\$7,380.41	\$7,676.09
Total Monthly Bill	\$9,207.20	\$9,408.86	\$9,704.54
Average Domestic Customer bill (5/8" Meter)			
Monthly Meter Fee	\$36.81	\$36.81	\$36.81
Fixed Cost Pass Through		\$11.37	\$11.37
Pumping Charge (Zone 2)	\$6.60	\$6.60	\$6.60
Water Commodity (.04 af or 19 units aver.)	\$55.19	\$45.99	\$45.99
Total Monthly Bill	\$98.60	\$100.77	\$100.77

RESOLUTION NO. _____

**RESOLUTION OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
SETTING FORTH THE TIME AND PLACE OF HEARING
AND GIVING NOTICE OF HEARING FOR A
WATER RATE INCREASE**

WHEREAS, the Yuima Municipal Water District proposes to increase its rates in order to (1) cover expenses related to changes in the Permanent Special Agriculture Water Rate (PSAWR) Program Guidelines in relation to the purchase of wholesale water supplied by the San Diego County Water Authority and the Metropolitan Water District of Southern California.

WHEREAS, the Cost Benefit Differential realized through the PSAWR program must be reflected in the rate differential between eligible PSAWR users and non-eligible PSAWR users.

WHEREAS, in order to invite comments from the public, it is necessary to schedule a public hearing and give appropriate notice.

NOW, THEREFORE, BE IT RESOLVED THAT a hearing before the Board of Directors of Yuima Municipal Water District be held at 2:10 p.m. on January 24, 2022, at the office of the District 34928 Valley Center Road, Pauma Valley, San Diego County, California, for the purpose of receiving comments on the proposed water rate increase; and

That the Secretary cause the Public Notice attached hereto to be posted, mailed to all property owners and ratepayers in the district, and posted on the District's web page prior to said hearing.

PASSED AND ADOPTED at a Special Meeting of the Board of Directors of YUIMA MUNICIPAL WATER DISTRICT held the 17th of November 2021 by the following roll-call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Roland Simpson, President

ATTEST:

Don Broomell, Secretary/Treasurer

NOTICE TO ALL PROPERTY OWNERS AND RATEPAYERS WITHIN
YUIMA MUNICIPAL WATER DISTRICT

NOTICE IS HEREBY GIVEN, that the Board of Directors of the Yuima Municipal Water District, will hold a public hearing to consider adoption of a proposed resolution which would increase the existing water rate in order to (1) ensure compliance with the new Permanent Special Agricultural Water Rate Program (PSAWR) rules set forth by the San Diego County Water Authority and (2) implement the appropriate water rate differential between those customers who are eligible for the PSAWR rate and customers who are not eligible to receive the reduced rate.

A public hearing on the proposed resolution will be held on Monday, **January 24, 2022**, at 2:10 o'clock p.m. at the office of the District, 34928 Valley Center Road, Pauma Valley, California. The public is invited to make oral and written comments. The proposed rates will be available for inspection at the District offices at 34928 Valley Center Road, Pauma Valley and posted on the District's web page at www.yuimamwd.com after December 6, 2021. Any owner of property within the District may appear and present objections or protests or may file with the Secretary of the District, at any time prior to the hour set for the hearing, written protests or objections to the proposed water rate increase. Upon conclusion of the Public Hearing, the Board of Directors may adopt, revise, change or modify the increases, as proposed.

BY ORDER of the Board of Directors of the Yuima Municipal Water District.