

AGENDA STAFF REPORT

MEETING NAME: REGULAR BOARD MEETINGS

MEETING DATE(S): August 14 & 18, 2025

FROM: ARTURO CEJA, DIRECTOR OF FINANCE

FOR: ACTION X DIRECTION ____ INFORMATION ____



RESOLUTION OF THE BOARD OF DIRECTORS OF THE MISSION SPRINGS WATER DISTRICT DECLARING ITS INTENTION TO ADJUST ITS WATER AND SEWER RATES, INITIATING PROCEEDINGS UNDER PROPOSITION 218 AND AB 2257 AND AUTHORIZING THE DISTRICT TO TAKE ALL APPROPRIATE ACTIONS NECESSARY TO CARRY OUT THE PURPOSE AND INTENT OF THE RESOLUTION

STAFF RECOMMENDATION

Adopt Resolution 2025-18 declaring the District's intention to proceed with a rate action in compliance with Proposition 218, and instruct staff to initiate the notice process, and take all necessary actions to comply with Proposition 218 and Government Code section 53759.1, et seq.

SUMMARY

As part of the Financial Master Planning process, Raftelis Financial Services recently completed a Water and Sewer Cost of Service Study and is recommending that the District implement a five-year rate action effective March 1, 2026, to ensure adequate revenues to cover operating, maintenance, debt service and other required expenses to properly operate and maintain the water and sewer systems.

ANALYSIS

After an in-depth study, analysis, public involvement and past District expense reductions, it is recommended by independent consultants that the District implement a five-year rate action effective March 1, 2026. The current Water and Sewer rates have not been reviewed since 2016. Increases are necessary in order to fund increased operations and maintenance costs, increases in compliance costs, increases in material and labor costs, as well to replenish account reserves. Pursuant to the provisions of Proposition 218, prior to imposing or increasing any fee or charge, such as the Water and Sewer rates at issue, the District is required to provide written notice of the proposed rate adjustment. Further, pursuant to AB 2257, the District adopted the exhaustion of administrative remedies procedure contained in Government Code section 53759.1, which allows for ratepayers to submit written objections regarding the proposed rates prior to the deadline established by the Board as part of the ratemaking process. The District will hold a Public Hearing on October 20, 2025, to consider and take action on the proposed rate adjustments and discuss any public objections and responses.

FINANCIAL DATA		
Cost Associated with this action:	\$0	
Current FY cost:	\$0	
Future FY cost:	\$0	
Is it covered in current year budget:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Budget adjustment needed:	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If yes, year needed:	N/A	
All previous contracts including dates, amounts and board approvals are attached or have been made available.		
FUNDING SOURCES		
Source of funds:	N/A	
BID/Job#	N/A	
Current BID/Job balance	N/A	
Balance remaining if approved:	N/A	

FISCAL IMPACT

The proposed rate adjustment, if passed by the Board of Directors, will produce sufficient revenue to cover the District's costs to provide water and sewer services.

ATTACHMENTS

Attachment A - Resolution 2025-18 Prop 218 Intent