



Department Source: City Utilities - Water and Light

To: City Council

From: City Manager & Staff

Council Meeting Date: September 4, 2018

Re: Supplemental Memo – Recommendation to Withdraw B182-18 Amending Chapter 27 of the City Code as it relates to water rates

Executive Summary

At the August 13 City Council work session, Council expressed concerns with the implementation of proposed changes to the water rate structure. To address these concerns, below is information on the work done to date, status of the project, a legislative request and a plan to work toward establishing an increased level of comfort with the proposed changes to the water rate structure.

Discussion

The consultant for the Water Cost of Service Study and Review of Fees began in February of 2018. The first meeting with the Water & Light Advisory Board on this subject was on April 13 followed by a meeting with City Council on April 23. Based on the feedback provided to the consultant from these meetings, the consultant has proposed significant changes to the water rate structure. The consultant had additional meetings with the Water & Light Advisory Board on May 11 and July 11, and presented at a Council meeting on May 21 to discuss draft reports.

Prior to the water bond election on August 7, the budget proposed a 1% water utility operating rate increase to be implemented using the consultants' 3rd water rate tier. Now that the debt service increases also need to be considered, staff is proposing the following schedule for consideration and implementation of the consultants' final report and its water rate structure recommendations:

- Receive the consultants Final Water Cost of Service Study and Review of Fees Report
- Withdraw B182-18 Amending Chapter 27 of the City Code as it relates to water rates
- Utility Staff and Water & Light Advisory Board to coordinate a community outreach on the proposed water rate changes
- Utility Staff and Water & Light Advisory Board to schedule and participate in a community interested parties meeting where information will be presented and feedback gathered on the proposed water rate changes
- Utility Staff will develop the proposed water rate structure and rates recommendation to City Council
- Water & Light Advisory Board to provide a recommendation to City Council on the proposed water rate structure and rates

Staff is planning for the City Council recommendation to include the water rates for both debt service and operating revenue requirements and for this work to be completed and ready for City Council consideration before the end of 2018.



Fiscal Impact

Short-Term Impact: NA

Long-Term Impact: NA

Strategic & Comprehensive Plan Impact

[Strategic Plan Impacts:](#)

Primary Impact: Not Applicable, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

[Comprehensive Plan Impacts:](#)

Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action

Suggested Council Action

Withdraw B182-18 Amending Chapter 27 of the City Code as it relates to water rates