

AGENDA ITEM #: _____

DATE: December 2, 2019

CAR #: 2019-6819



CITY COUNCIL ACTION REPORT

SUBJECT: Establish the Citizen Rate Review Committee

STAFF PRESENTER(S): Javier Setovich, Public Works Director

OTHER PRESENTER(S): N/A

Summary: Establishment of the Citizen Rate Review Committee to assist staff in the development of a five-year rate plan for water, wastewater, solid waste, and storm water rates.

Recommendation:

ADOPT RESOLUTION NO. 2019-2011 ESTABLISHING THE CITIZEN RATE REVIEW COMMITTEE; PROVIDING FOR THE TERMINATION OF THE CITIZEN RATE REVIEW COMMITTEE; ESTABLISHING BY-LAWS; AUTHORIZING THE CITY MANAGER AND/OR APPROPRIATE STAFF TO TAKE ALL ACTIONS NECESSARY TO CARRY OUT THE INTENT OF THE RESOLUTION; AND ESTABLISHING AN EFFECTIVE DATE.

Fiscal Impact: There would be minimal fiscal impact associated with the Citizen Rate Review Committee in the form of a facilitator and meeting expenses, estimated to be \$5,000. There is \$200,000 budgeted between the FY2020 water, wastewater and solid waste operating budgets for the utility rate study and committee expenditures.

Background and Previous Actions

The current rate plan for water and wastewater was approved by Council on October 26, 2015, and was effective January 1, 2016 with a final rate increase scheduled for January 1, 2020. As part of the development of the plan, the city formed a citizen advisory committee that assisted staff with matters related to the water and wastewater rate study. Staff again plans to seek the assistance from a citizen committee in the development of new rates.

Staff Analysis

Staff is currently working on the review of water, wastewater, and solid waste rates. The process will benefit from the input of an advisory committee of citizens. Staff plans to discuss with the committee all of the operational, capital, and other upcoming costs in each of these areas. The committee will assist staff with developing priorities and assessing impact and risk of deferred projects. Staff is also working on developing costs associated with the needs of the maintenance and improvement of storm water assets. Operational, capital, and other upcoming costs associated

with the new Storm Water Utility will also be reviewed by the Rate Review Committee to make recommendations regarding the initial establishment of a storm water utility and corresponding rates.

Staff plans to select committee members in accordance with the City's Boards and Commissions application process and make a recommendation of selected committee members for appointment by Council in early 2020. The term of the committee is expected to last six to eight months, but not more than one (1) year.

Attachments

1. Resolution 2019-2011
2. Exhibit A – By-Laws