



MAYOR & COUNCIL COMMUNICATION

DATE: December 1, 2015
REGULAR
ITEM # 17

AGENDA ITEM: Cost of Service Study for Water and Sanitary Sewer Utilities – Approve Authorization for TKDA.

SUBMITTED BY: Jack Griffin, City Engineer

THROUGH: Clark Schroeder, Interim City Administrator

REVIEWED BY: Cathy Bendel, Finance Director
Mike Bouthilet, Public Works

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item.....City Staff
- Report/Presentation.....City Staff
- Questions from Council to Staff..... Mayor Facilitates
- Public Input, if Appropriate.....Mayor Facilitates
- Call for Motion Mayor & City Council
- Discussion Mayor & City Council
- Action on Motion..... Mayor Facilitates

POLICY RECOMMENDER: Administration/Finance/Engineering.

FISCAL IMPACT: \$13,900 to be funded 50% through the Water Enterprise Fund and 50% through the Sanitary Sewer Enterprise Fund.

SUMMARY AND ACTION REQUESTED:

The City Council is respectfully requested to approve the Cost of Service Study for the Water and Sanitary Sewer Utilities Task Order with TDKA. The recommended motion for the action is as follows:

“Move to approve the Cost of Service Study for the Water and Sanitary Sewer Utilities Task Order with TDKA in an amount not to exceed \$13,900.”

LEGISLATIVE HISTORY/BACKGROUND INFORMATION:

City staff is preparing to conduct a review of the City’s water and sanitary sewer operational rates and charges, the Water Availability (WAC) and Connections Charges, and Sanitary Sewer Availability (SAC)

and Connection Charges to ensure an adequate user charge system is in place to fund the utility operations and capital projects.

Staff intends to approach this review by retaining the assistance of an experienced utility manager to prepare a Cost of Service Study for water and sanitary sewer utilities. In particular, the goal of the study will be to better understand the cost of service for each utility so that rates and charges can be confidently developed to best meet the Utility's funding requirements, addressing conservation, and that are fair and equitable. The work includes a review of the City's water and sanitary sewer operational costs, capital costs, and depreciation costs projected for 2016-2025. The report findings may then be used for the purpose of evaluating alternative rates and charges.

RECOMMENDATION:

Staff is recommending that the City Council approve the Cost of Service Study for the Water and Sanitary Sewer Utilities Task Order with TDKA. The recommended motion for the action is as follows:

“Move to approve the Cost of Service Study for the Water and Sanitary Sewer Utilities Task Order with TDKA in an amount not to exceed \$13,900.”

ATTACHMENT(S):

1. None.