

TO: James L. App, City Manager

FROM: Mike Compton, Director of Administrative Services

SUBJECT: Appointment of Council Ad Hoc Committee – Water Rate Re-Structuring

DATE: February 1, 2005

Needs: For the City Council to appoint an ad hoc committee to consider alternative water rate structures.

Facts:

1. During last summer's water emergency, Council members voiced a desire to look at various water rate structure alternatives.
2. Given the lack of good historical consumption data, staff was unable to immediately provide alternate rate structures.
3. Over the last six months, sufficient seasonal consumption and billing data has been collected to move forward with developing various options for Council consideration.
4. While the alternatives are not yet complete, appointment of an ad hoc committee at this time would be timely and desirable.

Analysis
and
Conclusion:

It is desirable that the Council appoint an ad hoc committee to assist in the development of alternative water rate structures.

The current rate structure provides for a base flat rate for 20 units (15,000 gallons of water) for a bi-monthly billing period plus a variable for each unit over 20 units.

Fiscal
Impact:

None.

Options:

- a. That the Council appoint a two member ad hoc committee to assist with the development and preparation of alternative water rate structure; and report back to the full Council by July 1, 2005.
- b. Amend, modify, or reject the above option.