

RESOLUTION NO. 14-159

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES  
AUTHORIZING PREPARATION OF A UTILITY RATES AND CONNECTION FEE STUDY

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WHEREAS, the City must have water and sewer user rates in place that meet the revenue requirements of the full range of utility operations and related system repair and replacement; and

WHEREAS, the latest Water Rate Study was prepared in January 2010 with uniform user rates adopted in April 2011; and

WHEREAS, the latest Water Capacity Charge Study was prepared in January 2009 with connection fees adopted in March 2009; and

WHEREAS, the latest Wastewater Rate and Revenue Analysis were prepared in November 2011 to facilitate development of the user rates adopted in December 2011; and

WHEREAS, the latest Wastewater Facility Charge Study was prepared in September 2011 and connection fees adopted in November 2011; and

WHEREAS, Articles XIII (C) and XIII (D) of the State Constitution (a.k.a. Proposition 218) limits rate increases to a five year period, after which an updated utility rate study must be completed, with any proposed rate increase subject to a protest ballot; and

WHEREAS, utility user rates are now in effect through 2016 thus updated studies are needed to evaluate whether adjustments beyond that time frame are needed; and

WHEREAS, the City also wishes to forecast the financial implications of bringing a recycled water delivery system into operation as described in the “Recycled Water Master Plan” dated March 2014; and

WHEREAS, a comprehensive revenue plan, cost of service study and rate restructuring analysis is needed to analyze both water and sewer user rates that would generate revenues needed to provide these vital public services; and

WHEREAS, an updated water connection fee evaluation is needed to establish updated capacity charges for water service to new customers; and

WHEREAS, the City determined that retaining an independent, third party professional would provide an objective evaluation of the City’s utilities financial needs; and

WHEREAS, the City invited proposals and received six proposals to provide the necessary utility rates and connection fee study; and

WHEREAS, based on a technical review of those proposals and on phone interviews with prospective project managers and references, Kennedy/Jenks Consultants was determined to be best qualified to perform the work and proposed a comprehensive scope of services; and

WHEREAS, the services of TJ Cross Engineers, Inc. are also needed in support of the utility rates and connection fee study particularly with regard to integrated resource planning, continuity with previously adopted rates and fees, and overall compliance with Proposition 218 requirements.

THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles to approve the appropriation of up to \$65,200 from Wastewater Enterprise Fund (No. 601) and \$150,000 from Water Enterprise Fund

(No. 600) to perform a utility user rate and water connection fee study and authorizing the City Manager to enter into contractual arrangements with Kennedy/Jenks Consultants and TJCross Engineers, Inc. in that amount. Should negotiations fail, authorize the City Manager to enter into negotiations with Bartle Wells Associates.

PASSED AND ADOPTED by the City Council of the City of Paso Robles, this 18th day of November 2014 by the following vote:

AYES: Steinbeck, Martin, Strong, Picanco  
NOES: Hamon  
ABSENT:  
ABSTAIN:

  
\_\_\_\_\_  
Duane Picanco, Mayor

ATTEST:   
\_\_\_\_\_  
Caryn Jackson, Deputy City Clerk

<b>Approvals/workflow</b> 1. Dept Head 2. Admin Svcs 3. City Manager 4. City Council	<b>City of Paso Robles</b> <b>BUDGET ADJUSTMENT REQUEST</b>	Budget JE #
	Utility Rate and Connection Fee Study	<b>AGENDA DATE</b> <span style="background-color: yellow;">11/18/2014</span>

DESCRIPTION	ORG #	OBJECT #	PROJECT #	AMOUNT
<b>FINANCING SOURCES</b>				
Water Fund	600	99999		\$150,000
Wastewater	601	99999		65,200
<b>TOTAL FINANCING SOURCES</b>				\$215,200
<b>FINANCING USES</b>				
Professional Services	6001501	52240		\$150,000
Professional Services	6011502	52240		65,200
<b>TOTAL FINANCING USES</b>				\$215,200

**JUSTIFICATION: (attach letter if required)**

**REQUESTED BY:** \_\_\_\_\_  
 Date: 10/21/14 Department Head

**REVIEWED & APPROVED BY:** \_\_\_\_\_  
 Date: \_\_\_\_\_ Administrative Services

**APPROVED BY:** \_\_\_\_\_  
 Date: 20 NOV 2014 City Manager

**PASSED AND ADOPTED** by the City Council of the City of Paso Robles, State of California, this 18<sup>th</sup> day of November 2014. Agenda Item No. 21

**ATTEST:** \_\_\_\_\_  
 Deputy City Clerk