



Agenda Report

18-327

Agenda Date: 5/22/2018

REPORT TO COUNCIL

SUBJECT

Review of Water and Sewer Rate Study Draft Report

BACKGROUND

The City updates its rates on a yearly basis at a staff level. However, as a best practice, utilities should conduct an independent review of their rates and rate setting process approximately every five (5) years. In 2009, the last independent rate study only reviewed sewer rates. The current rate study will develop a financial plan that includes ten (10) years of revenue requirements and minimum reserve targets. This rate study will provide independent analysis and recommendations for water, sewer, and recycled water rates.

DISCUSSION

At this Study Session staff with consultant support (Black & Veatch Management Consulting, LLC) will present the findings of the Water and Sewer Rate Study to Council and the public. The Study Session will include a discussion of rate setting methodologies used to determine the rate adjustments that will be proposed to Council and the public at a public hearing on June 12, 2018, with rates to be effective July 1, 2018.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

Reviewed by: Gary Welling, Director, Water and Sewer Utilities

Approved by: Deanna J. Santana, City Manager

ATTACHMENT

1. Draft Water and Sewer Rate Study Report prepared by Black & Veatch Management Consulting, LLC