



STAFF REPORT

TO: Mayor Marcia Sablan and Council Members
FROM: Pio Martin, Finance Director
DATE: March 04, 2019
SUBJECT: Water and Wastewater Rate Study –

RECOMMENDATION:

Review and approve Resolution No. 19-13.

HISTORY:

Tuckfield & Associates have been providing financial consulting on the City's Water and Wastewater Enterprises over 12 years and providing a study approximately every five years. Mr. Tuckfield presented a draft report of the Water and Wastewater rate to Council on November 19, 2018. The last study was presented to Council on June 17, 2013 and approved by Resolution No. 13-54 on August 19, 2013, and passed on 5 to 0 vote. Approved rates went into effect on October 1, 2013.

DISCUSSION:

The significance of the rate study and direct implication it has with 2013 Water Revenue Refunding Bonds, 2016A Water Revenue Refunding Bond and 2016A Wastewater Revenue Refunding Bonds, maintaining operating and capital reserves at or greater than target levels.

FISCAL IMPACT:

Recommended 3% water revenue annual increase and a 3.7% wastewater revenue annual increase to meet capital replacement, existing debt service and capital improvements, beginning April 1, 2019 and on each January 1 thereafter for the remainder of the study period.