

CITY COUNCIL

For City Clerk's Use:

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APPROVED

☐

DENIED

Reso No. _____

File No. _____

Ord No. _____

Agenda Item No.: 14

Date: April 14, 2010

TO: Honorable Mayor and Members of the City Council

FROM: Lori Vereker, Director of Utilities

SUBJECT: WATER AND WASTEWATER RATE STUDY CHANGE ORDER (RAFTELIS FINANCIAL CONSULTING) FOR DEVELOPMENT AND IMPLEMENTATION OF A WATER BUDGET RATE STRUCTURE AND BUDGET ADJUSTMENT REQUEST

RECOMMENDATION:

It is requested that Council accept the change order in the amount of \$60,000 and approve the budget adjustment request.

FISCAL ANALYSIS:

This project will be paid with Water Reserve funds. The consultant proposed a budget of \$54,880. A small contingency has been added to the change order and budget adjustment request for a total amount of \$60,000.

PREVIOUS ACTION:

On October 28, 2009, the City Council adopted Resolution No. 2009-162 authorizing the Mayor and City Clerk to execute a Consulting Agreement with Raftelis Financial Consultants, Inc. (RFC) for consulting services in the amount of \$158,316 to perform a comprehensive water and wastewater rates and fees study. The study was initiated to evaluate and recommend alternative rate structures that promote conservation and also recommend appropriate reserve levels.

BACKGROUND:

The Council Utilities Subcommittee has recommended that we move forward with a water budget approach to development of water rates. This is a significant change to our current structure requiring staff and public education, billing system changes, modeling of current customer classes to predict future revenues and appropriate rate structures, and development of a complex Proposition 218 notification. This is beyond the scope of the original contract with RFC.

Respectfully submitted,



Lori Vereker
Director of Utilities

Staff Report - Council



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

COPY

Date of Request: 3/30/10
Department: Water
Division: Water
Project/Budget Manager: Lori Vereker 5432
Name Extension
Council Date (if applicable): 4/14/2010
(attach copy of staff report)

For Finance Use Only

Log # _____
Fiscal Year _____
____ Budget Balances
____ General Fund Accts
____ Revenue
____ Interfund Transfers
____ Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Professional Services	5131-555-410	60,000	
Fund Balance	305-555		60,000

Explanation of Request:

The Council Utilities Subcommittee has recommended that we move forward with a water budget approach to development of water rates. This requires work from the rate consultant, Raftelis Financial Consultants, to provide staff and public education, billing system changes, modeling of current customer classes to predict future revenues and appropriate rate structures, and development of a Proposition 218 notification.

APPROVALS

Lori Vereker 4/6/10
Department Head Date

City Manager Date

Finance Date

City Clerk Date

Distribution (after approval):

Original: Finance