

MINUTES of a special meeting of the City Council of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street, on March 15, 2005, at 9:00 A.M.

PRESENT Susan Pepler, Mayor
Gilberto Gil, Mayor Pro Tem
Pat Gilbreath, Councilmember
Gary George, Councilmember
Jon Harrison, Councilmember

ABSENT None

STAFF John Davidson, City Manager; Lorrie Poyzer, City Clerk; Gary G. Phelps, Municipal Utilities Director; and Douglas Headrick, Water Resources Chief

PRESENTATION

2004 Water and Wastewater Rate Study - Municipal Utilities Director Phelps introduced Ken Jeske, Chairman of the Utilities Advisory Committee. Mr. Jeske expressed appreciation to the City Council for involving a citizens committee in this process. With a PowerPoint presentation, Mr. Jeske reviewed the committee's work which included a rate history overview, the committee's purpose, experience, goals and principles, the rate setting process and methodology, topics of the rate study, rate factors, rate revenue requirements, water rate framework, proposed water rates, comparison of water revenue under existing and proposed rates, water working cash with and without rate increase, comparison of existing and proposed charges, water usage rate/CPI comparison. He then reviewed wastewater rate framework, proposed wastewater rates, comparison of wastewater revenue under existing and proposed rates, comparison of non-residential existing and proposed 2005 wastewater rates, comparison of residential existing and proposed wastewater rates, comparison of wastewater charges. The committee recommended the City establish a non-potable water fund and non-potable water rate factors. The committee addressed water and wastewater outside-City surcharges, capital improvement charges for new connections, provided a comparison of existing and proposed water capital improvement charges, and a comparison of existing and proposed wastewater capital improvement charges. The committee recommended the City formally recognize benefits of the verified effect of Leadership in Energy and Environmental Design (LEED) certification. The committee proposed new miscellaneous fees, a late payment charge, and enhanced payment options. Mr. Jeske concluded the presentation with the committee's recommendation to approve a rate/fee ordinance to include two year rate increases for water and wastewater, late payment and miscellaneous fees, and two year capital improvement charge increases, continue the bi-annual rate and business

practices review by the citizen's committee, and implement several business practices such as working with the Finance Department on a new general government service charge study, enhancement of the meter replacement program and reevaluate benefits in 2006, require public agencies to pay full water service meter charge except with an interruptible service agreement, initiate tax roll liens on delinquent accounts and implement multi-family notice and tenant rights procedures, and reduce the rate stabilization reserve. On behalf of the committee, Mr. Jeske again thanked the City Council for the opportunity to serve the community. Councilmembers asked several questions and on motion of Councilmember Gilbreath, seconded by Councilmember Harrison, unanimously directed staff to come back on April 5, 2005, with the necessary legislation to implement the committee's recommendations. Mayor Pepler expressed the City Council's appreciation for the presentation and the work done by the Utilities Advisory Committee.

PUBLIC COMMENTS

None forthcoming.

ADJOURNMENT

There being no further business, the City Council meeting adjourned at 9:43 A.M. The next regular meeting will be held on March 15, 2005, at 3:00 P.M.

/s/ Lorrie Poyzer, City Clerk