

ACTION FORM BRYAN CITY COUNCIL

DATE OF COUNCIL MEETING: April 28, 2015		DATE SUBMITTED: April 17, 2015	
DEPARTMENT OF ORIGIN: Water Services		SUBMITTED BY: J. Barfknecht	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	STRATEGIC INITIATIVE:
<input type="checkbox"/> BCD	<input type="checkbox"/> PUBLIC HEARING	<input type="checkbox"/> 1ST READING	<input type="checkbox"/> PUBLIC SAFETY
<input type="checkbox"/> SPECIAL	<input checked="" type="checkbox"/> CONSENT	<input type="checkbox"/> 2ND READING	<input checked="" type="checkbox"/> SERVICE
<input checked="" type="checkbox"/> REGULAR	<input type="checkbox"/> STATUTORY		<input type="checkbox"/> ECONOMIC DEVELOP.
<input type="checkbox"/> WORKSHOP	<input type="checkbox"/> REGULAR		<input checked="" type="checkbox"/> INFRASTRUCTURE
			<input checked="" type="checkbox"/> QUALITY OF LIFE
AGENDA ITEM DESCRIPTION: Consider approving a professional services contract to NewGen Strategies & Solutions for a not to exceed amount of \$51,750 to conduct a cost of service and rate design study.			
SUMMARY STATEMENT: In 2007, Water Services conducted a rate study with Freese and Nichols to look at the water and sewer rates and to determine which rate increases may be needed to meet future capital expenditures to coincide with the Capital Improvement Plan. As a result, rates were increased 7%. Since that time, rate increases have been minimal with a rate increase on the customer charge for water meter size and an inclining block rate.			
<p>The proposed study will look at cost of service for each customer class. This review will include city customers and rural customers. The scope includes a review of both water and sewer customers as well as the industrial pretreatment program, any need for a separate rate for rural customers, and the establishment of a policy for setting a reclaimed water rate. Some of the factors to take into consideration during the study are: Cost of Service Recovery, Revenue Stability, Affordability, Equity, Ease of Administration, Regional Competitive Position, Conservation, and Economic Development. Staff will provide the current model it uses to predict future revenues and expenditures. This model will be evaluated by the consultant.</p> <p>Staff recommends approval of this cost of service and rate design study.</p>			
STAFF ANALYSIS AND RECOMMENDATION: Water Services respectfully requests the approval of this professional services contract to evaluate the customer classes and rate design for water and wastewater and to evaluate the criteria for designing a reclaimed water rate. The resulting rate model will be used by staff to forecast revenues and expenditures and predict possible rate increase needs.			
OPTIONS (In Suggested Order of Staff Preference):			
<ol style="list-style-type: none"> 1. Approve the contract 2. Do not approve the contract 			
ATTACHMENTS: Proposal (separate pdf file)			
FUNDING SOURCE: Water and Wastewater budgets			
APPROVALS: Jayson E. Barfknecht 04/17/15; Hugh R. Walker, 04/20/2015			
APPROVED FOR SUBMITTAL: CITY MANAGER Kean Register, 04/20/2015			
APPROVED FOR SUBMITTAL: CITY ATTORNEY Janis K. Hampton, 04-20-2015			