

SPECIAL CITY COUNCIL STUDY SESSION MINUTES

Thursday, October 9, 2008

Mayor Cannella called the Special City Council Study Session to order at 5:30 p.m. with the following in attendance:

ROLL CALL: Council Members Durossette, Lane, Ochoa, Vierra, Mayor Cannella

I. Water and Sewer Rate Study

Representatives from EKI, West Yost and Eco:LOGIC presented an overview to Council on the proposed water and sewer rate increases and the studies that document the basis for the proposed rates. The studies were based on the assumption that Capital Improvements will be funded with revenue bonds and the Turlock Irrigation District Surface Water Project will move forward. The studies showed the City's current rates are insufficient to cover the cost of operations, maintenance and improvement of our utility systems. At a minimum the increase is necessary to bring revenues in line with current expenditures.

California law requires the installation of water meters on all service connections constructed on or after January 1, 1992 by January 1, 2010 with billing based on meter reading to begin by January 1, 2011. Installation of meters on all service connections constructed prior to January 1, 1992 and billing based on meter reading must be completed by January 1, 2025.

Council Recommendation

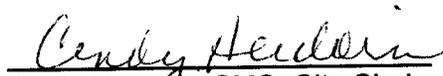
After reviewing and discussing the preliminary assumptions, findings and recommendations of the studies the City Council provided the following direction:

- 1) Include Pre and Post 1992 meters in the Water Rate Study.
- 2) Continue Negotiations with TID and continue this matter to the next Council Study Session for further discussion
- 3) Use Debt Financing to fund required sewer and water capital improvements.
- 4) Develop three alternative rate scenarios for both the water and wastewater rate studies. The three scenarios should be developed to demonstrate the impact to rates as a result of varying assumptions regarding adding additional staff, scheduling of capital improvement projects and the inclusion of the TID project payments in the water rate study.

7:05 p.m. There being no further business, the meeting was adjourned.



Anthony Cannella, Mayor



Cindy Heidorn, CMC, City Clerk