

At its April 27, 2016 meeting, the Water Sewer Technical Review Committee adopted the following Resolution:

Offered by Kevin Brown seconded by C. Neil Schroeder

Whereas, the Water and Sewer Technical Review Committee supports the concept that expenses of the water and sewer system must be supported by revenue from the users of the system or a “Breakeven” methodology employed in developing rate recommendations for the water and sewer *Commodity* and *Customer* charges as well as for the *Sewer Flat rate* charge.

Whereas, this is the same rate methodology that has been utilized by the city in setting rates in the past and includes the following strategies:

- Water & Sewer Operating Fund revenues meet operating expenses;
- Target the water & sewer operating cash balance to equal 90 days of operating expenses plus annual depreciation;
- Capital & lateral revenue is not considered operating revenue and is not utilized to offset operating expenses. Those funds have been set aside in the W&S Capital Fund to fund capital projects;
- Funds equivalent to the annual depreciation expense, of the water & sewer fund, are transferred into the Water & Sewer Capital Fund for the repair and maintenance of the City’s water and sewer infrastructure; and
- Recommended rates also assume that future capital improvement projects will be accomplished as reported in the Capital Improvement Plan using the Water & Sewer Capital Fund and not from user rates.

Therefore, be it resolved, that the Water and Sewer Technical Review Committee recommends the rates as presented to the committee known as Option 3. The Water and Sewer Technical Committee further recommends that City Council adopt the water and sewer rates for the billing period July 1, 2016 to June 30, 2017 as recommended by their committee.

The resolution was Approved by the following vote:

Yeas:	7
Abstain:	0
Nays:	0
Absent:	3