

*At its May 11, 2011 meeting the Water Sewer Technical Review Committee adopted the following Resolution:*

*Offered by Johanna Allen seconded by Martin Borucki,*

*Whereas, the Water and Sewer Technical Review Committee supports the “Breakeven” methodology employed in developing rate recommendations for the water and sewage Commodity and Customer charges as well as for the Sewage 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;
- 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 approves the rates as presented to its committee known as Option #3 and recommends City Council adopt the water and sewer rates for the billing period July 1, 2010 to June 30, 2011.*

The resolution was APPROVED by the following vote:

Yeas: 8

Abstain: 1

Nays: 0

Absent: 1