

**WATER & SEWER COMMISSION
MINUTES OF MEETING HELD SEPTEMBER 3, 2014
PUBLIC WORKS SERVICES CONFERENCE ROOM
155 WEST 14TH STEET
YUMA, AZ 85364**

Chairman Mohindra called the meeting to order at 5:01 p.m.

MEMBERS PRESENT: Vinod Mohindra
Lorna Brooks
Brian Ewing
Alan Pruitt

MEMBERS ABSENT: Luis Acle, Kathleen Carroll, Michael Wicks

STAFF PRESENT: Jay Simonton, Utilities Director
Beatrice Dorries, Utilities Division Manager
Jeremy McCall, Utilities Division Manager
Toni Corea, Administrative Assistant

APPROVAL OF MINUTES

Brian Ewing made a motion to approve the August 4, 2014 minutes, seconded by **Lorna Brooks**. Motion carried unanimously.

Revised Rate Study Presentation (Economist.Com)

Jay Simonton briefed the commission on the revised presentation according to their suggestions from last month's meeting. **Dan Jackson** discussed what would be presented to the Council. One item that the Council will need to know is that rates are going up in all communities around the state. **Chairman Mohindra** stated that Yuma has kept up with the rates and is not far off from the mark for cost per service. The presentation will include where the City of Yuma stands with the current rates. Inevitably there will have to be some inflation or rate adjustments. **Dan Jackson** presented a comparison of Yuma rates to various cities. He also stated that since last month the original assumption that customer growth of increase by 300 customers per year has scaled back to 200 upon the Commission suggestion. The rate plan is a conservative one. **Alan Pruitt** asked if there were any existing areas that will be added to our system. **Jay Simonton** said that the County is looking at a few areas. There are 3 or 4 streets by the Palms mall, and one area by south side of 8th street, but there is resistance in that area. **Dan Jackson** went on to the chart of current water usage, which consumers have been using significantly less, or being more aware of their water usage. The amount of usage has gone down. **Chairman Mohindra** asked if it was residents or industrial as well. **Dan Jackson** stated it was the City of Yuma as a whole. **Jay Simonton** stated that some of our big water users are using their facilities in a different manner. The Dole plant is no longer a processing plant but running as a cooler. This may be the reason for the change.

Under the proposed rate plan on the residential water side the increase will begin January 2015. The base charge is \$15.68 and will increase to \$16.31 with a usage charge increase of .06-.08 cents in each of the rate tiers. The rates will steadily increasing over the next four years with an average of 2 -3% increase per year. The wastewater monthly charge will go from \$32.48 to

\$33.78 with \$1.30 increases for the next two years and lesser increases two years after. On the nonresidential charge, base charge \$15.68 to \$16.31, with usage charge \$1.54 to \$1.60 up to \$1.77 in 2019. Wastewater will increase .06-.07 cents per year. The average consumer will see an increase \$ 2.50-\$2.86 per month. If there is more usage, of course that rate will go up but on average the increase will be \$2.50 per month. There has not been an increase since 2008.

Dan Jackson discussed other options that the City may want to look at such as Volume based wastewater rates. It would be one way to be equitable; however, there are not wastewater meters. This would be beneficial to the consumers that do not use as much water. Winter Average is another rate to calculate the percentage of water flow. The two options were discussed in detail stating the pros and cons of both variables. In Yuma, the Winter Average would not be probable because of the climate. As per the Commission, the fixed rate that is in place is working well. **Jay Simonton** stated that there are very few complaints about volume usage. The disadvantages outweigh the advantages of the proposed rate changes in regard to Volume Based and Winter Average options. A formal action will be made at next month's meeting. **Dan Jackson** will revise the PowerPoint according to the recommendations of the Commission, and will be presenting the rate increases to Council tomorrow evening.

FUTURE AGENDA ITEMS

TBD

ADJOURNMENT

The meeting was adjourned at 6:15 p.m.