

**WATER & SEWER COMMISSION
MINUTES OF MEETING HELD OCTOBER 27, 2014
PUBLIC WORKS SERVICES CONFERENCE ROOM
155 WEST 14TH STEET
YUMA, AZ 85364**

Chairman Mohindra called the meeting to order at 5:00 p.m.

MEMBERS PRESENT: Vinod Mohindra
Lorna Brooks
Kathleen Carroll
Alan Pruitt
Michael Wicks

MEMBERS ABSENT: Luis Acle
Brian Ewing

STAFF PRESENT: Jay Simonton, Utilities Director
Jeremy McCall, Utilities Division Manager
Donna Lennon, Administrative Assistant

APPROVAL OF MINUTES

Alan Pruitt made a motion to approve the September 3, 2014 minutes, seconded by **Lorna Brooks**. Motion carried unanimously.

REVISED RATE STUDY PRESENTATION (City of Yuma and Economist.Com)

The City Council had questions on revenues, expenses, and how Utilities had saved money in the past to prevent raising rates. **Jay Simonton** presented the Utilities Department Financial Plan discussing the current state and past performance of the water and sewer funds (fund revenues versus expenses, capacity fund revenues), the cost control measures implemented in the past 5 years, and the revenue requirements moving forward (electrical, materials and supplies, personnel, regulatory costs, CIP's). An adequate CIP Program must be maintained, and the water and wastewater CIP is the single largest factor in the proposed rate adjustment based on aging infrastructure, safety, and no new projects.

Jay also re-presented the rate study presentation by **Economist.com** with updated information. The rate study changes were made based on Council's comments. The first scenario (Alternative 1) was left the same; approximately \$2.86 increase for the average customer per month. A second scenario (Alternative 2) was added to decrease the lower tiers (customers use less volume of water), and increase the top two tiers. **Kathleen Carroll** asked what the percentage of customers was in each tier. **Jay** will obtain that information. **Jay** also discussed how this increase would affect customers. The proposed increases would be spread over a 5-year period. The last water rate increase was done in 2007 and 2008 (approx 19%), and the last sewer rate increase was in 2007 (spread over a 5-yr period – approx 41%).

Economist.com listed a comparison of Yuma rates to various cities. The **Commissioners** would like to have Far West added to the comparison list.

This rate increase would enable the City to maintain a financially-healthy utility, would provide sufficient revenue to continue to maintain a high quality of service, and would encourage economic development opportunities in the City.

The presentations are attached.

Jay Simonton stated that a proposed delinquency fee of \$20.00 would be charged for late payments, and re-connect fees would be \$50, with after-hours going to \$100.

FUTURE AGENDA ITEMS

TBD

ADJOURNMENT

The meeting was adjourned at 6:05 p.m.