



TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DEPARTMENT: UTILITIES

DATE: MARCH 8, 2010

CMR: 144:10

REPORT TYPE: CONSENT

SUBJECT: Recommendation to Direct the Utilities Advisory Commission to Consider the Fiscal Year 2011 Wastewater Collection Fund Budget and Rates

RECOMMENDATION

Staff recommends that the Council direct the Utilities Advisory Commission (UAC) to consider the Fiscal Year (FY) 2011 budget and retail rate adjustments for the wastewater collection utility.

DISCUSSION

The purpose and duties of the UAC are listed in section 2.23.050 of the Municipal Code, as follows:

- (a) The purpose of the utilities advisory commission shall be to advise the city council on long-range planning and policy matters relating to the electric utility, gas utility, water utility, and the subject of recycled water, excluding daily operations.
- (b) The utilities advisory commission shall have the following duties:
 - (1) Advise the city council on planning and policy matters pertaining to:
 - (A) Acquisition and development of electric utility, gas utility, water utility, and recycled water resources,
 - (B) Joint action projects with other public or private entities which involve electric utility, gas utility, water utility, and recycled water resources,
 - (C) Environmental implications of electric utility, gas utility, water utility, and recycled water projects,
 - (D) Conservation and demand management, and
 - (E) Recycled water matters not otherwise addressed in the preceding subparagraphs (A) through (D).

- (2) Review and make recommendations to the city council on the consistency with adopted plans and policies of any major electric utility, gas utility, water utility, or recycled water project;
- (3) Formulate and review legislative proposals regarding the electric utility, gas utility, water utility, and any recycled water operation to which the city is a party or in which the city has an interest;
- (4) Review the electric utility, gas utility, and water utility capital improvement programs, operating budgets, and rates, and recycled water program, budget, and rate, and thereafter forward any comments to the finance committee or its successor;
- (5) Provide advice upon such other matters as the city council may from time to time assign.

The utilities advisory commission shall not have the power or authority to cause the expenditure of city funds or to bind the city to any written or implied contract.

The wastewater collection utility is currently not included in the duties of the UAC, but staff is interested in the input and recommendations from the UAC on the wastewater collection budget and any proposed rate adjustment for FY 2011. Staff also understands that the Council Ad Hoc Subcommittee on the roles and responsibilities of the UAC may develop recommendations for the Council to change the Municipal Code to expand the duties to include the wastewater collection utility. While the subcommittee is deliberating, the time for the UAC to review the FY 2011 Wastewater Collection Fund budget and rates is fast approaching. The UAC has the expertise in, and familiarity with, Utilities budgets for other funds and will provide valuable insight and guidance to staff and will assist the Council when making decisions on the FY 2011 Wastewater Collection Fund budget and rates.

Under the Municipal Code Section 2.23.050 (b) (5) cited above, the Council may assign other matters to the UAC. Staff requests Council assign the review of the FY 2011 Wastewater Collection Fund budget and rates to the UAC. This temporary assignment will not affect any long-term changes to the UAC's duties that may be recommended by the Council Ad Hoc Subcommittee.

RESOURCE IMPACT

No additional staff resources will be used to prepare recommendations for the UAC on the wastewater collection utility since these recommendations would be prepared for Council action regardless.

POLICY IMPLICATIONS

Approval of this recommendation will not change the Municipal Code or establish new City policy, but will change the duties of the UAC for FY 2011 only with respect to the review of the budget and rates for the wastewater collection utility. The request is in line with Municipal Code Section 2.23.050 (b) (5) cited above, which states that the Council may assign other matters to the UAC.

ENVIRONMENTAL REVIEW

Approval of this recommendation does not meet the definition of a project, pursuant to section 21065 of the California Environmental Quality Act (CEQA), thus no environmental review is required.

ATTACHMENT

None.

PREPARED BY:


 **JANE RATCHYE**
Assistant Director, Resource Management

DEPARTMENT APPROVAL:



VALERIE O'FONG
Director of Utilities

CITY MANAGER APPROVAL:



JAMES KEENE
City Manager