

CITY OF FULLERTON ENERGY & RESOURCE MANAGEMENT COMMITTEE AND

CITIZENS INFRASTRUCTURE REVIEW COMMITTEE APRIL 13, 2011 - 7:30 A.M.

SPECIAL MEETING 303 West Commonwealth Avenue Fullerton, California

CALL TO ORDER

Chairman McNelly called the meeting to order at 7:34 a.m.

INTRODUCTIONS/ROLL CALL

Present - ERMC

Chairman McNelly
Committee Member Avera
Committee Member Brassett
Committee Member George
Committee Member Lucero
Committee Member Mitchell
Committee Member Otter
Committee Member Thakur

Absent:

Vice Chair Buck Committee Member Chi Committee Member Rocabado

Present - CITIZENS INFRASTRUCTURE

Committee Member Sebourn Committee Member Kremer Committee Member Kelly Committee Member Alcantara

Absent:

Committee Member Costello Committee Member Kelly

Staff Present:

Assistant Planner Dove Clerical Assistant Norton Don Hoppe, Director Eng./Acting Director Maintenance Dave Schickling, Water System Manager Lorrie Lausten, Civil Engineer Chad Blais, Water Quality Specialist Steve Garten, Water Superintendent

David Hyder and Edward Donahue, Consultants with Municipal and Financial Service Group

ACTION ITEMS (ERMC)

A recommendation will not be made today by the Committee to the City Council. A second special meeting will be held on April 20, 2011 to further discuss the current stage of Fullerton's Water Shortage Conservation Plan then an Ad Hoc Committee, made up of members of both committees, will be formed to summarize earlier discussions in the first two workshops regarding the Water Rate Study. A recommendation will then be made.

Committee Members viewed a Water Rate Study and alternative solutions to keep rates and fees reasonable over time through sound financial management. The study was done by consultants Hyder and Donahue with the Municipal and Financial Service Group. The study covered the following areas:

Net Revenue Requirements
O&M Expenses
O&M Expenses – Future Forecasts
Existing Debt Service
Capital Improvement Projects
Capital Improvement Projects proposed Funding
O&M Reserve
Repair, Replacement & Rehabilitation Reserve
Buried Infrastructure
Revenue Requirements
Net Revenue Requirements
Recommended Rate Increases
Cost of Service
Rate Analysis/Alternatives
Sample Bills

The Water Rate Study found that Alternatives C and D are the most effective. The consultants recommended Alternative C however, after discussions with the City and looking at the impacts to customers with fixed charges the recommendation was changed to D. Alternative D will have less impact on the fixed rates. In five years the City can then move to Alternative C which is a little more aggressive.

PUBLIC COMMENTS

COMMITTEE MEMBER QUESTIONS/COMMENTS

No public present

The following members had questions and comments:

Chairman McNelly Member Kremer Member Kelly Member Sebourn Member Otter Member Lucero

Member Alcantara Member Mitchell

Questions and Comments include:

- 1. The Franchise Fee.
- 2. Tiered Structure for Multi-Family Residential (the inequity between conserving/overuse of water).
- 3. Allocated Costs.
- 4. Alternative if the City receives push back from residents on the rates.
- 5. The balance between declining water use and revenue rates (basing water rates on consumption) the City will always be behind.
- 6. Why not go with Alternative C now.
- 7. Removing the number of fixtures to downsizing meters.
- 8. How many meters are above 2 inches?
- 9. What are the fixed rates based on in multi-family units?
- 10.Do businesses regularly change the meter size depending on the type of business?

DROUGHT STATUS BY STAFF

On March 30, 2011, the governor removed the drought declaration and the Metropolitan Water District's Board repealed the allocation for supplemental water supply.

At the City Council's May meeting the Water Department plans to recommend moving from Phase I of the Water Conservation Plan to our normal base line use. However, the City still has pumping restrictions in the Delta.

Motion made by Committee Member Thakur, seconded by Committee Member George to schedule a joint Special Meeting on April 20, 2011 at 7:30 a.m. to vote on the return to normal base line use. Motion carried unanimously.

Meeting adjourned at 9:00 a.m. to a joint Special Meeting on April 20, 2011.

Beverly Norton Clerical Support

,			