

MINUTES of an adjourned regular meeting of the City Council of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street, at 2:03 P.M. on November 5, 2002.

PRESENT Karl N. (Kasey) Haws, Mayor
Susan Pepler, Mayor Pro Tem
Pat Gilbreath, Councilmember
Gary George, Councilmember
Jon Harrison, Councilmember

ABSENT None

STAFF John Davidson, City Manager; Daniel J. McHugh, City Attorney; Lorrie Poyzer, City Clerk; Gary G. Phelps, Municipal Utilities Director; and Douglas Headrick, Water Resources Chief.

STUDY SESSION

Water and Wastewater Rates - Municipal Utilities Director Phelps introduced George Barich, Chairman of the Utilities Advisory Committee, who commended committee members, Municipal Utilities staff and the consultant for their diligence in conducting the water and wastewater rates and charges study during the past several months. Monty Dill, a member of the committee, informed Councilmembers the committee's purpose was to provide guidance and recommendations to the City Council to assist in the development of water and wastewater rate structures that are equitable for both existing and new customers of the City of Redlands' municipal utilities. He noted a comprehensive review of the rates has not been done in ten years. Water Resources Chief Headrick ran the PowerPoint presentation narrated by Mr. Dill covering the rate setting process, the experience and make up of the committee, goals, assumptions, topics, methodology, history, pressures on rates including a 60-80 percent increase in electricity rates, and debt service requirements. Mr. Dill then reviewed the water rates which need to meet debt service coverage, cash flow needs, fund necessary system upgrades, and fund reserves for fiscal stability. Wastewater rates were presented with a recommendation to have separate rates of multi-family and single family units based on population density. Water and wastewater development impact fees were also studied by the committee in depth. Comparisons of rates and fees of neighboring cities was provided. Recommendations regarding General Fund transfers, business practice recommendations, cost containment strategies, were made for the City Council to consider as well as the recommendation to approve an ordinance establishing two year phased rate increases for water and wastewater, an ordinance to revise water and wastewater development impact fees, the establishment of a bi-annual rate and business practices review by a citizens' committee, and an amendment to the Redlands Municipal Code to include principles of General Fund transfers.

Mayor Haws thanked the committee for an excellent job. By concurrence, staff was directed to prepare the necessary ordinances as recommended for consideration by the City Council and establish an automatic two-year review of rates and fees. Councilmember Pepler urged staff to even out the phased increases and determine the smallest number needed to cover the bond indebtedness. Staff was also directed to further research the street replacement fee, in-lieu property tax and franchise fee in relation to Proposition 218, and the Management Information System (MIS) technician position and report back to the City Council.

ADJOURNMENT

There being no further business, the City Council meeting adjourned at 3:07 P.M.

City Clerk