

MEMORANDUM

TO: Board of Trustees

FROM: Indra S. Winquest
Interim District General Manager

SUBJECT: Review, discuss and possibly approve the Interim District General Manager exploring the hiring of a consultant to perform three (3) tasks – perform a Utility Reserve Fund Study and set an appropriate fund balance; revise the Utility Fund Balance Board Policy, Policy 19.1.0 and Practice 19.2.0; and perform a Utility Rate Study

DATE: February 4, 2020

I. RECOMMENDATION

That the Board of Trustees makes a motion to approve the Interim District General Manager exploring the hiring of a consultant to perform three (3) tasks – perform a Utility Reserve Fund Study and set an appropriate fund balance; revise the Utility Fund Balance Board Policy, Policy 19.1.0 and Practice 19.2.0; and perform a Utility Rate Study.

II. BACKGROUND

At the Board meeting of January 29, 2020, the Board of Trustees asked for an agenda item to have a discussion about hiring a consultant to do the aforementioned tasks. If the Board of Trustees wants this done, a discussion needs to be held with the Director of Public Works to determine the following:

- a. Does the Board of Trustees want Staff to **not** do a Utility Rate Study this year?
- b. Does the Board of Trustees want Staff to hold utility rates to the current amounts with **no** percentage increase?
- c. Does the Board of Trustees understand that by holding the utility rates to the current amounts this **will have** operating, capital budget and Utility Fund Reserves impacts?
- d. Does the Board of Trustees want Staff to provide a Utility Rate Study, if so, at what meeting?

Once the above questions are answered, the Interim General Manager will understand the desires of the Board of Trustees and be able to proceed accordingly. Further, whatever consultant is selected, that contract will come before the Board for approval with a deadline of March 25, 2020 for that contract award item coming before the Board of Trustees.