



Legislation Text

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DATE: February 13, 2018

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Mark Hilty, Assistant City Administrator of Public Works
Michelle Hatcher, Director of Water Management

SUBJECT:

*Consideration of Professional Services Agreement with Jackson Thornton Utilities (COF Contract No. 2018-0018) for Revenue Requirements Analysis and Cost of Service/Rate Study for the Water/Wastewater/Reclaimed Water System in an Amount Not-to-Exceed \$17,000 for Water, \$20,000 for Wastewater and \$10,000 for Reclaimed Water (Deferred from 02/13/18 WS)

Purpose

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the Professional Services Agreement with Jackson Thornton Utilities (COF Contract No. 2018-0018) for Revenue Requirements Analysis and Cost of Service/Rate Study for the Water/Wastewater/Reclaimed Water System.

Background

The proposed study is necessary to continue evaluation of the City's rate structure for water, wastewater and reclaimed water services. These services will include three parts for each of the services mentioned above - Revenue Requirements Analysis, Cost of Service Study, and Preliminary Rate Design.

In October 2010, the Board of Mayor and Aldermen took measures that established a five-year plan in which to achieve appropriate revenue streams by increasing projected water and sanitary sewer revenues by 4% and 7% annually. The intention of the proposed Professional Services Agreement with Jackson Thornton Utilities is to develop objective information based on independent analyses of revenue requirements and cost of service. The results of the study will enable the Board of Mayor and Aldermen to make informed decisions on rates and rate design and to ensure that the five year plan, established in 2010, is in line with current revenues and expenditures.

Financial Impact

The maximum financial impact to the City will be a total of \$47,000.

Recommendation

Staff recommends approval of the DRAFT Professional Services Agreement with Jackson Thornton Utilities (COF Contract No. 2018-0018) for the Revenue Requirements Analysis and Cost of Service/Rate Study for the

Water/Wastewater/Reclaimed Water System in an Amount Not-to-Exceed \$17,000 for Water, \$20,000 for Wastewater and \$10,000 for Reclaimed Water.