

**CITIZENS' WATER ADVISORY COMMITTEE  
(CWAC)  
Finance Subcommittee**



Thursday, July 28, 2021, 10:00 a.m.

Virtual Meeting via MS Teams

## **Legal Action Report and Meeting Minutes**

**1. Roll Call**

The meeting was called to order by Finance Subcommittee Chair Steven Washburn at 10:02 a.m. Those present and absent were:

**Members Present:**

|                        |                              |
|------------------------|------------------------------|
| Steven Washburn, Chair | Representative, City Manager |
| Mark Stratton          | Representative, City Manager |
| Mark Taylor            | Representative, City Manager |
| Rory Juneman           | Representative, City Manager |
| George White           | Representative, Ward 4       |

**Members Absent:**

**2. Announcements – None**

**3. Review of June 17, 2021, Legal Action Report and Meeting Minutes –** Member Stratton moved to approve the minutes; Member Juneman seconded the motion. Discussion: None. The motion was approved on a voice vote of 5-0.

**4. Cost of Service Methodology Overview -** Deb Galardi and Harold Smith, Raftelis Consultants provided information relating to Outside City Rate Analysis. Those items reviewed and discussed were:

- a. Cost of Service Process
  - i. Financial Plan
  - ii. Cost of Service Analysis
  - iii. Rate Design
- b. Customer Class Service Characteristics
- c. Customer class peaking
  - i. Max day peaking & System Peak days
  - ii. Water system Peak vs. Demand Costs
- d. Policy Based Adjustments Outside City Rate development
  - i. M1 Principles of Water: Rates Fees and Charges
- e. Phase 1 Outside Differential Rate Analysis
  - i. Utility approach vs. Cash needs
  - ii. Allocation between Outside and Inside
  - iii. Rate of Return
  - iv. Outside City Revenue Requirements
  - v. Range of Differentials

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### f. Next Steps

Members were provided an opportunity to make inquiries and clarify information throughout the presentation. Members were provided an opportunity to have an open discussion which crossed over into agenda item 5. A. Review of the Return-on-Investment Memorandum. No action was taken on this item.

### **5. Phase 1 Differential Analysis** –Deb Galardi and Harold Smith, Raftelis Consultants provided information; those items reviewed and discussed were:

- a. Review of the Return-on-Investment (ROI) Memorandum
- b. Preliminary Calendar

The open discussion flowed between agenda items four and five as they are closely related to each other and overlap. The committee continued to ask clarifying questions of the Raftelis Consultants and Deputy Director Amparano.

- Mrs. Amparano provided an explanation of the utility's status and a pathway forward. No action was taken on this item.

### **6. Call to the Audience** – Mark Day, provided his comments on risk and equity as they relate to city expenditures on Per-FAS and increased CAP costs.

### **7. Future Agenda Items and Meeting Times** –

- I-11 Corridor
- Standing item Utility updates Covid-19 Security issues the utility facing

### **8. Adjournment** – The meeting was adjourned at 11:49 a.m.