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**Public Works
Division**

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Staff Report

ITEM NO. SS-2

To: Lemoore City Council
From: Nathan Olson, Public Works Director
Date: April 15, 2016 **Meeting Date:** April 19, 2016
Subject: Water Rate Study Workshop

Proposed Motion:

This is informational only.

Subject/Discussion:

As background, on October 2, 2015 the City of Lemoore received an Alternate Compliance Order from the California Water Board outlining action steps for the City to address drought conditions. One of the items in the Order was to pursue and complete a water rate study by March 31, 2016.

As part of developing a water rate structure, the Five-Year Community Investment Program was adopted by the City Council on March 1, 2016 to support the pro forma numbers that will show the cost of funding these vital public improvements.

On March 15, 2016 the Council was provided with an update on the City's water system and additional information was provided to prepare the community for the potential significant water rate increases that will be forthcoming. This study session is a continuation of that process.

Additionally, during the last 30 days staff has provided additional information to the community regarding the water system and potential rate increases. "Our Water System Needs Help!" was the outreach message to residents and businesses during the last 30 days. Staff has made efforts to provide information to water customers who could be impacted by the new proposed water rates and to obtain their input into the final water rate structure, which will be presented to the City Council for approval next month and to begin the Proposition 218 process.

Staff's efforts included the establishment of a Water Rate Hotline, number (559) 925-2426, (customers were provided this number two weeks ago). The hotline has been receiving phone calls from customers. This Water Hotline will remain active as long as necessary to receive daily notifications to the City with messages from residents and businesses who have an interest in joining a citizen's advisory group.

To maximize public participation, the City mailed 6,528 postcards to residents and businesses in Lemoore, inviting them to attend the City Council study session to learn

"In God We Trust"

more about the condition of the City's water system and the water rates that will be required to construct improvements to meet state and federal water quality standards, as well as ensure a reliable supply of potable water for current residents and new residents who move to Lemoore through new development.

A water rate increase is subject to the requirements of Proposition 218 adopted by voters in 1997.

This agenda item is an update and informational opportunity to keep the community current on the state of the City's water system and the State and Federally mandated projects relating to compliance for Total Trihalomethanes (TTHM's) and on-going operations and maintenance of the City water supply and distribution.

Financial Consideration(s):

None at this time.

Alternatives or Pros/Cons:

Pros:

- Ensures the City is compliant with the Alternative Compliance Order.
- Supports the City's efforts to continue to provide safe drinking water.
- Improves system reliability and customer service.
- Provides required funding for water system improvements.

Cons

- Taking no action could put the City out of compliance with State and Federal mandates.
- Residents and businesses could be impacted by a future proposed water rate increase.

Commission/Board Recommendation:

Not Applicable.

Staff Recommendation:

Staff recommends proceeding with the Proposition 218 process and consider necessary rate increases.

Attachments:

- Resolution
- Ordinance
- Map
- Other Water Mailer Postcard

Review:

- Finance
- City Attorney 4/15/16
- City Manager 4/15/16
- City Clerk 4/15/16

Date:




City of

LEMOORE
CALIFORNIA

Our Water System Needs Help!

Lemoore Residents & Businesses, Learn How this Impacts you!



City of Lemoore Water Hotline

(559) 925-2426

City of Lemoore

Informational Session

Join us Tuesday, April 19 at 5:30pm!

City Council Chambers
429 C Street
Lemoore, CA 93245

On April 19, the City Council will hold a workshop to inform residents and businesses about the condition of the City's water system, including the increasing costs to provide water service (despite the drought) and the costs to improve water quality.

Don't miss this opportunity to understand the scope and magnitude of the improvements and how water rates will be impacted!

(559) 925-2426

Alternatively, visit the City's website at:
www.lemoore.com
or call (559) 925-2426 to let the City know if you want to participate in a citizen's advisory group.

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