



Legislation Text

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PUBLIC UTILITIES ADVISORY BOARD AGENDA ITEM

ACTION REQUESTED:

Receive PUAB-Water Utilities Capital Expenditure Presentation

DEPARTMENT: Water Utilities

SUBMITTED BY: Darrell Blenniss, Director

BACKGROUND:

Water Utilities staff in conjunction with the City Manager's Office and the Finance Department prepare a series of short-term and long-term financial planning documents to ensure the sustainability of operations. These include: Annual Budget, Capital Improvement Plan, and Rate Studies. These documents are reviewed annually or as needed for necessary updates, to reflect current conditions, desired service levels, and changes in regulatory requirements.

In 2020, the City engaged consultants to prepare updated capital asset evaluations for the Water System and the Wastewater Treatment facility at Springbrook. These asset evaluations have identified the need for additional investment for the infrastructure associated with these services.

In addition, a consultant was hired to prepare a new rate study as the planning horizon for the last study ends in 2021. Every rate study involves a complex set of assumptions that need to be reviewed to ensure sufficient revenues for operations and the achievement of important policy goals.

DISCUSSION:

Over the next several months staff will discuss these financial matters in greater detail and provide a comprehensive overview to the Public Utility Advisory Board. This should provide enough time to review any financial and policy considerations prior to City Council review and implementation during the upcoming budget process.

The first presentation will cover the capital program for the Wastewater Collection & Pumping System. This section was chosen first as we believe it is the most mature, reflective of data driven decision making, and effective in the achievement of desired service levels. We believe it is a model for the other operational sections to emulate.

In the following months we will provide additional presentations on the other two major capital components (Water Distribution/Supply & Wastewater Treatment). In addition, the major assumptions for the Rate Study will be reviewed.