WORK SESSION
Tuesday, May 01, 2012 6:00 p.m.
Community Recreation Center
10640 N Clubhouse Drive, Cedar Hills, Utah

Present: Mayor Eric Richardson, Presiding
Council Members: Gary Gygi, Scott Jackman, Stephanie Martinez, Jenney Rees, Trent Augustus
David Bunker, City Engineer
Greg Robinson, Assistant City Manager
Rebecca Tehero, Finance Director
Chandler Goodwin, Assistant Finance Director
Eric Johnson, City Counsel
Courtney Hammond, City Meeting Transcriber
Others: Sam Liddiard, Keith Larson, Marshall Shore

This work session of the City Council of the City of Cedar Hills, Utah, having been properly noticed, was called to order at 6:15 p.m. by Mayor Richardson

Presentation on a Utility Rate Study (6:15 p.m.)
Rebecca Tehero introduced Keith Larson, representative from Bowen and Collins, who presented the results from the utility rate study. See handouts. The recommended rate system for water and sewer is the O& M plus 1% investment for future maintenance. The budget plan for the next 10 years is to work up to the 1% investment goal. For PI, they recommend holding the current rate, which includes debt service payment. Storm drain has been running a deficit. The proposal is to get storm more in line with cost of service. For the next 10 years, the recommended increase for water is 6.4%, sewer 5.5%, storm drain 6.5% and 0% for PI. The total increase for all utilities ranges from 3.7% to 4.3% per year. The rate structure is increasing block rate. He recommended making a change to the block 1 division point, lowering it to 8,000 (vs current of 10,000 gallons). He also recommended adjusting blocks by size of water meters. In the past the base rate was based on ERUs (Equivalent Residential Units). He recommended charging base rates based on meter sizes (for water and sewer), connection size (for PI) and lot size (for storm drain).

Mayor Richardson asked the Council to review the reports and get feedback back by the next meeting. He would like to see the report, or a version of it on the website.

This work session was adjourned at 7:00 p.m. by Mayor Richardson.

_____/s/ Gretchen F. Gordon_____
Gretchen F. Gordon, Deputy City Recorder