



Legislation Text

File #: AGR 19-001, **Version:** 1

Consideration of and action on authorization to enter into an agreement for a water and wastewater rate study with NewGen Solutions and Strategies through the HGAC Buy Cooperative Purchasing Program.

Summary:

The City is requesting authorization to enter into an agreement for a water and wastewater rate study with NewGen Solutions and Strategies through the HGACBuy Cooperative Purchasing Program. The intent of the study is for the company to independently assess and evaluate the City's existing water and sewer rates using financial and consumption information and provide recommendations for water and sewer rates for all customer classes. The objective of the study is to adequately fund water and sewer utility operations, capital costs, and debt service while minimizing rates to the greatest degree possible.

NewGen Solutions and Strategies has extensive professional experience in providing financial, managerial and economic consulting services to public sector utilities. Members of the company's team have assisted an extensive list of clients in conducting wholesale and/or retail water, wastewater, storm water, solid waste, electricity and natural gas cost of service and rate design studies.

Attached are the following:

- 1) Letter from NewGen Solutions and Strategies.
- 2) Proposal.
- 3) Contract with HGAC.

The proposed cost is not-to-exceed \$31,500 . This consists of the project cost of \$27,500 + \$4,000 for an optional rate model. The rate model is a financial model for rate setting that city staff could use to support rate decisions in future years. This includes the cost of one on-site, hands-on training session with City staff.

Fiscal/Budgetary Impact:

\$50,000 was budgeted in the FY 2018-2019 Budget for this purpose.

Authorize an agreement with NewGen Solutions and Strategies for a water and wastewater rate study.