

Utilities Management Study

Water, Wastewater, DME

Mar. 20, 2018



Background

- ▶ Charter requirement to have a management study every 10 years for Water, Wastewater, and DME
- ▶ Last study completed in 2008-2009
- ▶ Request for proposal released on January 29, 2018, with responses due March 25, 2018
- ▶ Summary of major elements provided in AIS

Major elements

- ▶ General Management
 - ▶ Review of how each aspect of utilities operations relates to the cost or function of providing services.
 - ▶ Aspects include governance, organizational structure, financial practices, development policies, support services, franchise and cost of service transfers, communications, public relations, planning and budgeting processes, rate development and administration.

Major elements

- ▶ Comparative Analysis of Significant Operational Costs
 - ▶ Examine significant cost components of the main utility services and subunits.
 - ▶ Electric: transmission and distribution services
 - ▶ Water: Raw water supply, treatment, storage and pumping, distribution, engineering, metering, and wholesale
 - ▶ Wastewater – Collection, pumping, treatment, biosolids management, wholesale services, and stormwater
 - ▶ Support services – customer service, accounting, purchasing, warehousing, legal, IT, human resources, finance, engineering inspections, and fleet

Major elements

- ▶ Outsourcing
 - ▶ If the consultant finds that any function the utility or city is now performing by its own personnel is not reasonably comparable or competitive, and would not be comparable or competitive within a reasonable timeframe, the consultant shall present the issues involved with those functions in the interim report.
 - ▶ If outsourcing is an appropriate recommended action, the consultant may be requested to provide a detailed plan for outsourcing implementation. This response must have prior approval of the city and will result in an amendment to the consultant's base contract.

Major elements

▶ Deliverables

- ▶ It is anticipated that the project will be completed in phases with interim draft reports on key issues with possible action items being prepared for review by the City.
- ▶ The final report would be a single comprehensive document including all interim reports and action items. The cost of service and comparative relationship (bench marking) to other utilities of comparable size is required.

Project Schedule

- ▶ Complete draft management studies during 2018.
 - ▶ Interim presentations will be provided to the Public Utility Board for direction
- ▶ Final presentation to the Public Utility Board for recommendation, and then to City Council for approval in spring 2019.

Questions

