CITY OF MANHATTAN BEACH MINUTES OF THE CITY COUNCIL ADJOURNED REGULAR STUDY SESSION MEETING UTILITY RATES & INFRASTRUCTURE ASSESSMENT JULY 28, 2009

The Adjourned Regular Meeting of the City Council of the City of Manhattan Beach, California, was held on the 28th day of July, 2009, at the hour of 6:35 p.m., in the Police/Fire Conference Room, at 400/420 15th Street, in said City.

PLEDGE TO THE FLAG

City Manager Geoff Dolan led the pledge of allegiance.

ROLL CALL

Present:	<u>Councilmembers</u> : Staff:	Montgomery, Powell and Mayor Cohen. City Manager Geoff Dolan, Finance Director Bruce Moe,
		Public Works Director Jim Arndt, City Engineer Steve
		Finton and Utilities Manager Raul Saenz.
	Consultants:	Zeki Kayiran (AKM Consulting Engineers),
		Ed Cebron (FCS Group) and
		Diann Pay (AKM Consulting Engineers).
Absent:	Mayor Pro Tem Ward and Councilmember Tell.	
Clerk:	Dolan (Acting).	

GENERAL BUSINESS

07/28/09-1. Review of Water and Sewer Capital Improvement Needs

City Manager Geoff Dolan provided an overview of why the City Council was reviewing the water and sewer infrastructure study and revenue needs.

Public Works Director Jim Arndt introduced **Zeki Kayiran of AKM Consulting Engineers** who has been contracted to perform an in depth study of the City's wastewater and water infrastructure.

Mr. Kayiran provided a PowerPoint presentation outlining the overall condition of the infrastructure; estimate of replacement value of the systems; and recommended future Capital Improvement Projects (CIPS) for City consideration. He explained that AKM recommended \$126,000,000 of water improvements and \$39,000,000 of improvements to the sewer system over the next 20 years. He proceeded to discuss the City's water supply, wells, water main pipe age, size, material, and reservoirs and identified infrastructure needs in each category. **Mr. Kayiran** then discussed the wastewater collection system including pipes, manholes, and pump station age, identified deficiencies, and recommended improvements.

07/28/09-2. Review of Water and Sewer Revenue Needs.

Public Works Director Arndt explained that **FCS Consulting** has been contracted to perform a revenue needs and rate analysis for the City and introduced **Ed Cebron** of **FCS** to discuss water and sewer revenue needs. **Mr. Cebron** provided a PowerPoint presentation that outlined both the water and sewer utility's revenue needs based on operational costs as well as increased system reinvestment costs (CIP). He noted extreme impacts on the budget, given the upcoming large increase in wholesale water costs, the existing revenue/expenditure deficiency in sewer, and the large investment required for infrastructure required in both utilities. **Mr. Cebron** presented several rate options, impacts to a typical bill, and a comparison of the resulting rates to neighboring agency rates.

Adjourned Regular City Council Utility Rates and Infrastructure Assessment Study Session Meeting of July 28, 2009

Council reviewed and discussed the information presented by **AKM** and **FCS** and directed staff to prepare multiple rate scenarios that include system reinvestment spending of \$2,500,000/year for sewer and either \$4,000,000 or \$5,000,000/year for water. Both funding scenarios were to be reached by year five of a five year rate increase program, with one set of scenarios accomplished more slowly and the other scenario to reach the maximum funding more quickly. The Council asked that the requested information be presented to the Council at their September 1, 2009 City Council meeting.

ADJOURNMENT

At 10:00 p.m., the meeting was duly adjourned to the 5:30 p.m. Adjourned Regular Meeting to be followed by the 6:30 p.m. Regular City Council Meeting on Tuesday, August 4, 2009, in the City Council Chambers of City Hall, 1400 Highland Avenue, in said City.

Jim Arndt Recording Secretary

Portia Cohen Mayor

ATTEST:

Liza Tamura City Clerk

Adjourned Regular City Council Utility Rates and Infrastructure Assessment Study Session Meeting of July 28, 2009