

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JANUARY 29, 2013**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, January 29, 2013, commencing at 7:00 a.m.

Present: Council Member Hansen, Council Member Johnson, Council Member Mounce, Mayor Pro Tempore Katzakian, and Mayor Nakanishi

Absent: None

Also Present: City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 Receive Information Regarding Future Water Utility Policy Decisions and Rates (PW)

Public Works Director Wally Sandelin provided a PowerPoint presentation regarding the water utility policies and rates. Specific topics of discussion included water service lateral maintenance, lateral installation, utility bill responsibility, lock off water service, basis of analysis, estimated 2013 water rate revenue, metered account data, estimated 2013 metered rate revenue, single-family water usage, single-family tier structure, 2013 water usage rates, monthly services charges, water rate revenue mix, future rate structure adjustments, and vacant utility rates.

In response to Council Member Hansen and Mayor Nakanishi, Mr. Sandelin stated the City's wastewater policy has existed for approximately 30 years. He stated there was no policy on water because the water was only recently disinfected thereby reducing the risk of private contractors performing the job instead of City forces.

In response to Council Member Mounce, Mr. Sandelin stated the water policy will remove discretion and clearly delineate the responsibility of the property owner versus the City with respect to laterals and the main.

In response to Council Member Hansen, Mr. Sandelin stated depending upon the service sometimes the City's fees are higher while at other times the contractors' fees are higher. Mr. Sandelin and Mr. Bartlam stated the contractors' fees with this type of service are generally lower due to scheduling and work flow considerations although the City will continue to monitor the projects for safety.

City Council Members provided general comments regarding their thoughts on billing tenants versus property owners, flat rate assessments with a true-up component, the ability to meter individual units versus single-family homes, and the intent of the water board for long-term metering purposes.

In response to Mayor Pro Tempore Katzakian, Mr. Sandelin and Mr. Bartlam stated abandoned properties and foreclosures for water lock off purposes would be similar to current electric practices for home inspection purposes.

In response to Council Member Mounce, Mr. Sandelin and Mr. Bartlam stated shut offs for electric and water would be handled simultaneously by the same individual and the costs would be split between the two utilities.

A brief discussion ensued between Council Member Hansen and Mr. Bartlam regarding the potential effects of water shut off for foreclosure properties.

Bob Reed, consultant for Reed Group Inc., provided an overview of the status of the metering program in the City for informational purposes.

In response to Council Member Hansen, Mr. Reed stated the flat rate was tracked for historical purposes through meters that were not being charged at the metered rate during the pilot program.

In response to Council Member Mounce, Mr. Reed stated Tier 1 is not based on an individual person count per se and is instead based on winter home usage averages with a bell curve.

In response to Council Member Hansen, Mr. Reed stated most of the non-residential properties are metered and are essentially at Tier 1.

In response to Council Member Mounce, Mr. Reed stated the base charge covers the monthly service charges based on the size of the meter.

A brief discussion ensued amongst the City Council, Mr. Reed, and Mr. Sandelin regarding the typical rate setting models and methodology application for smaller and larger meter sizing while balancing rates for the various customer classes.

In response to Mayor Pro Tempore Katzakian, Mr. Reed stated in his experience reduced water consumption and conservation due to metering is permanent although there could be a swing of up to ten percent based on weather conditions, water availability, economy, and the overall demand. Mr. Reed stated the swing can be addressed through prudent policies and an adequate reserve.

Nancy Watts spoke in regard to the intent of state regulations for metering units and citizens paying for their fair share based on their usage.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:15 a.m.

ATTEST:

Randi Johl
City Clerk