

## **Agenda Item 7A**

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## STAFF REPORT

**TO:** Board of Directors

**PREPARED BY:** Steven Palmer, PE, CSDM, General Manager *SP*

**SUBJECT:** Board to Discuss and Provide Direction on Process to Evaluate Customer Suggestions Received During Rate Adoption Process

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### **RECOMMENDATION**

Staff recommends that the Board of Directors discuss and provide direction on the process to evaluate customer suggestions received during the rate adoption process.

### **BACKGROUND**

Throughout the recent rate study preparation and adoption process, numerous suggestions were received from customers regarding the development of a new rate structure and the need to increase revenue.

Suggestions received include, in no particular order:

1. Review alternative procedures for calculating wastewater utilization (eg. equivalent dwelling unit (EDU) calculations), and evaluate the potential impact on rates.
2. Review the outside service agreement with Sierra Lakes County Water District for wastewater treatment and evaluate alternative ways to structure the agreement and calculate costs.
3. Review the lease agreement with Truckee Fire Department.
4. Adjust water rates to increase revenue from usage
5. Identify options for increasing recycled water sales
6. Evaluate ways to increase non-rate revenue, including:
  - a. Annexation
  - b. Visitor Fees
  - c. Taxes

### **DISCUSSION AND ANALYSIS**

These are significant policy issues that will require considerable time and resources for a thorough evaluation. For this reason, the General Manager is seeking Board approval for the list of suggestions to review, as well as direction from the Board regarding the process to research and analyze these issues.

The first action item is for the Board to discuss and approve the proposed list of suggestions for review. A draft list is included in this staff report, and the Board is welcome to add or remove items from it as necessary.

For the second action item, the Board is requested to provide guidance on the process to research and analyze these issues. The General Manager has the capacity to review one issue at a time and will present the findings at future Board meetings, seeking direction from the Board before proceeding to the next issue. Each issue is expected to take one to two months to address. It may

be necessary to engage consultants to review specific topics and conduct focused research. Currently, the details of these consulting agreements have not been defined and are not included in the budget.

The General Manager requests that the Board identify the top two issues for evaluation and either approve this plan of action or provide additional direction.

**FISCAL IMPACT**

The cost of consultant support is not included in either the adopted or proposed budgets. There is no direct fiscal impact related to this item.

**CEQA ASSESSMENT**

This action is not a project under the California Environmental Quality Act (CEQA). CEQA review is not required.