

Council Work Session Minutes  
Wednesday, May 30, 2007, 6:00 p.m.  
Council Chambers, Daniel-Boone Building

Council members present: Mayor Hindman, Almeta Crayton, Chris Janku, Karl Skala, Jerry Wade, Barbara Hoppe and Laura Nauser

City Manager Bill Watkins and other city staff members were present.

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The Council members listened to a presentation by the consultant, Virchow Krause and Company, conducting a cost of service study for electric, water and wastewater rates. Mr. Tom Unke, CPA, Partner, explained the rate study process and rate objectives. He outlined the timeframe for completing this work. Mr. Unke's power point presentation is attached.

Mr. Unke distributed the punch list of "rate objectives" and asked Council members to rank their top 5 objectives. He indicated that other items could be added to the list. He reviewed the eleven rate objectives included on the list:

- Consistency with past practices
- Rate simplicity
- Administrative feasibility to implement due to limitations of CIS system or utility bill size
- Ease of implementation of rate structure
- Price signaling to promote conservation
- Price signaling to promote usage
- Rate stability year to year
- Movement towards cost of service
- Social concerns – elderly, low income
- Environmental concerns – demand side management, green power, riders, net metering
- Stewardship of large industrial loads

The City Manager acknowledged this is a lot of work to cover in a two month time frame; however, he stated that it's the city's goal to have this information available during review of the budget. He indicated there would be several opportunities to "circle back" and pointed out two iterations of rates would be prepared. He explained tonight's presentation/discussion was the first of many opportunities for the Council and the community to provide input into the process.

The City Manager stated that the presentation was being taped and would be shown on Channel 13.

Meeting adjourned 7:16 p.m.