

DATE SUBMITTED 11/24/2015
 SUBMITTED BY City Manager
 DATE ACTION REQUIRED 12/02/2015

COUNCIL ACTION (X)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION ()
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS ()

**IMPERIAL CITY COUNCIL
 AGENDA ITEM**

SUBJECT: RATES AND FEE STUDIES – UTILITY RATES, CAPACITY FEES, AND IMPACT FEES.

1. PROVIDE DIRECTION TO STAFF TO PURSUE UTILITY RATE STUDIES, CAPACITY FEE STUDY, AND IMPACT FEE STUDY AS APPROPRIATE.

DEPARTMENT INVOLVED: City Manager

BACKGROUND/SUMMARY: The City of Imperial is required to regularly review and update various fees and utility rates. A standardized study process is required to analyze costs vs. expenditures for utility rates and impact fees as well as future water and sewer capacity fees. Staff has already begun contacting vendors to update impact fees. With the changes in water and sewer revenues based new state regulations due to California's drought staff desires to begin the process to update water and sewer rates as well as capacity fees for both utilities. The existing rate study included thorough analysis through 2015 with no changes in 2016 or 2017. Staff feels that changes will be needed to maintain fiscal operations in coming years and therefore a new study is warranted.

FISCAL IMPACT: F.O. INITIALS _____
 Costs of any selected study will be taken from this year's budget, or if completed next year will be included in the 16/17 annual budget.

STAFF RECOMMENDATION:
 Staff recommends moving forward with new fee and rate studies.

MANAGER'S RECOMMENDATION: MANAGER'S INITIALS _____
 The City Manager recommends City Council should direct staff to pursue new utility rate studies, a capacity fee study and new impact fee study as appropriate to meet the needs of the City.

MOTION:

SECONDED: APPROVED () REJECTED ()
 AYES: DISAPPROVED () DEFERRED ()
 NAYES:
 ABSENT: REFERRED TO: