



**Utility Advisory Committee (UAC) Recommendation  
to the Bainbridge Island City Council  
Regarding the Water Utility Rates and Charges  
for Calendar Year 2010**

**BACKGROUND**

The UAC was newly organized in July 2009, and was briefed on the FCS Group's (the City's consultant) recommendations regarding Water, Sewer, and SWMM Utility Rates jointly with the City Council Finance Committee on July 18, 2009

Two of the subsequent UAC meetings have focused specifically upon the FCS Group recommendations concerning revisions to the Water Utility Rate Structure and Rates.

The UAC has determined that issues presented by the FCS recommendations require substantial time and discussion to develop an adequate understanding to position the UAC to make recommendations to the City Council concerning all aspects of the FCS recommendations.

The FCS Group has found that current rates are adequate to meet all revenue requirements for the Water Utility through Calendar Year 2011.

UAC discussion with City staff supports this FCS finding.

**RECOMMENDATION**

The UAC therefore recommends that the current rates and rate structure for the Water Utility, including Water Utility System Participation Fees, remain in force through 2010.

The UAC recommends that the Water Utility rate increase currently required by COBI CODE 13.16.060 (CPI-U plus 2%) be eliminated for 2010 and all future years.

**DISCUSSION**

The UAC will complete review of the full FCS recommendations concerning Water Utility revenue requirements beyond 2010 and adjustments to the rate structure among the current customer classes by October 2010 for potential implementation on January 1, 2011.

The UAC will continue its review of the FCS Group recommendations concerning the Sewer Utility and the SWMM Utility with the intention of providing recommendations to the City Council concerning these Utilities by October 31, 2009.

Respectfully submitted to the City Council of Bainbridge Island by the Utility Advisory Committee: Arlene Buetow, Doug Dow, John Lampe, Dan Mallove, Sue Pederson, Dave Ward and Councilmember Knobloch (ex-officio.)

Adopted by the Utility Rate Advisory Committee on October 15, 2009.

Andrew Maron, Chair, Utility Advisory Committee

x Andrew Maron

Dated: 10/15/2009