



## *Agenda Briefing*

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### **Date of Meeting:**

**Responsible Department:** Administration

**Presenter:** Matthew Garrett and Megan Kirkland, NewGen Solutions

**Briefing Prepared By:** Gayle Cook, City Manager

**Strategic Focus Area:** City Services

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### **General Information / Subject:**

On March 5, 2019, the city entered into agreement with NewGen Strategies and Solutions, LLC, for a water rate study that is conducted every five (5) years. On March 3, 2020, City Council received a presentation on the findings of the study with three (3) scenarios to consider for setting a new rate structure. At the time of the presentation, staff informed council that the city's water contract with the City of Pasadena had not been finalized and the new future cost was an assumption in the presented scenarios based on negotiations to date.

With March, 2020, encompassing the start of the pandemic, the negotiations and agreement review by the City of Pasadena halted and a confirmed timeline of consideration by the governing body of the entity cannot be reported at this time. March, 2020 also concluded the twelve (12) month term of the agreement with NewGen Strategies and Solutions, LLC.

Staff is recommending to extend the services in a not to exceed agreement with the consultant authorized to move forward with a second presentation to city council based on rate model and receive approval of a new water rate and/or tier structure that can be integrated into the FY 2020-21 Enterprise Fund Budget.

This Open Services Agreement would also be considered as further education and communications on new rate structure is presented to the customers.

The Amended Service Agreement recommended with this item is in the amount of not to exceed \$8,000.00

### **Executive Summary / Background:**

On March 3, 2020, City Council received a report from the water rate consultant, NewGen Solutions, on three scenarios of water rate structures based on the study that had been performed to date. The rate design options proposed were: 1) Option 1 – Higher Minimum Charge ; 2) Option 2 – Higher Volumetric Charge; 3) No Gallons Included in Minimum

With the contract time exceeding the twelve (12) months, additional time with the consultant is needed to finalize an approved rate structure with council given that no final water contract negotiations with the City of Pasadena were made to date.

**Funding / Fiscal Information:**

**Account Number: 20-902-5227**

**Amount Budgeted: 20,000.00**

**Amount Requested / Required: 8,000.00**

**Funding Source (if not budgeted):**

**Supporting Materials Attached:**

**Open Services Agreement with NewGen Strategies and Solutions**

**Prior Action / Review by Council, Boards, Commissions:**

**On March 5, 2020, the original agreement was approved by city council to engage the services of New Gen.**

**Staff Recommendation:**

**To approve the Open Services Agreement with NewGen Strategies and Solutions, LLC in an amount not to exceed \$8,000.00**

**APPROVED BY:  
(as appropriate)**

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Preparer

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Date