

City of Independence

MEMORANDUM

City Council Office

DATE: June 25th, 2012

TO: Honorable Mayor and Members of the City Council

FROM: Zachary C. Walker, Management Analyst



SUBJECT: Water Utility Proposed Rate Increase

The City Council is being asked to consider a proposal from the City's Water Utility to increase rates effective October 1st, 2012. In accordance with Section 1.43.007 (E) of the City Code, I have reviewed all documentation and activities relating to this proposed increase. In so doing, I am confident that this matter has been thoroughly studied and concur that the proposed rate increase is in fact necessary and appropriate.

Staff from the Water Department consulted with Black and Veatch to identify the various costs of providing services to a diverse consumer group and design a rate structure that allows the Water Department to adequately recover costs. As a result of their analysis, a study has been prepared that gives due consideration to the existing rate structure and how that structure compares in relation to historical and projected revenues and expenditures. In so doing, the study identifies rates that will be necessary to fund the cost of providing services.

This study and the proposed rate increase has been presented to the City's Public Utilities Advisory Board, which in turn has recommended the rate increase for approval by the City Council.

In closing, allow me to once again express my confidence that this matter has been carefully vetted by internal staff, the external consultant, and the Public Utilities Advisory Board. It is therefore appropriate for me to add my endorsement to this proposal and recommend approval by the City Council.

Please let me know if you should have any further questions regarding this matter.

C: Robert Heacock, City Manager
John Pinch, Deputy City Manager
Larry Kauffman, Assistant City Manager
Jane Sharon, City Clerk
Dan Montgomery, Water Director