

CITY OF AZTEC
SPECIAL WORKSHOP MEETING MINUTES
April 4, 2017

I. CALL TO ORDER

Mayor Burbridge called the Workshop to order at 5:10 pm at the Aztec City Commission Room, City Hall, 201 W. Chaco, Aztec, NM.

MEMBERS PRESENT: Mayor Sally Burbridge; Mayor Pro-Tem Sipe
Commissioner, Katee McClure; Commissioner
Sheri Rogers; Commissioner Austin Randall

MEMBERS ABSENT: None

OTHERS PRESENT: City Manager Josh Ray; City Clerk Karla
Saylor; Project Manager, Ed Kotyk

A. Review Utility Rate Study Results

Josh mentioned that Ratelis will be presenting a power point on Water, Wastewater and Electric Rate Study. Josh mentioned that the commission have two documents in front of the them the first is the rate study and the second is the power point which Raftelis will present. Josh mentioned that Raftelis will present the power point then commission and the public will have time to comment when the power point is over: Josh mentioned that what is presented tonight is not the first draft whereas Raftelis has worked to compile the information that staff has given them . Josh mentioned that the goal for tonight will be for commission to give direction on how they want to go on utility increases.

Andrew Rheem mentioned that the direction tonight is to give Raftelis a direction in which to go in. He mentioned that what they want to accomplish today is to look at the overall a water, wastewater and electric financial planning rate study which was instructed in two phases. He presented a power point to commission on the following which included an agenda on the following:

- Rate Study and Financial Plan Overview
- Financial Plan Objectives and Criteria
- Projection Assumptions
- Historical Utility Financial Review
- Water Financial Plan
- Wastewater Financial Plan
- Electric Financial Plan

The Power point presented was on the following by Andrew Rheem, Tom Sullivan, and Colin Drat

- Rate-Setting Process
- Financial Plan Deliverables
- Financial Plan Objectives
- Prudent Utility Financial Planning
- Utility Financial Policies
- Customer Demand
- O&M Assumptions
- Capital Assumptions
- Historic Rate Adjustments
- Historic O&M
- Historic and Future Capital Expenditures (annual average)
- Water
- Current Water Rate Structure
- Water Capital Projects FY2018-FY2022
- Water Rate Revenue Increases
- Total Water Fund Cash and Reserves
- Water Fund Results
- Water Typical Residential Monthly Bill
- Wastewater
- Current Wastewater Rate Structure
- Wastewater Capital
- Wastewater Rate Revenue Increase
- Wastewater Fund Cash and Reserves
- Wastewater Fund Results
- Wastewater Typical Bills
- Electric
- Current Electric Rate Structure
- Financial Planning Considerations Unique to Electric
- Electric Capital Projects FY2018-FY2022
- Electric Rate Revenue Increase
- Total Electric Fund Cash and Reserves
- Electric Typical Bills

Andrew mentioned that the next steps will be to finalize financial plan based on direction, complete water, wastewater and electric cost of service, develop proposed water, wastewater and electric rates, review preliminary findings and recommendations and refine with City staff, present overall study recommendations to the commission and issue final study report. The rate increases for water will be about 9% per year for water, and for wastewsaster it will be 60% the first year and for 2020-2022 will be 3.5% increases and for electric it would be 1% the first year and 2% the following years.

Commission expressed some of their concerns on joint utility fund, and capital fund requirements but no final decisions were made at the workshop. Kirk Carpenter, Aztec Schools Superintendent and Gary Montoya, Finance Director commented on concerns they have on the school's solar project that was approved by commission. Staff will meet with Raftelis tomorrow to review Phase 2 of the study.

II. ADJOURNMENT

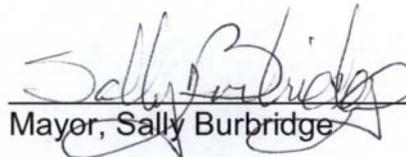
Moved by Mayor Burbridge to adjourn the meeting at 8:10 p.m.

ATTEST:



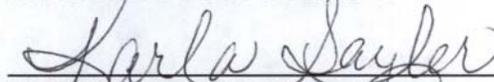


Karla Sayler, City Clerk



Mayor, Sally Burbridge

MINUTES PREPARED BY:



Karla Sayler, City Clerk

