

AGENDA ITEM NO.

COUNCIL MEETING

APPROVED BY

DEPARTMENT DIRECTOR

CITY MANAGER

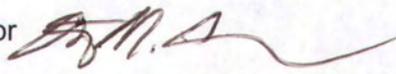


May 6, 2008

FROM: RENE RAMIREZ, Director
Department of Public Utilities



BY: ROBERT N. ANDERSEN P.E., Assistant Director
Department of Public Utilities



SUBJECT: APPROVE AN AGREEMENT WITH BARTLE WELLS ASSOCIATES IN THE AMOUNT OF \$27,500.00 FOR UPDATING WATER CONNECTION AND URBAN GROWTH MANAGEMENT(UGM) FEES IN THE WATER SERVICE AREA 101S AND THE ADJACENT COPPER RIVER RANCH AREA

KEY RESULT AREA

Public Safety

RECOMMENDATION

Staff recommends that the City Council approve an agreement with Bartle Wells Associates in the amount of \$27,500.00 for updating water connection and Urban Growth Management (UGM) fees in the Water Service Area 101S and the adjacent Copper River Ranch area.

EXECUTIVE SUMMARY

On August 21, 2007, Council adopted the Copper River Ranch Impact Fee Study report and adopted the Copper River Ranch Impact Fee Program. Those impact fees consisted of street facilities and sewer backbone facilities for the area. Fees that weren't included were the water connection fees.

Staff recommends that the City Council approve an agreement with Bartle Wells Associates in the amount of \$27,500.00 for updating water connection and Urban Growth Management (UGM) fees in the Water Service Area 101S and the adjacent Copper River Ranch area.

The proposed contract with Bartle Wells will review the existing fee structure in 101S, establish the fee nexus for area 101S and the adjacent Copper River Ranch and prepare the nexus report. This agreement is but the first phase of a multi-year study to update the sewer and water fees City wide. Staff will return within the calendar year with an Amendment to Agreement for revision of City Sewer and Water Fees and recommendations on establishing fees based on equivalent living units rather than frontage fee basis.

KEY OBJECTIVE BALANCE

The project goal is to establish true connection costs to cover installation costs incurred by developers and the City of Fresno. The ability to reimburse costs to Developers goes to customer satisfaction, employee satisfaction and is in keeping with financial responsibility for the citizens of Fresno.

BACKGROUND

On August 21, 2007, Council adopted the Copper River Ranch Impact Fee Study report and adopted the Copper River Ranch Impact Fee Program. Those impact fees consisted of street facilities and sewer backbone facilities for the area. Fees that weren't included were the water connection fees.

Staff has been contemplating revamping the sewer and water fees into a more user friendly and justifiable format. Currently fees are based on frontage foot of property adjacent to the main installed, service or basin areas etc. This causes for different fees in different parts of town. Also, when frontage foot fees are used for main reimbursement, the party installing the first sewer or water mains in an area generally never receive reimbursements equaling their initial cost.

Staff is recommending combining service or basin areas and also moving from the frontage foot fees to an equivalent residential unit fee (ERU). This ERU fee would allow staff to recover and reimburse back to the developer an amount closer to the actual cost to install the initial mains in an area.

On December 17, 2007 staff sent out nine Request for Qualifications (RFQ) to firms specializing in Public Finance Consulting. The RFQ's were required to be delivered no later than January 31, 2008. Staff received one RFQ from Bartle Wells and Associates. The City has had a long term relationship with Bartle Wells and currently has them under a contract on Wastewater fees. Staff is satisfied that they can provide the excellent service on this additional work.

The proposed contract with Bartle Wells will review the existing fee structure in 101S, establish the fee nexus for area 101S and the adjacent Copper River Ranch and prepare the nexus report. This agreement is but the first phase of a multi-year study to update the sewer and water fees City wide. Staff will return within the calendar year with an Amendment to Agreement for revision of City Sewer and Water Fees and recommendations on establishing fees based on equivalent living units rather than frontage fee basis.

The agreement form has been approved as to form by the City Attorney's Office.

Staff recommends that the City Council approve an agreement with Bartle Wells Associates in the amount of \$27,500.00 for updating water connection and Urban Growth Management (UGM) fees in the Water Service Area 101S and the adjacent Copper River Ranch area.

FISCAL IMPACT

See attached.

FISCAL IMPACT STATEMENT

PROGRAM: _____

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	<u>\$ 27,500</u>	_____
Indirect Cost	<u>\$ 2,500</u>	_____
TOTAL COST	<u>\$ 30,000</u>	_____
Additional Revenue or Savings Generated	<u>-0-</u>	_____
Net City Cost	<u>\$30,000</u>	_____
Amount Budgeted (If none budgeted, Identify source)	<u>\$30,000</u>	_____

Indirect Costs consist of the following:

Project Management- \$2,500