



Agenda Commentary

Item Title/ Subject: Water Rate Resolution Increase

Staff Source: City Manager, Steve Hewitt

Date: Feb 28, 2014

Background/Subject Information:

(See Treasurer Debra Blanchard commentary)

Foss has increased water rates and those rates must be passed along. As you know, staff worked diligently to have the Foss rates revisited in an effort to reflect a more realistic budget. The Foss Board agreed only to drop the overages not the base assessment. However, the new overage rate of \$2.90 is only with a City of Clinton PWA 100% purchase commitment. If there isn't a commitment the new overage rate will be \$3.42. New base assessment rate \$3.67.

Recommendation:

Staff recommends commitment and increase (see resolution). If additional water sources are discovered this calendar year, we can pass that along to Foss C.D. (see commitment letter)

Price/Cost: see increase on resolution



Agenda Commentary

Item Title/ Subject: Proposed Water Rate increase

Staff Source: Debra Blanchard, City Treasurer

History/Background Information: Adjustments to Water Rates have been tied to the increasing Foss rates over the last several years, since Foss MCD has become our sole source of water during the extreme drought conditions and Clinton Lake production being stopped.

Item/Subject Summary: Foss MCD board was presented and approved their annual calendar year 2014 budget, including a 20% increase in the annual assessment to all participating Cities. They also approved passing a 7.5% increase in the cost of water taken over the allotment, if the City will sign a commitment to purchase overage from them for 12 months.

Price/Cost: 20% rate increase to all water purchasers from the City of Clinton

Recommendation: The recommendation for Clinton Water Rates would be to increase by 20%, passing along the increased costs for purchase of our water from Foss MCD and helping to continue to maintain lines, tanks, and infrastructure as need be by the City of Clinton staff, as well as costs involved in the continuing search, testing, and acquisition of water rights in our own community.



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Office of the City Manager

Steve Hewitt, City Manager
City of Clinton, Oklahoma

February 6, 2014

David Berong
Chairman
Foss Reservoir Master
Conservancy District
10075 N. 2140
Foss, OK 73647-9696

RE: City of Clinton 2014 Commitment of Usage

Dear Chairman and Board Members,

The City of Clinton is committed to the mutual advancement of Foss and the City of Clinton. Foss being a vital component of Clinton's present and future water resource plan. The City understands the limitations Foss is facing with regard to water production and is intent on fully performing all obligations under the contact. Further, for the year of 2014, due to the inactivity of Clinton Lake Water Treatment Facility, the City of Clinton Public Works Authority is committed to the purchase of excess production from Foss, in order to fulfill the City's excess water needs.

This commitment and information should provide guidance to the Foss Board and Staff in regards to planning future financial projects, both capital and operational. Finally, The City of Clinton encourages regular communications with Foss representatives throughout the year.

Respectfully,

A handwritten signature in black ink, appearing to read "SH", written over a white background.

Steve A. Hewitt CPM

Cc: Mayor, City Council/PWA, Debra Blanchard, Ryan Meacham, Russ Meacham