



# County of Los Alamos

## Council Meeting Staff Report

October 19, 2016

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<b>Agenda No.:</b>	6.E.
<b>Indexes (Council Goals):</b>	BCC - N/A
<b>Presenters:</b>	Jack Richardson
<b>Legislative File:</b>	8418-16

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### **Title**

Water System Needs and Cost Structure Report Presentation

### **Recommended Action**

**No formal action to be taken.**

### **Staff Recommendation**

No formal staff recommendation.

### **Body**

A report has been developed that discusses the following specific items:

- The change in water sales volume and the effect on water rates and the financial health of the water enterprise groups.
- The water systems condition and how that condition affects the need for infrastructure investment.
- The history and planned future infrastructure investment program.
- An analysis of several alternative scenarios for funding a CIP Program, covering O&M costs and meeting the annual cash balance goals pursuant to the DPU Financial Policy guidelines.

### **Alternatives**

The report details three alternative scenarios for determining rates for the Water Distribution, Water Production and Non-Potable water systems. The expenses - revenues - rates models in Excel allow for multiple scenarios to be run based on various assumptions and goals for each system. Eventually a final scenario will be developed and rates for each of these systems will be implemented.

### **Fiscal and Staff Impact**

Impacts to staff in developing the final recommendations, developing the programs and implementing the selected rates should be within normal budget parameters.

### **Attachments**

A - Water System Needs and Cost Structure Report