

**City of Westminster City Council Study Session
May 15, 2006**

Mayor McNally called the Study Session to order at 6:05 PM. All Council was in attendance.

City Staff in attendance included: City Manager Brent McFall; Assistant City Manager Steve Smithers; City Attorney Marty McCullough; Assistant to the City Manager Barbara Opie; Public Information Office Katie Harberg; Water Resources & Treatment Manager Mike Happe; Director of Public Works & Utilities Jim Arndt; and Administrative Secretary Melissa Salazar.

The guests in attendance were Evie Hemphill with the Westminster Window, Ed Cebon with FCS Group and Lyle Sumek with Lyle Sumek Associates Inc.

Water and Wastewater Rate Review

Jim Arndt introduced Ed Cebon and his staff of the FCS Group who presented Council with a utility rate forecast presentation outlining long-term rate strategies for the City of Westminster.

FCS Group was contracted to develop a long-term rate forecasting model and a series of financial and economic analyses. The replacement value of the utility system is between \$800,000,000 and \$1,000,000,000 and there is about \$230,000,000 of estimated depreciation needs. Water rates are recommended to be increased 4.12% in 2007 and 2.74% in 2008. Sewer rates are recommended to increase 12.0% in 2007 and 6.50% in 2008. The combined increase is 6.92% in 2007, and 4.06% in 2008. Sewer rates are being adjusted more significantly reflecting recent major infrastructure investments including \$44 million for the expansion and upgrade of the Big Dry Creek Wastewater Treatment Facility. The combined increase for the 2007 monthly average single family home is \$3.59. New rates, tap fees and existing capital reserves will help buffer new rate increases until 2015, when rates will cover all operational and capital costs of the system.

Council concurred with Staff's recommendation.

Council Procedures with Lyle Sumek

Lyle Sumek reviewed with City Council various governance topics with City Council.

Mayor McNally adjourned the Study Session at 10:30 PM.