City of Las Cruces®

PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 4 Ordinance/Resolution# 17-031

For Meeting of _____ (Ordinance First Reading Date)

For Meeting of September 6, 2016 (Adoption Date)

Please check box that applies to this item:

☐ QUASI JUDICIAL ☐ LEGISLATIVE ☒ ADMINISTRATIVE

TITLE: A RESOLUTION ESTABLISHING AN AD HOC COMMITTEE TO BE KNOWN AS THE UTILITY CUSTOMER ADVISORY GROUP, MADE UP OF FIVE (5) MEMBERS TO PARTICIPATE IN ALL FOUR (4) UTILITY SERVICES RATE REVIEWS.

PURPOSE(S) OF ACTION:

Create an ad hoc committee.

COUNCIL DISTRICT: ALL		
Drafter/Staff Contact: Alma Ruiz	**Department/Section:** Utilities/Administration	**Phone:** 528-3636
City Manager Signature:	Daniel Avila	

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

Resolution No. 16-222, adopted on May 16, 2016, approved a standardized utility rate setting process, which includes the creation of the Utility Customer Advisory Group ("UCAG") as an ad hoc committee referenced in Exhibit "A" to that resolution. The prior rate making process provided for the creation of the Ratepayer Advisory Committee ("RAC") as an ad hoc board. That prior process was replaced with the utility rate setting process approved in Resolution No. 16-222 providing for an hoc committee whose members would be appointed by the Mayor with the advice and consent of the City Council in compliance with the Las Cruces Municipal Code, 1997, as amended.

The UCAG will represent the City's various customer rate classes in utility rate reviews covering all four (4) City utilities (gas, water, wastewater, and solid waste). The UCAG, along with Utilities staff ("staff"), will participate in the selection of a rate review consultant via the City's currently established Request for Proposal ("RFP") procurement process. The Las Cruces Utilities Board of Commissioners, staff, and the UCAG will participate in training, provided by a third-party consultant, based on industry accepted methodology as approved in the utility rate setting process referenced in Exhibit "A" to Resolution No. 16-222.

(Continue on additional sheets as required)

SUPPORT INFORMATION:

1. Resolution.
2. Exhibit "A", Utility Customer Advisory Group.

SOURCE OF FUNDING:

Is this action already budgeted? N/A			
	Yes	☐	See fund summary below
	No	☐	If No, then check one below:
	Budget Adjustment Attached	☐	Expense reallocated from:_____
		☐	Proposed funding is from a new revenue source (i.e. grant; see details below)
		☐	Proposed funding is from fund balance in the _____ Fund.
Does this action create any revenue? N/A			
	Yes	☐	Funds will be deposited into this fund: _____ in the amount of $_____ for FY__.
	No	☐	There is no new revenue generated by this action.

BUDGET NARRATIVE

N/A

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
N/A	N/A	N/A	N/A	N/A	N/A

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this action will establish the UCAG.
2. Vote "No"; this action will not establish the UCAG.
3. Vote to "Amend"; this action would allow staff to address City Council concerns.
4. Vote to "Table"; this action could postpone the assignment and training of UCAG members.

REFERENCE INFORMATION:

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

1. Resolution No. 16-222.

(Continue on additional sheets as required)

City of Las Cruces®
PEOPLE HELPING PEOPLE

COUNCIL ACTION AND EXECUTIVE SUMMARY PACKET ROUTING SLIP

For Meeting of _____ (Ordinance First Reading Date)

For Meeting of September 6, 2016 (Adoption Date)

TITLE: A RESOLUTION ESTABLISHING AN AD HOC BOARD TO BE KNOWN AS THE UTILITY CUSTOMER ADVISORY GROUP, MADE UP OF FIVE (5) MEMBERS TO PARTICIPATE IN ALL FOUR (4) UTILITY SERVICES RATE REVIEWS.

Purchasing Manager's Request to Contract (PMRC) {Required?} Yes ☐ No ☒

DEPARTMENT	SIGNATURE	PHONE NO.	DATE
Drafter/Staff Contact		528-3636	8/3/16
Department Director		528-3512	8/3/16
Other			
Assistant City Manager /CAO Management & Budget Manager		541-2078 2080	8/4/2016 e 27 8/3/16
Assistant City Manager/COO		541-2271	8/11/16
City Attorney		EXT 2128	11 AUG 2016
City Clerk		X2115	8-18-16

Rev. 8/2011

RESOLUTION NO. 17-031

A RESOLUTION ESTABLISHING AN AD HOC COMMITTEE TO BE KNOWN AS THE UTILITY CUSTOMER ADVISORY GROUP, MADE UP OF FIVE (5) MEMBERS TO PARTICIPATE IN ALL FOUR (4) UTILITY SERVICES RATE REVIEWS.

The City Council is informed that:

WHEREAS, Resolution No. 16-222, adopted on May 16, 2016, approved a standardized utility rate setting process, which includes the creation of the Utility Customer Advisory Group ("UCAG") as an ad hoc committee referenced in Exhibit "A" to that resolution; and

WHEREAS, the prior rate making process provided for the creation of the Ratepayer Advisory Committee ("RAC") as an ad hoc board. That prior process was replaced with the utility rate setting process approved in Resolution No. 16-222, providing for an hoc committee whose members would be appointed by the Mayor with the advice and consent of the City Council in compliance with the Las Cruces Municipal Code, 1997, as amended ("LCMC");

WHEREAS, the functions to be performed by the UCAG will include representing the City's various customer rate classes in utility rate reviews and participating in the selection of the consultant via the established City's Request for Proposal ("RFP") procurement process; and

WHEREAS, the UCAG would cover all four (4) utility services: water, wastewater, gas, and solid waste; and

WHEREAS, the UCAG shall have five (5) members, shall have the same eligibility and technical expertise as members of the Las Cruces Utilities Board, and would terminate upon completion of those four rate reviews.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las

Cruces:

(I)

THAT the UCAG is hereby established as an ad hoc committee in compliance with the LCMC and shall terminate upon completion of the City's Utilities Department's rate review for all four (4) utility services: water, wastewater, gas, and solid waste.

(II)

THAT the UCAG, shall consist of five (5) members, to be appointed by the Mayor with the advice and consent of the City Council with its duties and membership requirements set forth herein as shown in Exhibit "A", attached hereto and made part of this Resolution.

(III)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this _____ day of _____, 20___.

APPROVED:

_____
Mayor

ATTEST:

_____
City Clerk

(SEAL)

VOTE:
Mayor Miyagishima: _____
Councillor Gandara: _____
Councillor Smith: _____
Councillor Pedroza: _____
Councillor Eakman: _____
Councillor Sorg: _____
Councillor Levatino: _____

Moved by:_____

Seconded by:_____

APPROVED AS TO FORM:

City Attorney

EXHIBIT "A"

Utility Customer Advisory Group

I. Utility Customer Advisory Group.

The Utility Customer Advisory Group ("UCAG") will be established as an ad hoc City board on September 6, 2016, in City Council Resolution No. _____ in compliance with Las Cruces Municipal Code, Section 2-1071.

II. Duties.

A. The UCAG will function as a customer advisory board in all four (4) utility rate reviews before the Board of Commissioners for the City of Las Cruces ("City") Utilities ("Utilities Board") on behalf of the City's various customer rate classes.

B. The UCAG will participate in the rate review process of selecting the consultant via the City's currently established Request for Proposal ("RFP") procurement process.

C. Press releases, utility billing inserts, letters to the editor/guest editorials, and similar materials concerning rate reviews pending before the Utilities Board will be approved by the UCAG prior to release or publication. Press releases approved by the UCAG will be submitted to and issued by the City's Public Information Office following standard procedures. Utility billing inserts approved by the UCAG will be submitted to the Office Manager Senior for the Utilities Department and may be reformatted for consistency. The printing costs for billing inserts will be paid for by the Utilities Department.

D. The UCAG will terminate upon completion of the duties set forth above upon notification by the Utilities Director to the City Clerk.

III. MEMBERSHIP.

A. There will be five (5) members who will be appointed by the Mayor with the advice and consent of the City Council. The Mayor with the advice and consent of the City Council will appoint new members to fill any vacancies.

B. Member Eligibility.

To be eligible for appointment to the UCAG, an appointee must be a registered voter and a customer/recipient of one or more of the Las Cruces Utilities for at least one (1) year prior to appointment; not hold any elected or appointed public office or be a City employee; and not be a contractor, consultant, or have a contractual relationship with the City for the benefit of the Las Cruces Utilities.

C. Member Qualifications.

To be qualified for appointment, appointees shall have a significant technical expertise in one or more of the following fields:

- Banking/Finance.
- Business.
- Economics.
- Engineering.
- Utility Rate Management.
- Other skills or experience that may be of value to the rate making process.

To the extent possible, the Mayor shall appoint members with diverse expertise.

D. Member Training.

UCAG members will participate in training, provided by a third party consultant; along with the Utilities Board and staff covering the basics of ratemaking consistent with utility-based cost-of-service analysis as modified through the constraints of the Utilities Board's new By-Laws.