

# City of Golden

## Utility Rate Citizen Committee Charter

### Background

The City of Golden's (City) water, sewer and stormwater rate structures have not undergone a full-scale rate structure study in more than 20 years. Much has changed since that time—water use habits, average demand and peak day needs, available technology and monthly billing to name a few. And, like most utilities, the cost of water and sewer service in Golden is rising faster than the Consumer Price Index (CPI) and at a much faster rate than other basic services, making the concept of affordability an issue that will need to be addressed in the future.

The City has contracted with Raftelis to conduct a rate study for water, sewer and stormwater services. There are many issues that will be integrated into the study and resulting recommendations. The need to conserve must be balanced with the need for revenue stability. A better alignment of fixed revenues with fixed costs and the ratio of fixed charges to volumetric rates will be considered to ensure a predictable revenue stream in the future.

The City has developed the following principles to guide the rate structure study:

- Create a pricing structure that is fair, equitable and easily understood.
- Create a pricing structure that is based on the cost to provide service for the water used, sewer service delivered and storm water services provided.
- Support a financially strong and stable utility to ensure our customers have reliable, high-quality water and sewer and stormwater services now and in the future.
- Promote opportunities for our customers to benefit in the wise use of water through continued conservation and efficiencies.

Rates, and how they touch the customer in the bill that arrives monthly, are a top of mind issue with customers both in Golden and across the country. As such, customer awareness and understanding will be a priority for the City in developing the rate study. The following two concepts will guide our efforts to engage and communicate with customers:

1. Rate structures affect every resident, business and customer account. It is critical that we research the issues and receive input from stakeholder groups to ensure the structure we recommend is the right thing for both the City and its customers.
2. Once we have adopted changes to the rate structure(s), we will communicate that change to customers. To do that successfully we need to research and test both the structure(s) and how we talk about them to ensure that customers have the information they need to make informed decisions about their water use and sewer and stormwater services.

## Utility Rate Citizen Committee – Charge and Charter

The City believes strongly that our community should have a voice in decisions that affect them. Therefore, as part of the study process, the City will form a Utility Rate Citizen Committee (URCC) made up of volunteers from the City's Citizens Budget Advisory Committee, Citizens Sustainability Advisory Board and Planning Commission as well as select members of the public representing residential and business interests.

The mission of the URCC is to *assemble diverse perspectives that represent our community to evaluate and advise on the City's water, sewer, and stormwater rate structures*. The URCC has three overarching purposes:

1. To represent and communicate the views of the community
2. To provide input on rate structure options and associated customer impacts
3. To formulate a recommendation for Golden City Council

URCC members will be expected to:

- Attend all meetings
- Review agenda and informational material between meetings
- Be respectful of others' views and input
- Provide thoughtful input on study proposals
- Act as a representative for the study to fellow community members
- Remain accessible to the study team for follow-up as needed

Committee members will participate in up to five meetings. Presentations, project reports and feedback opportunities will be provided by the City and the rate design consultant at each meeting. Meetings will be facilitated to ensure that committee members' time is maximized and that all committee members have an opportunity to participate fully and express their point of view. The facilitator will be responsible for record keeping and documentation of the meetings. After each meeting, the facilitator will prepare a meeting summary that captures the discussion, the outcomes and next steps. The committee will be asked to review each summary for inclusion in the final report.

Anne Beierle, Deputy Director Water and Utilities will be the point of contact for the URCC members. Meetings will occur over the next six months and are anticipated to be complete by the summer of 2019. The City will summarize the salient information gained during the URCC meetings and include it in regular City Council updates.