This brief is being provided to inform the board, staff and public of the details of an agenda item that may require action from the board. The President of the Board will provide board members, staff, and the public the opportunity to ask questions about this topic when this agenda item is announced.

**Date:** May 27, 2021

**Originator:** Rich McLaughlin

**Agenda Topic Title**: **GMCSD 2021 Rate Study Proposal Review**

**Purpose of Brief:** To allow the Board and CSD customers to better understand the need for a Water and Sewer Rate Study. The last GMCSD rate study was completed in 2016. As a best practice the state encourages updating rate studies every 5 years. The Board’s discussion should help educate attendees on the process, requirements, and possible outcomes of a rate study; and lead to selection of a professional consultant for said study.

**Supporting Documents Included:** Yes**,** 6 Attachments. Attachment 6 is new since last meeting.

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1. **Agenda Topic Brief or Update:**

At the 4 May Meeting the GM provided three consultant proposals to conduct a cost-of-service rate study for water and sewer fees. Hansford Consulting has also provided optional proposals for a System Development Charge, Associated Service Rates, and Strategic Planning. Board members Heinrich and St. Pierre followed up on Hansford Consulting references and received uniformly positive responses regarding their services and customer support. During this session we should conduct a final review of proposals and reference comments leading to the selection of a consultant and opening negotiations leading to a contract for services.

1. **Anticipated Impacts to the District -** (*Consider financial impact, change in procedures, customer, and staff communication*):

An adjustment of District service rates is long overdue. Failure to adjust District rates will have a direct impact on the District’s ability to continue providing safe and reliable water and sewer services in the near term. A rate study is the first step to ensuring we develop new rates with the needs of both the District and customers in mind. After 15 years without a rate study, and 10 years without a cost-of-living adjustment, the District budget can no longer keep pace with existing service rates.

1. **Anticipated Impacts to the Customer –** *Standby, Residential, Commercial***:**

A rate adjustment will result in a rate increase for all District rate paying customers. The purpose of a rate study is to protect customer interests while at the same time ensuring that the District has revenues capable of supporting its operational and maintenance needs; as well as to ensure infrastructure keeps pace with the growing community to protect property values.

1. **Next Steps for this Topic:**

Review the existing proposals and results of the reference check to select a consultant to lead our rate study. Once selected the Board should appoint an ad hoc committee to lead negotiations resulting in contract for services.