TO:                      HONORABLE CITY COUNCIL
FROM:   CITY MANAGER       DEPARTMENT: UTILITIES
ATTENTION:    FINANCE COMMITTEE
DATE:     MAY 19, 2005      CMR: 253:05

SUBJECT:    UTILITIES ADVISORY COMMISSION RECOMMENDATION
FOR NO WATER RATE INCREASE DURING FY 2005-06

RECOMMENDATION
The Utilities Advisory Commission (UAC) and staff recommend that the City Council not adopt
any water rate increases for FY 2005-06.

BOARD/COMMISSION REVIEW AND RECOMMENDATIONS
Staff had originally recommended an average system rate increase of 5 percent to the UAC at the
May 4, 2005 meeting. After discussion, the UAC unanimously recommended no rate increase at
this time (4-0, Dahlen absent). Although staff continues to caution that future water rate
increases are inevitable, and will be significant, due to the Hetch Hetchy CIP, staff supports the
current UAC recommendation, due to the proposed rate increases in electricity, natural gas and
wastewater.

RESOURCE IMPACT
There will be no Resource Impact for FY 05-06.

PREPARED BY:   Lucie Hirmina, Utilities Rates Manager

REVIEWED BY:  Tom Auzenne, Asst. Director of Utilities, Administrative Services

DEPARTMENT HEAD:

JOHN ULRICH
Director of Utilities
CITY MANAGER APPROVAL: ______________________________________________________

EMILY HARRISON
Assistant City Manager