



City Council Special Work Session Agenda

Date: 7/23/2019
Time: 5:00 p.m.
Location: City Hall Council Chambers

- Mayor Matt Hall
 - Justin Baily
 - Diane Ballard
 - Jerry Fritz
 - Landon Greer
 - Glenn Nielson
 - Heidi Rasmussen
 - City Administrator, Barry Cook
 - Administrative Services Officer, Cindy Baker
 - City Attorney, Scott Kolpitcke
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- 5:00 – 5:15** – Action Item – Tentative – Consider approving a request to transfer of ownership of a retail liquor license from Rockin U LLC to Olive Glenn Golf & Country Club Inc located at 802 Meadow Lane Ave.
 - 5:15 -5:25** – Informational Item - Audio/Video Equipment – Council Chambers
 - Staff Reference Cindy Baker, Administrative Services Officer
 - 5:25 – 5:35** – Status Update/Discussion – IT Staff
 - Staff Reference Cindy Baker, Administrative Services Officer
 - 5:35- 6:00** – Discuss Electric Rate Adjustment
 - Staff Reference: Phillip Bowman, Public Works Director
 - Updates – City Administrator
 - Council Committee Reports
 - Other Matters from Council
 - Meeting Reminders:
 - Tuesday, August 6, 2019** – Regular Council Meeting 7:00 p.m. Council Chambers

MEETING DATE: JULY 23, 2019

DEPARTMENT: PUBLIC WORKS - ELECTRIC

PREPARED BY: PHILLIP BOWMAN, P.E.

PRESENTED BY: PHILLIP BOWMAN, P.E.

AND BERT POND, P.E.

AGENDA ITEM SUMMARY REPORT

City of Cody Retail Electric Rate Structure – Discussion of recommended Electric Rate Adjustments

ACTION TO BE TAKEN

No formal action is requested at this meeting. City Staff would like to present the recommended Retail Electric Rate Structure developed with Utility Financial Solutions, LLC, and discuss the next steps needed to set the Retail Electric Rate for the utility billing period starting October 1, 2019.

SUMMARY OF INFORMATION

The City of Cody provides retail electric utility service through the Electric Fund enterprise fund. The City purchases all electricity provided to City residents from the Wyoming Municipal Power Agency (WMPA), a wholesale electricity provider to eight (8) member municipalities. WMPA contracted with Utility Financial Solutions, LLC (UFS) to complete a Wholesale Electric Rate Study in late 2018, and the study has been completed with WMPA adopting the recommended wholesale rate adjustments. UFS also offered to perform Retail Electric Rate Studies to the eight member municipalities of WMPA concurrently with the wholesale study. The City of Cody accepted this offer, and UFS has been working with City Staff on the retail rate study for City's electric utility. The initial findings of the rate and revenue analysis were presented at a City Council Work Session on April 9, 2019, with concurrence to move forward with the objectives summarized below:

1. Develop the rate structure needed to increase Electric Fund revenues by approximately 2.0% per year for the next three years.
2. Develop a "Cost of Service" based electric rate structure for three (3) customer classifications of Retail, Commercial, and Large Commercial-Demand, and eliminate the classification of Small Commercial in the current structure.
3. Develop an implementation plan for a three-year period to allow for (1) a multi-year "phase in" period of the adjusted rates and (2) a rate adjustment implementation plan developed for 2019 through 2021.
4. The initial rate adjustment will take effect on October 1, 2019, and subsequent rate adjustments taking effect on October 1, 2020, and October 1, 2021.

Based on the objectives summarized above, City Staff has developed a recommended rate structure and rate adjustment schedule for 2019, 2020, and 2021. The recommendations include rate adjustments to all customer classifications (Residential, Commercial, and Large Commercial-Demand) with changes to the monthly Base Rate, Electric Usage Charge, and Demand Charge. The presentation will include actual accounts (anonymously) from current electric users, and will demonstrate what the actual monthly bill changes will be. It is noted that the proposed rate adjustments are not uniform to all users (i.e. not 2% "across the board") due to the "Cost of Service" basis of the rates, but the proposed rate adjustments are projected to increase the Electric Fund revenue by approximately 2.0% per year for the three-year phase in period.

If City Council concurs with the recommended rate structure, City Staff will work with UFS to complete the final Retail Electric Rate Study report. It is anticipated that the final Retail Electric Rate Study and

AGENDA ITEM NO. _____

Electric Rate Ordinance would be presented for 1st, 2nd, and 3rd Readings at the Regular City Council Meetings on August 6, 2019, August 20, 2019, and September 3, 2019. Upon final approval at 3rd Reading, the recommended rate adjustments would take effect on October 1, 2019.

FISCAL IMPACT

With City Council concurrence to move forward as recommended, it is anticipated that electric fund revenues will be increased by approximately 2.0% per year for the next three years.

HANDOUTS AT MEETING

1. City Staff has prepared a power point presentation outlining the recommended rate structure adjustments, and handouts will be distributed at the meeting.