

Agenda Item 130528

Base Rates and Fuel Adjustment Committee

ConnectFree Program

September 16, 2014

ConnectFree Resolution Overview

- Passed July 2003; Revisions Nov 2005, Jan 2014; Sept 2014 (Proposed)
- 1/2 of proceeds from 25% surcharge on W/WW connection charges outside City go to General Government ConnectFree fund
- Extension of Water, WW & Reclaimed water to residences inside City

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How Funds Are Being Used

- Fund Allocation (per Resolution)
 - 60% Programmed Extensions
 - Marketing to residents based on prioritization
 - 20% Health/Safety/Environment*
 - Cases with health/environmental concern
 - 20% Affordable Housing*
 - New & existing affordable housing projects

**Funds not encumbered roll over to Programmed Extension fund each year*

Implementation

- Implementation based on prioritization
 - Emphasis on low income areas
 - Door to door marketing in CDBG areas
 - Referrals from GRU new services, housing division, health dept & others
 - Public outreach
 - Plumbing improvements paid for low income & for CDBG areas

Current Status

- 67 Customers served to date
- Water available throughout City limits
 - City's cost for extension limited to \$7,500 per lot
 - On-site plumbing paid for low income customers & customers in CDBG

ConnectFree Overview

- January 2014 City Commission modified Resolution
 - Referral to RUC to review ConnectFree program & make recommendations
- May 20, 2014 RUC reviewed alternatives & recommended
 - Item be removed from RUC referral
 - City Commission make final decision on alternative to move forward during budget

ConnectFree Overview

- July 2014 City Commission decision:
 - Moratorium on collection of surcharge on W/WW connection charges in 2015
 - Transfer \$475,000 from fund balance in 2015 to GRU rate stabilization fund
 - Transfer \$125,000 from fund balance in 2015 to Gen Gov general fund

History of Actual Revenue & Expenditures

Total Net Revenue/Income	\$1,712,677
<u>Total Expenditures</u>	<u>(\$861,136)</u>
Remaining Funds (current)	\$851,541
FY14 Budget Transfer (estimated)	\$117,883
Reserve for FY15 transfer to GRU rate stab	(\$475,000)
Reserve for FY15 transfer to GG	(\$125,000)
<u>Reserve for projects*</u>	<u>(\$369,424)</u>
Projected Final Balance	\$0

*Includes Arbour Valley affordable housing, Empowerment Center & W/WW extensions



Suggestions

- No rate increase to customers
- GRU provides technical support, but does not administer program

Overall Questions

- Do you want the program to continue?
- If so:
 - How to fund the program?
 - GFT implications
 - What do you want program to look like?
 - Inside City limits only OR GRU service area
 - Residential only OR include non-profits
 - Consider expenditure caps per customer