SUBJECT: SETTING A DATE FOR A STUDY SESSION WITH PORTER VISTA PUBLIC UTILITY DISTRICT TO DISCUSS A PROPOSED REVENUE PROGRAM

SOURCE: Public Works Department

COMMENT: The State is requiring the City of Porterville to make improvements to its wastewater reclamation area and Wastewater Treatment Facility that require expenditure of more than $6 Million. The City’s Wastewater Treatment Facility Capital Reserve Fund contains less than $100,000 in unobligated funds. Therefore, it will be necessary for the City to borrow money to pay for the necessary improvements. In order to make payments on the loan, it will be necessary for the sewer rates to be increased.

The City Council has authorized the firm of Bartle Wells to prepare a revenue program to (1) examine the City’s current fiscal situation, (2) develop alternative methods of financing the debt, and (3) create a revenue program to act as a basis for securing the debt. Staff has reviewed the draft program and Bartle Wells will be ready by the last week of March to present it at a study session.

Since the monthly sewer service fee will be affected in both the City and the Porter Vista Public Utility District (PVPUD), staff is proposing a joint study session involving the City Council and the Board of Directors of the PVPUD. Staff would review the various improvements the State is requiring at this study session and Bartle Wells would review different ways of financing the improvements. Staff has contacted the PVPUD manager to obtain dates when the PVPUD directors can meet with the City Council. They have determined that they can meet on March 25 or March 27, 2003.

RECOMMENDATION: That the City Council:

1. Select a convenient date for the study session; and

2. Direct staff to notify Bartle Wells and the PVPUD of the date selected.