Memphis City Council
Summary Sheet

Resolution requesting that the City Council schedule a public hearing to be held on December 7, 2010, for consideration and determination of revisions in tariffs to reflect increases in water rates (5.0%), effective with meters read on Cycle One of the January 2011 revenue month on a non-prorated basis.

- This item is a resolution requesting the City Council schedule a public hearing to be held on December 7, 2010, for the above.
- Memphis Light, Gas and Water Division.
- There is no change to an existing resolution or ordinance.
- This does not require a new contract, or amends an existing contract.
- This resolution does not require an expenditure of funds or a budget amendment.

RESOLUTION

WHEREAS, pursuant to Chapter 381 of the Private Acts of 1939, and City of Memphis Charter Section 680, authority is granted to the governing body of the City of Memphis to convene as a Ratemaking Board for the purpose of determining changes in water rates; and

WHEREAS, the Memphis Light, Gas and Water Division has made application under said sections for the Council to hold a public hearing, at which time the Council will convene as a Ratemaking Board to consider approval by the Council of revisions to the schedule of water rates proposed by MLGW;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis, that the City Council as authorized, pursuant to Chapter 381 of the Private Acts of 1939, and City Charter Section 680, does hereby establish December 7, 2010, as the date for a public hearing at which the Council will convene and sit as a Ratemaking Board for the purpose of determining the feasibility of a revision in the schedule of rates, and to prescribe rates sufficient for the operation of Memphis Light, Gas and Water Division.

RESOLUTION

WHEREAS, pursuant to Chapter 381 of the Private Acts of 1939, and City of Memphis Charter Section 680, authority is granted to the governing body of the City of Memphis to convene as a Ratemaking Board for the purpose of determining changes in water rates; and

WHEREAS, the Memphis Light, Gas and Water Division has made application under said sections for the Council to hold a public hearing at which time the Council will convene as a Ratemaking Board to consider approval by the Council of revisions to the schedule of water rates proposed by MLGW;

WHEREAS, the City Council, as authorized by the Ratemaking Charter Provisions, convened a public hearing as a Ratemaking Board for the purpose of considering approval of revisions in the schedule of rates as proposed by MLGW;

WHEARAS, the Council has determined the approval of revisions in the schedule of rates proposed by MLGW is necessary, and hereby prescribes rates sufficient for the Memphis Light, Gas and Water Division to pay operating expenses, interest, sinking funds, reserves for casualties, payments in lieu of taxes, construction and capital expenditures, other fixed charges and reserves for safe operating margins.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis, Properly convened and sitting as a Ratemaking Board pursuant to Ratemaking Charter Provisions and the Charter as a whole, that the rate application of the Memphis Light, Gas and Water Division consisting of correspondence and exhibits filed herewith and the resolution of the Board of Light, Gas and Water Commissioners establishing said

rates ("MLGW Rate Application") is hereby approved and the schedule of water rates is hereby approved resulting in a 5.0% increase for each customer rate class.

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Council of the City of Memphis that the aforesaid water rate change shall be effective for Cycle 1 meter reading for the January 2011 revenue month on a non-prorated basis.

E X C E R P T
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS, CITY OF MEMPHIS
held
November 4, 2010

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The Controller advised the Board that a petition should be presented to the City Council requesting that they schedule a public hearing to be held on December 7, 2010, for consideration and determination of revisions in MLGW water rates effective with meters read on Cycle 1 of the January 2011 revenue month on a non-prorated basis.

It is recommended at this time that the Board request the City Council to schedule and properly advertise a public hearing to be held on December 7, 2010 for consideration of these items.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

> THAT, the Board of Light, Gas and Water Commissioners, by this resolution, petitions the City Council of the City of Memphis to schedule and duly advertise a public hearing to be held on December 7, 2010, for consideration and determination of revisions in MLGW water rates effective with meters read on Cycle 1 of the January 2011 revenue month as described in the foregoing preamble to this resolution.

I hereby certify that the foregoing is a true copy of a resolution adopted by the Board of Light, Gas and Water Commissioners at a regular ~~special~~ meeting held on 4th day of November, 20 10, at which a quorum was present.

John H McCullough
Secretary-Treasurer

Approved, as Amended

STATEMENT OF DANA J. JEANES
CONTROLLER
MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
November 4, 2010
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My name is Dana J. Jeanes and I reside at 11523 Metz Place in Eads, Tennessee. I hold the position of Controller at Memphis Light, Gas and Water Division, and it is my duty to make recommendations concerning the schedule of rates to the Board of Commissioners. I have recommended and the Board of Commissioners has approved, pursuant to Section 680 of the Charter of the City of Memphis, a schedule of rates as will enable the Memphis Light, Gas and Water Division pursuant to said Charter requirements to pay operating expenses, interest, sinking funds reserve, working capital, renewal and replacements, casualties, and other fixed charges including necessary capital improvements and payments in lieu of taxes to the City of Memphis.

On November 4, 2010, I recommended to the Board that water rate increases be implemented due to the effects of increases in general operating expenses, reduced cash balances, and capital expenditures for system improvements. I recommend that water rates be increased an overall 5.0% for each customer rate class. The total proposed revenue increases on an annual basis are estimated to be $3,839,000 for water during the calendar year 2011.

I have further advised the Board of certain factors and details outlining the necessity of these rate tariff changes and file herewith exhibits of these factors for your consideration and discussion of the public hearing to be held on December 7, 2010.

As Controller of Memphis Light, Gas and Water Division, it is my opinion that the rates requested by the Division will produce sufficient revenues to meet the obligations of Memphis Light, Gas and Water under the Charter and Covenants in Bond Resolutions.

For the reasons set out above, I recommend that the Memphis City Council, pursuant to Chapter 381 of the Private Acts of 1939, as amended, approve these revisions at the public hearing to be held on December 7, 2010.

RESPECTFULLY SUBMITTED

Dana J. Jeanes
Controller
Memphis Light, Gas and Water Division

Sworn to and subscribed before me the undersigned this 4th day of November, 2010.

Doris J. Douglas
Notary Public

My commission expires:
April 26, 2011

DORIS J. DOUGLAS
STATE OF TENNESSEE NOTARY PUBLIC
COUNTY OF SHELBY
MY COMM. EXP. APRIL 26, 2011