

# STAFF REPORT

## City of Lancaster

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Date: May 14, 2019

To: Mayor Parris and City Council Members

From: Jason Caudle, City Manager

Subject: **Resolution Authorizing the Creation and Operation of a Municipally-Owned Utility for the Purpose of Providing Various Utility Services**

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### **Recommendation:**

Adopt **Resolution No. 19-18**, authorizing the creation and operation of a municipally owned utility for the purpose of providing various utility services; and authorizing the taking of certain other actions in connection therewith.

### **Fiscal Impact:**

There is no fiscal impact at this time.

### **Background:**

The City of Lancaster has improved the quality of services and reduced service costs for residents through the implementation of innovative solutions. As the first City Community Choice Aggregator (CCA) in the State, Lancaster Choice Energy has saved customers millions of dollars and developed programs which have helped homes and businesses become more energy efficient. By acquiring the City's streetlights from Southern California Edison, Lancaster was able to upgrade to LED energy-efficient lights which reduced maintenance costs and improved lighting throughout the community.

The establishment of a municipal utility is the next step in continuing to ensure that citizens and businesses are provided with utility services that meet the current and future needs of the community. As a municipal utility, Lancaster will have the opportunity to utilize advanced technology, provide utility services at rates and charges that are fair and reasonable, provide high quality customer service, and provide alternatives to existing providers of utility services similar to what the City achieved through the development of the City's CCA.

Resolution No. 19-18 will expand upon Resolution No. 10-36 which was approved in 2010 and granted the City with the authority to provide renewable energy programs. Specifically, Resolution No. 19-18 will grant the City the ability to establish a municipally-owned electric utility which can provide residents with natural gas, cable television, telephone and telecommunication services.

### **Attachment:**

Resolution No. 19-18