

**RATIFICATION ~ DISCUSS, REVIEW AND/OR APPROVE  
RATIFYING ADJUSTED UTILITY FEES**



**EXECUTIVE SUMMARY**

**RATIFY UTILITY RATE**

**BACKGROUND:**

- Rate Study was performed prior to recommending rate changes needed to support debt payments related to water and wastewater capital costs.
- These recommendations were provided by Garver Engineering. Their approach is based on cost recovery by class of customers (i.e residential, commercial, etc)
- Utility revenue needs to increase 6% per year for at least 4 years according to rate study.
- Customers true increase will vary among class (residential, multi-family, commercial, or industrial) & how much water is used.
- High consumption residential customers (over 10K gallons per month) showed the largest increases and in some cases doubling. Most of the impact had to do with irrigation systems. These systems are either tied into existing house meter or with the separate irrigation meter.

**RECOMMENDATION:**

- Change the Volumetric Water Rate over 10K from **\$6.30 to \$3.15** per 1,000 gallons; this is the same rate as the 5-10K user
- Staff recommends City Council ratify the adjusted rates until such time the ordinance is amended. Garver engineering will review the volumetric charges among classes and bring back a recommendation to consider at a February meeting.

**ATTACHMENT:** Appendix B Fees, Chapter 114