



## Staff Report – Ordinance

December 4, 2023 City Council Regular Meeting

Ordinance No.'s 23-017, 23-018, 23-019 and 23-020 Amending the Camas Municipal Code Pertaining to Water, Sewer, Stormwater and Garbage Rates; Respectively.

Presenter: Steve Wall, Public Works Director

Time Estimate: 5 minutes

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**BACKGROUND:** The City Council has traditionally completed comprehensive utility rate studies for the Water, Sewer, Stormwater and Solid Waste utilities and adopted new rates on five-year intervals. The last comprehensive review and rate adoption was completed in 2018 and set the rates for the 2019 through 2023 timeframe. The City Council approved a professional services agreement with the City's utility financial consultant, FCS Group, in December 2022 to complete a comprehensive utility rate analysis on the City's four separate utilities for the ensuing five-year period (2024-2028), or other such interval as directed by Council.

**BENEFITS TO THE COMMUNITY:** The City's four utilities provide basic, everyday services to the community and continue to meet all State and Federal requirements. Adequate funding of the utilities is necessary to continue providing services at the levels traditionally desired by the City Council, citizens and customers.

**POTENTIAL CHALLENGES:** The costs of services in all areas of the City continues to rise, including utility services. Additional pressure is placed on the utility rates to continue serving both existing and new customers, allow for necessary repair and replacement of equipment, and to fund the City's relatively large Capital Improvement Program.

**SUMMARY:** Staff has worked with FCS Group to update the financial models for each of the four City utilities. Options, findings, and recommended rate increases have been presented to Council for each utility to provide safe, reliable and effective services for our citizens and customers. This information was presented at three separate Workshops on September 5, September 19, and October 16, 2023.

Based on Council's direction, Ordinance No.'s 23-017 (Water), 23-018 (Sewer), 23-019 (Stormwater) and 23-020 (Solid Waste/Garbage) have been prepared for Council's consideration. Respective proposed rate increases in each of the four utilities for the 2024-2028 timeframe include:

- **Water** – 6.0% per year, equating to an increase of \$2.30 to \$2.90/month over 5 years for the average customer.

- **Sewer** – 3.25% per year, equating to an increase of \$1.81 to \$2.06/month over 5 years for the average customer.
- **Stormwater** - 13.5% per year, equating to an increase of \$1.83 to \$3.04/month over 5 years for the average customer.
- **Solid Waste/Garbage** - 2.5% per year, equating to an increase of \$0.63 to \$0.69/month over 5 years for the average customer.

The impacts to the combined average residential bill over the ensuing 5-year period based on the proposed rate increases for each utility is shown below and was shared in the presentation with the City Council on October 16, 2023.

### Combined Avg. Residential Bill

Description	Existing	Proposed Monthly Charges				
		2024	2025	2026	2027	2028
Water (3/4"   10ccf)	\$ 38.33	\$ 40.66	\$ 43.14	\$ 45.77	\$ 48.56	\$ 51.51
Sewer (6 ccf)	55.67	57.46	59.34	61.25	63.25	65.28
Stormwater	13.55	15.38	17.46	19.82	22.50	25.54
Solid Waste						
35 gallon can weekly	17.40	17.84	18.29	18.75	19.22	19.70
Recycling	7.44	7.63	7.82	8.02	8.22	8.43
<b>Total Residential Mo. Bill</b>	<b>\$ 132.39</b>	<b>\$ 138.97</b>	<b>\$ 146.05</b>	<b>\$ 153.61</b>	<b>\$ 161.75</b>	<b>\$ 170.46</b>
\$ Mo. Difference		\$ 6.58	\$ 7.08	\$ 7.56	\$ 8.14	\$ 8.71
% Difference		5.0%	5.1%	5.2%	5.3%	5.4%

**Note :** rates in calculation rounded to the nearest hundredth.

**RECOMMENDATION:** Staff recommends Council consider each Ordinance separately, and if desired, adopt and publish accordingly to law.