



115 West Ventura Avenue, Clewiston, FL 33440

Agenda Item # 4

TO: City Commission of the City of Clewiston
FROM: Randy Maxson, Finance Director
VIA: Danny Williams, City Manager
DATE: May 19, 2025
SUBJECT: Consideration of *Resolution 2025-23* approving Water Sewer Rate Increase.

Background:

The Finance Department recently conducted a comprehensive cash flow analysis for the Water Sewer Fund and determined that a rate increase is essential to ensure the long-term financial sustainability of the water and sewer system. This fund is responsible for supporting a wide range of essential services, including infrastructure maintenance, treatment plant operations, and regulatory compliance. Without a consistent and incremental adjustment to revenue through water rates, the fund risks operating deficits that could compromise service quality and system reliability.

Operating a water and sewer utility involves significant ongoing expenses, many of which have steadily increased due to inflation and market pressures. Costs related to energy, chemicals, labor, equipment, and materials have all risen, directly impacting on the financial demands of maintaining safe and effective utility services. The proposed 10% annual increase over the next five years allows the department to responsibly address these growing expenses without imposing abrupt, burdensome rate hikes on residents and businesses.

A critical component of this rate adjustment is the need for continued investment in aging infrastructure and compliance with increasingly stringent environmental regulations. Many of the City's water and sewer lines, as well as treatment facilities, require upgrades to prevent failures and avoid costly emergency repairs. Additionally, federal and state regulatory agencies are imposing new standards that demand proactive capital improvements. By implementing a structured, phased rate increase, the City can strategically fund these projects, safeguard public health, and protect the environment—ensuring reliable service for current and future generations.

Notices were sent out to all residents during the month of April's billing cycle.

Recommendation:

Motion to approve *Resolution No. 2025-23* approving Water Sewer Rate Increase.