



City of Eustis

P.O. Drawer 68 • Eustis, Florida 32727-0068 • (352) 483-5430

TO: Eustis City Commission

FROM: Rick Gierok, Interim City Manager

DATE: June 4, 2026

RE: Resolution Number 2026-37: Approval of Rate Increase for Water, Wastewater and Reclaimed Water Consumption

Introduction:

The purpose of Resolution Number 2026-37 is to establish new water, wastewater, and reclaimed water rates to ensure the facilities are maintained in working order and comply with regulatory mandates. The City seeks to increase these rates by a 2.5%. Notice of this increase will begin with bills sent after approval of Resolution. Residents will see an increase in their July bills for June consumption.

Background:

In 2021, the Finance Department conducted an in-house study to review the current rates and future projections of the City's water, wastewater, and reclaimed water systems through the year ending June 30, 2025. Consideration was given to current financial conditions, projected operational costs, proposed system upgrades, required system upgrades, customer growth, economic assumptions and revenue streams necessary to deliver reliable and quality service to customers. The results of the in-house study were to increase rates by 2.5% annually through June 30, 2025.

A new rate study is currently being conducted by an outside consultant, Raftelis. Raftelis is a local government and utility management consulting company. They have a process to address inflationary factors previously not projected. Raftelis will present their findings to the Commission at a later date. Until that time, the current rate increase will continue with previously recommended annual 2.5% effective on June 1, 2026.

This due diligence satisfies outside agencies such as lending institutions and bond rating companies, allowing the City to obtain financing when necessary.

Recommended Action:

Staff recommend approval of Resolution Number 2026-37.

Budget/Staff Impact:

Based on the analysis of the water, wastewater, and reclaimed water systems, it has been determined that an annual increase of 2.5% effective June 1, 2026, will be sufficient to maintain utility operations. The increase will allow the City to balance funding operations while keeping costs reasonable for users. Until the results of the Raffelis study are presented, these rate increases will meet the projected immediate operational needs and will continue to provide funding for existing debt service requirements.

Prepared by:

Mari Leisen, Deputy Finance Director

Reviewed by:

Lori Carr, Finance Director

Miranda Burrowes, Deputy City Manager

Attachments:

Resolution Number 2026-37

Exhibit A – Utility Rate Comparison – Current and Proposed Rates