



**Date:** August 14, 2023  
**To:** Mayor and Town Council  
**From:** Sean O’Keefe, Town Manager  
**Re:** Consideration and Approval: **Water Rate FY 2024**

**Objective:**

To establish rates for water services to Town residents in the upcoming fiscal year.

**Summary:**

As the Town approaches the beginning of its fiscal year, it is established by code that the Town may increase the water rate by a percentage not to exceed the Municipal Cost Index (MCI) of the preceding calendar year. The increase percentage of the MCI for calendar year 2022 was 6.694924%. Council needs to determine whether there will be an increase to water customers based on this inflationary change. As an example, if implemented, the base rate for monthly residential potable usage of 5,000 gallons or less would change from \$31.36 to \$33.46.

**Recommended Motions:**

*The Town Council has the following options:*

1. The Town Council motions to approve a rate increase  
  
OR
3. Motion to Deny

**Fiscal Impact:**

There is an overall cost to the Town for water service, which needs to be covered by the rates set by Town Council.

**Staff Recommendation:**

Staff recommends approval of the allowable MCI water rate increase of 6.694924%.