



Date: August 26, 2024
To: Mayor and Town Council
From: Sean O’Keefe, Town Manager
Re: Discussion: **Wastewater Rate Increase**

Objective:

To discuss potential adjustments to the Town's wastewater rates in light of anticipated increases from the wholesale wastewater provider, the Central Lake CDD, and to consider establishing a mechanism for future rate adjustments.

Summary:

The Town's wastewater rate has been fixed since 2015, with no specific provision in the Town Code for regular adjustments similar to those for water rates, which are governed by Town Code 171-3.5(7) and can be adjusted annually based on the Municipal Cost Index (MCI).

The Central Lake CDD, the Town's wholesale wastewater service provider, is currently negotiating with the Town for an updated service agreement. During these discussions, the CDD has indicated a potential substantial increase in the rates they charge the Town.

Unlike water rates, there is no established mechanism or formula in the Town Code to guide the adjustment of wastewater rates to account for inflationary pressures or increased costs from suppliers. Any wastewater rate would need a provision to manage any adjustments.

Fiscal Impact:

The fiscal impact is yet to be determined.

Staff Recommendation:

No immediate action on rate changes is advised until further deliberations are completed and a comprehensive approach is developed.