



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

Objective:

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

Summary:

It is established by Town Code 171-3.6 that the Town has a fixed wastewater rate, which has not changed since 2015. Unlike the water rate, which is determined by 171-3.5(7) to be (potentially) increased annually by the Municipal Cost Index, there is not a similar specific metric for determining wastewater increases on an annual basis. If the same metric is used as for water, there would be an increase of 1.6802345% based on the MCI calendar year of 2023. Council needs to determine whether there will be an increase to wastewater customers based on this inflationary change. If this rate were to be implemented, the cost for monthly wastewater usage per household (ERU) would change from \$46.00 to \$46.77

Recommended Motions:

The Town Council has the following options:

1. The Town Council motions to approve a rate increase up to 1.6802345%
- OR
3. Motion to Deny

Fiscal Impact:

There is an overall cost to the Town for wastewater service, which needs to be covered by the rates set by Town Council. A rate increase by the MCI rate percentage is estimated to generate approximately \$4,000 in additional annual revenue for the Utility Fund.

Staff Recommendation:

Staff recommends approval of the wastewater rate increase of 1.6802345%.