



**CITY COUNCIL
WORK SESSION
MEMORANDUM**

TO: City Council
FROM: Matthew R. Schmitz, MPA - City Manager
DATE OF MEETING: August 5, 2024
ITEM TITLE: Water and Sewer Rate Ordinance Amendment

DISCUSSION:

At the May 6th City Council Work Session, staff presented the attached plan for sewer rate increases to accommodate the costs related to the WWTP project and the attached plan for water rate increases to begin to build funds for upcoming water projects. While Staff is continuing to apply for grants and look for all funding options, we must assume a worse-case scenario when planning – that is that the Sewer Utility Fund will need to fund the entirety of the debt payments for the plant.

Attached are the spreadsheets that Speer Financial, the City's Financial Advisors, prepared and that we presented at the May 6th meeting. These spreadsheets show options for potential funding levels over multiple years for the city's Sewer Rates. Additionally, Staff has asked them to prepare and provide an overview of current Water Rates, as there are needed projects on the Water system that would likely require an increase in rates as well.

While staff feels that the attached plan is the appropriate route forward, we wanted to make sure we have additional conversations with the Council before bringing forward ordinances to make the required amendments to be sure that we are on the same page.

RECOMMENDATION:

Staff recommends discussion of this topic. No action is needed at this meeting, as any decision items needed would be brought forward to a City Council meeting for approval.