



## CITY COUNCIL MEMORANDUM

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**TO:** City Council

**FROM:** Matthew R. Schmitz, MPA - City Manager

**DATE OF MEETING:** August 26, 2024

**ITEM TITLE:** First Reading of an Ordinance Amendment for Section 1.15 for Water and Sewer Fees

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### **BACKGROUND:**

This item was discussed at the August 5<sup>th</sup> and May 6<sup>th</sup> City Council Work Sessions. While Staff is continuing to apply for grants and look for all funding options, we must assume a worst-case scenario, that the Sewer Utility Fund will need to fund the entirety of the debt payments for the plant.

### **DISCUSSION:**

The attached Ordinance would increase rates for Sewer services and Water services according to the following schedule if approved:

Date of Increase	Sewer Rate %	Water Rate %
Oct 1, 2024	10%	3%
Oct 1, 2025	15%	3%
Oct 1, 2026	15%	3%
Oct 1, 2027	16%	3%

The Water Rate increase proposed is to keep up with inflation and accommodate future planned projects. The Sewer Rate increase proposed is to provide funding to pay for the estimated \$43 Million dollar replacement of the Wastewater Treatment Plant.

It is the City's plan to reduce the rate increase for Sewer planned for 2027 by whatever is possible to account for any savings that may be gained during the project, or any grants that may be attained.

### **RESULTS:**

The City has established priorities during strategic planning sessions. This item supports the Vision from that session of Expanding and Enhancing Infrastructure. This item helps achieve that vision by replacing a facility that is at the end of its useful life and by ensuring that the facility can meet future regulatory requirements.

### **FINANCIAL CONSIDERATION:**

Funds from these rates are deposited into the Sewer and Water Enterprise funds, which is where the project costs would be allocated as well.

### **RECOMMENDATION:**

Staff recommends a motion to approve the first reading of an ordinance amending provisions pertaining to the Fines and Fees Schedule.