



## CITY COUNCIL WORK SESSION MEMORANDUM

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**TO:** City Council

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

**DATE OF MEETING:** May 6, 2024

**ITEM TITLE:** Sewer and Water Rates

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### **DISCUSSION:**

As Staff has been working through the process of reviewing Sewer and Water Rates in relation to figuring out debt payments that will be necessary for the new Wastewater Treatment Plant, Staff feels it is now necessary to have a conversation with Council about what the future may look like in relation to the new treatment plant and the debt required to fund the plant. While Staff is continuing to apply for grants and look for all funding options, we must assume 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 spreadsheets prepared by Speer Financial, the City's Financial Advisors, showing options for potential funding levels over multiple years for the Sewer Rates of the City. Additionally, Staff has asked them to prepare and provide an overview of current Water Rates as well as there are needed projects on the Water system that would likely require an increase in rates as well.

Maggie Burger from Speer Financial will be on hand to answer questions and discuss with the Council as discussion occurs on this item.

### **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.