MEMO TO CITY COUNCIL

Request to Include Topic on the City Council Workshop Agenda

From: Laurelei McVey, Public Works **Meeting Date:** July 9, 2024

Presenter: Laurelei McVey, Public Works **Estimated Time:** 15 minutes

Topic: FY25 Water and Sewer Rate Increase Proposal

Recommended Council Action:

None required at this time.

Background:

The FY25 proposal includes a 3% water and sewer rate increase with an October 1, 2024 effective date. The increase is needed due to continued rising operational and capital construction costs as well as meeting State and Federal safe drinking water and wastewater requirements.

The water/sewer usage and base rates are subject to this increase, and the estimated impact to the average customer will be a net decrease of $1.90/month due to the subsequent sunsetting of the 10-year EPA fee also occurring in October.

A public hearing will also be scheduled for August 20, 2024.

Fee description	Current fee amount	Proposed new fee amount
Water rate – base (administrative fee)	$5.77	$5.94
Water rate – use charge (per 1,000 gallons)	$2.00	$2.06
Sewer rate – base (administrative fee)	$9.08	$9.35
Sewer rate – use charge (per 1,000 gallons)	$5.82	$5.99