



Date: 11/06/23

To: Honorable Mayor and Council

From: Public Works Director Herb Doudney

CC: City Administrator Dylan Mulfinger
Assistant Public Works Director Tom Stewart

Reference: Water & Sewer rates

I would like to start by saying I understand that in today's economy no one wants to pay more for utilities. However, we must keep up with inflation and the repair needs of our system to remain sustainable.

Given the age and general disrepair of our water distribution and sewer systems and the current rate structure, its painfully evident increases are needed in excess of the current ordinance.

Ordinance 1188 signed 6/14/2021 allows for a 2% increase to water and sewer rates for years 2024-2025 and 2025-2026. This increase is far below what is necessary to bring us closer to the median for noncommercial water accounts.

The City of Oelwein's current minimum water rate is 34.5% below the median according to recent rate surveys. The minimum sewer rate is 22.6% below the median. The only place we meet the median in the water system is with our largest commercial consumers. Our sewer rates other than the minimum charge exceed the median matching our infrastructure upgrade needs.

I recommend raising our water rates to meet the median across the board. This will allow funding for crucial infrastructure repairs as well as continually rising operation costs.

Regards,

Herb Doudney
Public Works Director

A handwritten signature in black ink that reads "Herb Doudney".

