



CITY OF ORLAND STAFF REPORT
MEETING DATE: November 19, 2023

TO: Honorable Mayor and Council

FROM: Paul W. Rabo, City Engineer

SUBJECT: **Annual Review and Adjustment to Water and Sewer Rates** (Discussion/Action)

BACKGROUND:

The City of Orland operates and maintains a public water system consisting of six wells, one elevated storage tank, over 400 fire hydrants, 34 miles of water distribution main and over 2,600 metered water services. The City is not responsible for maintenance of water services beyond the water meter. The City’s sanitary sewer system includes 30 miles of pipelines, 400 sanitary sewer manholes, and four lift stations. The City is not responsible for maintenance of sewer service laterals beyond the right-of-way.

Per Municipal Code Section 13.04.350 the City of Orland shall perform an annual review of the water and sewer rates and make adjustments as necessary. The Consumer Price Index for the period beginning October 2023 and ending October 2024 shows an increase of 5.5% in water and sewer maintenance costs. The Engineering News Record shows construction cost increases of 1.0% for the same period.

In the past the City prepared a water rate study to assess the rates being charged to the users. The rate study included costs for maintenance, repairs, operation, capital improvements and debt servicing. The previous rate study recommended the City increase its water and sewer rates, over a five-year period, in accordance with the Consumer Price Index.

ANALYSIS:

Current and Proposed Water Rates:

City staff recommends a 5.0% increase to water rates beginning in January 2025. The existing and proposed water rates, for a two month period, are:

2025 WATER RATES	Inside City Limits		Outside City Limits	
	Existing	Proposed	Existing	Proposed
Fixed Bi-Monthly Charge Rate	\$69.34	\$72.81	\$138.68	\$145.61
Per 1,000 gallons with more than 15,000 gallons	\$1.86	\$1.95	\$1.86	\$1.95

Current and Proposed Sanitary Sewer Rates:

City staff recommends a 5.0% increase to sewer rates beginning in January 2025. The existing and proposed sewer rates, for a two month period, are:

2025 SEWER RATES	Inside City Limits		Outside City Limits	
	Existing	Proposed	Existing	Proposed
Fixed Bi-Monthly Charge Rate	\$67.48	\$70.85	\$134.94	\$141.69
Per 1,000 gallons with more than 15,000 gallons	\$0.96	\$1.01	\$0.96	\$1.01

RECOMMENDATION:

1. Approve a 5.0% increase in water and sewer rates.
2. Adopt Resolution 2024-XX "A Resolution of the City Council of the City of Orland to Establish Water and Sewer Rates for 2025".

FISCAL IMPACT OF RECOMMENDATION:

Increased revenues will be put towards projects shown in the Capital Improvement Plan (CIP), maintenance and system operation.