



CITY COUNCIL COMMUNICATION

DATE: August 7, 2023

FROM: Clayton Gray, Finance Director

AGENDA ITEM: Consideration and possible action on Ordinance 08-15-23 amending the Fee Schedule, Appendix A, Article 4.00 Utility Related Fees, Section 4.306 Water Service Rates, Section 4.307 Sewer Service Rates, and Division 4400 Electric, Section 4.403 Electric Service Rates and reserving Section 4.404 through Section 4.406; providing for the repeal of all ordinances in conflict; providing for a severability clause; and providing a savings clause; authorizing publication; and establishing an effective date.

SUMMARY:

- The City engaged NewGen Strategies and Solutions to prepare a five-year financial plan and utility rate study for water, wastewater, and electric service rates.
- The rate study revealed that the current water, wastewater, and electric rates are insufficient to cover expenditures.
- The proposed 2023-2024 budget has been prepared with the proposed updated service rates.
- Wastewater rates were last updated in 2021.
- Water rates were last updated in 2018.
- Electric rates were last updated in 2009.

FISCAL INFORMATION:

Budgeted: NO Amount: N/A GL Account: N/A

The proposed 2023-2024 budget has been prepared with the proposed rates. Adopting these rates will help close the gap between expenditures and revenues. For the 2023-2024 budget, the updated rates will provide the following additional revenues:

Water	\$249,755
Wastewater	167,161
Electric	625,823
<u>Total</u>	<u>\$1,042,739</u>

RECOMMENDED MOTION OR ACTION:

- Staff recommends approval of Ordinance 08-15-23

ATTACHMENTS:

- Ordinance 08-15-23