



**BUSINESS OF THE CITY COUNCIL  
CITY OF SNOQUALMIE**

**AB25-003  
January 13, 2025  
Public Hearing**

**AGENDA BILL INFORMATION**

<b>TITLE:</b>	<b>AB25-003: 2025-2030 Utility Rate Adjustment</b>	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
	<b>PROPOSED ACTION:</b> Adopt Ordinance 1303 amending Utility Rates for 2025	

<b>REVIEW:</b>	Department Director	Jeff Hamlin	12/23/2024
	Finance	Drew Bouta	12/20/2024
	Legal	Dena Burke	12/17/2024
	City Administrator	Mike Chambless	12/23/2024

<b>DEPARTMENT:</b>	Parks & Public Works		
<b>STAFF:</b>	Dylan Gamble, CIP Manager		
<b>COMMITTEE:</b>	Parks & Public Works	<b>COMMITTEE DATE:</b> January 7, 2025	
<b>EXHIBITS:</b>	1. Draft Ordinance 1303		

<b>AMOUNT OF EXPENDITURE</b>	\$ n/a
<b>AMOUNT BUDGETED</b>	\$ n/a
<b>APPROPRIATION REQUESTED</b>	\$ n/a

**SUMMARY**

**INTRODUCTION**

Ordinance 1303 will amend the Utility Rates for the years of 2025-2030. The recommended rate changes are designed to match rate revenue requirements. The recommended rate changes are based on a 2025-2030 Utility Rate Study conducted by FCS Group.

**LEGISLATIVE HISTORY**

In June of 2020, City of Snoqualmie Council approved an agreement with Financial Consulting Solutions (FCS) Group to conduct a Utility Rate Study and General Facilities Charges Update for the City’s combined utility. Since the adoption of Ordinance 1248, the product of the 2021 Rate study effort, the City has maintained the Utility Rates increases with minor adjustments in the year 2021 (to reduce rates to 0%) and in 2024 (with increases associated with the 2024 fiscal Health Review).

A Fiscal Health Review of the utility rates was conducted in 2023 to study the recent impact that high levels of inflation have had on the revenue requirements of the combined utility. The study indicated that the City

would need to increase rates to account for significant inflation. City Council implemented a single year rate adjustment (for the year 2024 only) through Ordinance 1284, adopted on December 11<sup>th</sup>, 2023.

#### **BACKGROUND**

FCS Group, in collaboration with the Administration, has worked to define the overall revenue needs of the combined utility, evaluate the cost to provide service to each customer class, and developed rates reflecting the fiscal sustainability and equity goals of Council. A periodic review of the of rates is planned for every four years to maintain the fiscal stability of the combined utility.

#### **NEXT STEPS**

Following any decision made as part of the 2025-2030 Utility Rate Study, staff will bring associated General Facility Charges (GFC) ordinance and charges. Updating of the GFC charges will complete the review of the utility rates maintained by the City's Utilities.

#### **PROPOSED ACTION**

January 13, 2025: Public Hearing and First Reading of Ordinance 1303.

January 27, 2025: Second Reading of Ordinance 1303. MOVE to approve Ordinance 1303 amending City of Snoqualmie Utility Rates for the years of 2025-2030.