



Memorandum

To: Mayor Nelson and Members of the City Council

From: Daniel R. Buchholtz, ICMA-CM, Administrator, Clerk/Treasurer

Date: November 25, 2024

Subject: Adoption of 2025 Fee Schedule

Staff is presenting proposed 2025 utility rates for City Council review and approval.

Proposed Rates Overview:

1. Water Conservation Rates:

The water rates are structured in a tiered system to encourage conservation and reflect increasing costs for higher usage levels.

- **Administrative Base Rate:** \$19.45 per quarter
- **Usage Rates:**
 - Tier 1: \$2.22/1,000 gallons for 0-9,000 gallons/quarter
 - Tier 2: \$2.51/1,000 gallons for 9,001-18,000 gallons/quarter
 - Tier 3: \$3.86/1,000 gallons for 18,001-27,000 gallons/quarter
 - Tier 4: \$4.30/1,000 gallons for 27,001-36,000 gallons/quarter
 - Tier 5: \$4.66/1,000 gallons for 36,001-45,000 gallons/quarter
 - Tier 6: \$5.06/1,000 gallons for 45,001+ gallons/quarter

2. Sewer Rates:

Rates for sewer services are designed to ensure equitable distribution of costs across property types.

- **Single-Family, Duplex, Townhouse & Similar Residential:** \$82.87/unit/quarter
- **Apartment, Mobile Home, Institutional, Commercial & Industrial:** Minimum \$82.87/quarter for 18,000 gallons, plus \$4.82/1,000 gallons for usage over 18,000 gallons.

3. Additional Utility Charges:

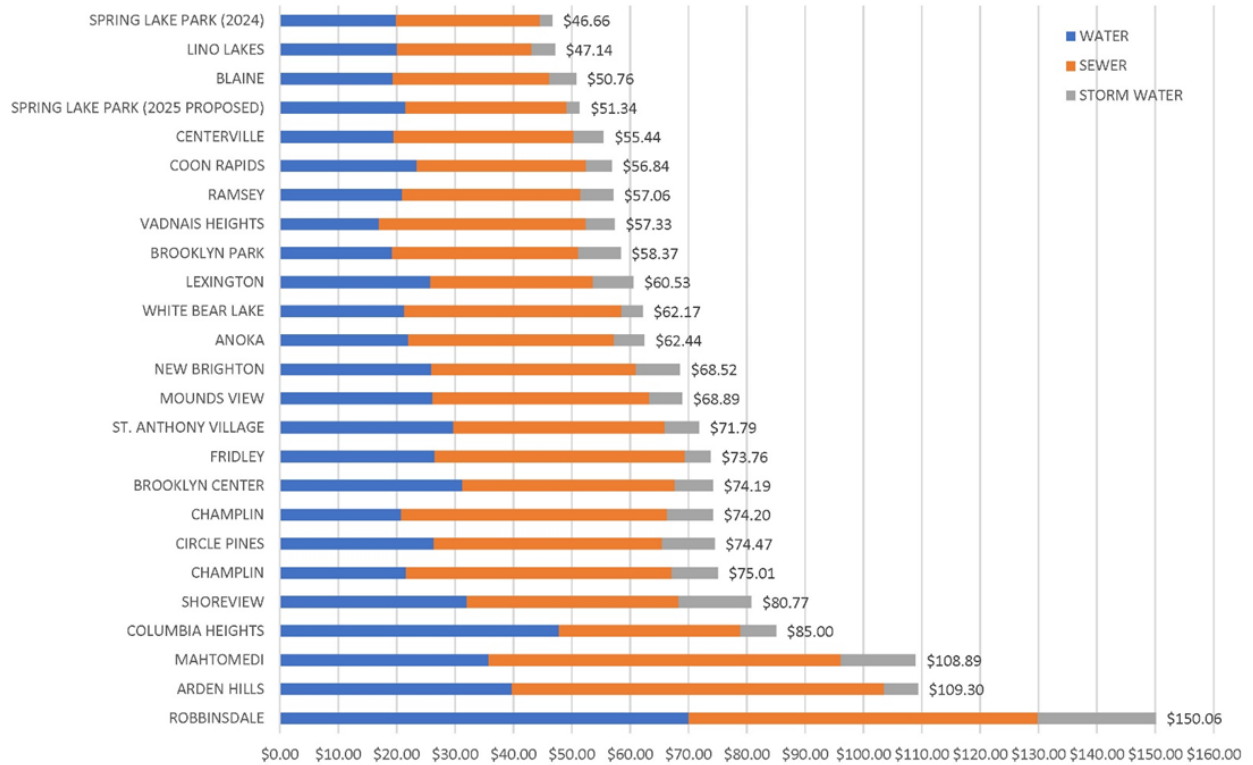
- **Recycling Fee:** \$14.97/quarter per residential unit
- **Street Light Fee:** \$4.37/quarter per water connection
- **Minnesota Water Test Fee:** \$2.43/quarter per water connection
- **Storm Water Utility Fee:** \$6.69/quarter per residential equivalency factor (REF)

Increased costs for materials, labor and infrastructure maintenance have necessitated adjustments in rates to ensure sufficient funding for operations. The updated rates align with the projected budgetary need of the Public Utilities Department, ensuring the continuation of high-quality service delivery.

Despite the increase in rates, the City's utility charges compare extremely favorably with cities in the North Metro.

2024 Residential Utility Rates - North Metro Cities

Monthly Bill - Based on 6,000 gallons/month



If you have any questions, please do not hesitate to contact me at 763-784-6491.