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## CITY COUNCIL MEMO

TOPIC: UTILITY RATES

DATE: 6/7/2023

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### **BACKGROUND**

In May 2022, the Council received presentation of a water, sewer, and storm utility rate study performed by Steve Donovan of Donovan Enterprises. The rate study considers the long-range needs of each system; these include the operating budget, growth forecasts, capital improvement plan, cash flow, and debt management.

All three utilities require major capital improvements and expansion to meet the needs of the community. The capital improvement plans are based on the master plans prepared for each utility.

Based on comparisons with 11 other area utilities, St. Helens rates are mid-range: Fairview, Forest Grove & Rainier being the lowest rates and Portland, Cornelius & Scappoose having the highest rates.

### **RECOMMENDATION**

The rate study recommended increase every year for 5 years. This is the second year, and the proposed increase is per the rate study recommendation. The FY2024 budget as approved by the budget committee includes the proposed increase for each utility.

Staff recommends adoption of the proposed utility rates as outlined in the resolution.