



CITY COUNCIL MEMO

TOPIC: UTILITY RATES

DATE: 6/5/2024

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.

DISCUSSION

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.

For the average household, the rate adjustments will be about a \$3.76 per month increase.

RECOMMENDATION

They rate study recommended increase every year for 5 years. This is the third year, and the proposed increase is per the rate study recommendation. The FY2025 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:

“I move to adopt Resolution No. 2012 for utility rate adjustments as recommended by Donovan Enterprises for FY2025 effective on July 15, 2024 billing.”