



REQUEST FOR COUNCIL ACTION

Title: A Resolution Setting Rates for Water Utility Services

Preferred Agenda: September 26, 2023, 2023

Submitted By: Matt Brown, Finance Director

Reviewed By: Kelcey Young, City Manager

Type of Action: Resolution X Motion Roll Call Other

Relevant Code/Policy: Updating City Water Utility Services

Towards Council Goal: Rejuvenate Essential Services, Infrastructure, maintaining an effective and efficient government, and economic strength

Attachments: Resolution No. 27 for 2023: A Resolution Setting Rates for Water Utility Services

Purpose of this RCA:

The purpose of this RCA is to request Council authorization for the Mayor to sign Resolution No. 27 for 2023 setting rates for water utility services.

Background/Context:

The City of Sweet Home staff and Council have been reviewing utility rates over the past couple of months and reviewing different scenarios based on current economic known factors and forecasted unknown factors.

The Challenge/Problem:

With rising costs and large capital projects on the horizon, the water utility service must remain with an appropriate balance of revenue to satisfy the ongoing requirements and maintain a policy driven fund balance.

Stakeholders:

- Sweet Home Residents – Residents of Sweet Home will be impacted by these rate adjustments if approved as recommended.
- Sweet Home Employers – Commercial businesses will be impacted by these rate adjustments if approved as recommended.
- Sweet Home City Council – There is no direct impact to City Council
- Sweet Home City Staff – There is no direct impact to City Staff

Issues and Financial Impacts:

With rising costs and large capital projects on the horizon, the water utility service must remain with an appropriate balance of revenue to satisfy the ongoing requirements and maintain a policy driven fund balance.

Elements of a Stable Solution:

Moderate increases on a regular yearly basis will help in continuing to maintain a health fund balance. Rate adjustments in future years will be mainly based on the outcome of completing financing for major capital projects set to take place over the next couple of years.

Options:

1. Do Nothing – Authorize no Water Drainage Utility Services fee increase.
2. Adopt Resolution No. 28 for 2023 as currently proposed – Adoption of the resolution authorizes staff to raise water utility services as recommended.
3. Adopt Resolution No. 28 for 2023 with Changes – Adoption of the resolution with specified changes would authorize staff to adjust water utility rates with adjusted changes.
4. Direct Staff to research other options – Direct staff to research other ways to not impact the water utility fee.

Recommendation:

Staff recommends option 2: Adopt Resolution No. 28 for 2023 as currently proposed – Adoption of the resolution authorizes staff to raise water utility rate services.