

TO: Public Works Committee  
FROM: Patrick Soderberg, Program Manager  
DATE: February 6, 2025  
SUBJECT: Cost of Service Utility Rate Model Report

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1) Recommended Action:

No action required, informational only.

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2) Background:

In 2023, the City contracted with Carollo Engineers to perform a cost-of-service project that involved the development of a utility rate model for our drinking water program. The model can evaluate our current cost of service, future cost projections, and can evaluate rate designs for different customer types and usage.

Carollo Engineer staff will discuss our current (2025) rates, demonstrate the functionality of the financial model and how it can be used by the City, and provide an overview of the affordability of the City's water rates.

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3) Policy Support:

Build a Community Recognized for Quality, Compassion, and Humanity

Develop innovative partnerships and strategies with community human and social services organizations to improve service.

Be a Leader in Environmental Health and Sustainability

Continue to ensure ample drinking water supply and support water reuse opportunities.

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4) Alternatives:

Not applicable – informational briefing only.

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5) Fiscal Notes:

This project is complete. The total project cost \$110,665.37 was funded by the Water Utility.

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6) Attachments:

No attachments.