



CITY COUNCIL AGENDA ITEM BRIEFING SHEET

Meeting Date: September 22, 2026	Department: Admin	Presented By: Michelle Guelker
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AGENDA ITEM

Discussion/Action:

To discuss and approve an amended utility fee ordinance for Fiscal Year 2026-2027, establishing utility rates and fees effective October 1, 2026.

BACKGROUND:

In August 2023, NewGen Strategies and Solutions presented a multi-year utility rate plan designed to maintain the financial stability of the Water Fund while allowing the Wastewater Fund to become financially independent of the Water Fund.

Year 1 of the plan was implemented in FY 2023-2024 and included increases to residential and commercial wastewater rates and the establishment of a multi-family wastewater rate. The establishment of the multi-family rate allowed the Wastewater Fund to become financially independent within two years rather than the originally projected three years.

The proposed FY 2026-27 ordinance updates several utility rates and fees. Changes include increases to residential, senior, outside-city, rental, and commercial utility deposits; increases to water volumetric charges for residential, senior, commercial, and irrigation customers; an increase to the construction water meter (fire hydrant meter) deposit; and updated costs for 3/4-inch and 1-inch water meters. Water base rates and wastewater rates remain unchanged.

For a standard residential customer, the proposed volumetric rates are:

- 0–9,000 gallons: \$4.13 per 1,000 gallons
- 9,000–20,000 gallons: \$5.17 per 1,000 gallons
- 20,001–40,000 gallons: \$6.44 per 1,000 gallons
- Over 40,000 gallons: \$8.20 per 1,000 gallons

The proposed deposit changes increase residential and senior deposits from \$100 to \$150; residential outside-city, residential rental, and commercial deposits from \$200 to \$250. The construction water meter deposit increases from \$2,300 to \$2,700.

The updated meter costs reflect current equipment pricing, with the total cost of a 3/4-inch meter and radio increasing to \$652.63 and a 1-inch meter and radio increasing to \$800.64.

The amended utility rates and fees will become effective upon passage of the ordinance.

STAFF/BOARD/COMMISSION RECOMMENDATION:

Staff recommends approval of the ordinance as presented.

EXHIBITS:

Proposed Utility Fee Ordinance