



## Legislation Text

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**File #:** ORD 16-102, **Version:** 1

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Consideration of and action on an ordinance amending Section 106-25(b)(c) of the Code of Ordinances pertaining to water and sewer rates.

### Summary:

The City's water and sewer rates were last updated in September 2015. The financial forecast used as the basis for the most recent water and sewer rate study completed in 2015 included a series of five annual bond issues for water and sewer capital projects. The study concluded that implementation of a succession of rate increases beginning in fiscal year 2016 was the most prudent measure to accommodate funding for the long-term debt schedule. A five percent (5%) across the board rate increase in water and sewer rates was implemented in fiscal year 2016 and is again recommended for the Fiscal Year 2016-2017. The new rates are expected to generate sufficient revenues for the operational and capital needs of the Water and Sewer Fund in this new budget year. The impact of a five percent (5%) water and sewer rate increase on an average customer is as follows:

|  |                      |                       |
|--|----------------------|-----------------------|
| Minimum Residential/Commercial Usage             | 2,000 gallons/month  | \$1.14/month increase |
| Average Residential Usage                        | 5,657 gallons/month  | \$2.82/month increase |
| Average Residential Usage (summer peak) increase | 6,934 gallons/month  | \$3.41/month          |
| Average Commercial Usage increase                | 49,365 gallons/month | \$22.93/month         |
| Average Commercial Usage (summer peak) increase  | 50,995 gallons/month | \$23.68/month         |

As stated in the attached ordinance, the new rates would be effective for all water passing through the meter after November 1, 2016. Based on the individual billing cycles, the City will begin collecting revenues based on the new rates in January 2017.

### Fiscal/Budgetary Impact:

The water and sewer rates in the Fiscal Year 2016-2017 budget include a five percent (5%) rate increase.

Review and adopt the ordinance changing the City's Code of Ordinances for water and sewer rates.