



Legislation Text

File #: ORD 21-068, **Version:** 1

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 on September 15, 2020 for a five percent (5%) increase. This increase was based on an update to the 2019 water and sewer rate study conducted by NewGen Strategies & Solutions. The initial study indicated the best option was to implement a ten percent (10%) increase in fiscal year 2020 followed by a five percent (5%) increase in each of the next four years (fiscal years 2021 through 2024). The updated study, also conducted by NewGen Strategies & Solutions, confirmed the recommendations in the original study. Pursuant to these recommendations, the proposed budget for Fiscal Year 2021-2022 includes a five percent (5%) across the board rate increase. The new rates are expected to generate sufficient revenues for the operational and capital needs of the Water and Sewer Fund in the upcoming 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 galk \$1.44 / month increase

	<u>Gallons/month</u>	<u>Increase/month</u>
Average Residential Usage	4,761	\$ 2.76
Average Residential Usage (summer peak)	5,114	\$ 2.97
Average Commercial Usage	35,712	\$ 20.71
Average Commercial Usage (summer peak)	38,138	\$ 22.12

As stated in the attached ordinance, the new rates would be effective for all water passing through the meter after October 1, 2021. Based on the individual billing cycles, the City will begin collecting revenues based on the new rates in December 2021.

Fiscal/Budgetary Impact:

The water and sewer rates in the Fiscal Year 2021-2022 budget include a 5 percent (5%) rate increase.

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