

## COUNCIL ACTION FORM

**SUBJECT: STORM SEWER RATE ADJUSTMENT**

**BACKGROUND:**

On March 15, 2011, staff presented Council with an overview of the water, sewer, and storm sewer funds. At the end of the presentation, Council directed staff to prepare a rate increase ordinance that would increase storm sewer rates for all customers by 15 percent.

The rate increase was to be effective for utility bills mailed on and after July 1, 2011. The attached ordinance accomplishes the Council's direction and is ready for Council approval.

**ALTERNATIVES:**

1. Approve the attached rate ordinance on first reading, thereby increasing the storm sewer rate by 15 percent effective for utility bills mailed on or after July 1, 2011. This alternative will increase the monthly storm sewer utility fee from \$3.00 per utility account to \$3.45 per utility account.
2. Direct staff to make modifications to the attached rate ordinance.
3. Do not take any action to adjust storm sewer rates at this time.

**MANAGER'S RECOMMENDED ACTION:**

The proposed rate increase is necessary to fund the on-going operations and maintenance budget plus scheduled capital improvement projects. **It should be noted that City Council also approved moving forward with a new, impervious-based billing system to be implemented by July 1, 2012. City staff will work to notify property owners of the impact of the new impervious based system during the Fall of 2011, and will bring back a proposed ordinance to the City Council for approval in the Spring of 2011.**

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the attached rate ordinance, increasing the storm sewer rate by 15 percent effective for utility bills mailed on or after July 1, 2011. This increase will be based on the current per utility account basis.