

Staff Report

FY 2024/25 SANITARY SEWER RATES

March 26, 2024

BACKGROUND:

Each year as part of the annual budget process, staff updates a model for the Water and Sewer Funds that reflects current and projected operating and capital expenses over the next ten years, and the resulting annual ending fund balances in each of the two separate funds. This model is used to establish a long-range pattern of rate increases that will fully finance these self-funded enterprise utilities, including an operating reserve that is slowly being increased to a target equal to 25% of the annual operating budget.

During the development of the FY 2024/25 budget, staff determined that a seven percent (7%) increase to sewer rates would be needed, effective July 1, 2024. While the need for an increase was shared with Council during the budget presentations, no formal action has yet been taken by Council to adjust these rates.

Staff will present a summary of the fund balance analysis in a format that is very similar to what has been used in prior years. Highlights from the attached slides will be shared at the Council meeting in a brief presentation. The presentation is informational only at this time. An ordinance to adjust the sewer rate by seven percent will be placed on the April 9 agenda for first reading and a public hearing.

ATTACHMENT(S):

[Council handouts 2024-03-26.pdf](#)