



Legislation Text

File #: 2015-2384, **Version:** 2

Consider an ordinance amending Chapter 44, Sections 44-32 and 44-34, Code of Ordinances (2010 Edition), regarding water and sewer service rates for wholesale customers. (Second Reading)

Approximately every three years, the City conducts a Utility Rate Study to determine what the water and wastewater rates need to be set at in order for the City to receive the necessary revenue in order to operate and maintain the water and wastewater utility system. This study helps determine the charges and rates for all City utility customers to ensure that all customer classes are charged fairly based on the cost of providing service. This study will also help keep the issuance of debt to a minimum.

The Utility Rate Study was last updated in March 2013. This study indicated that the retail rates for 2014 could remain unchanged, but the 2015 rates would increase by 3% for water and 2% for wastewater. In addition, the 2016 retail rates could also increase by 3% for water and 3% for wastewater.

In addition, the Utility Rate Study was conducted to determine the appropriate rates to cover the cost of service for the City's wholesale customers. In June 2013, Council approved a wholesale rate increase. However, in November 2013, staff recommended to the Council to retract these rates to allow the City to take another look at the rates for our wholesale customers.

In May of 2014, after conducting a Request for Qualifications process, the City Council awarded a Professional Consulting Services Agreement to Raftelis Financial Consultants, Inc. for a Water and Wastewater Utility Rate Study. The study determined what the water and wastewater charges and rates needed to be for all City utility customers. This will ensure that all customer classes are being charged fairly based on the cost of the providing service in order to sufficiently maintain operations as a self-funded utility.

This proposed ordinance amendment is for the wholesale water and wastewater rates for the next three years. These rates would go into effect October 2015, October 2016, and October 2017.

Staff recommends approval.