

Staff Report
Ordinance O-50-15
Sewer Rates

The City Council adopted legislation on July 27, 2015 that increased water and sewer rates via Ordinance 26-15. Included in that legislation was the following language:

- Prior to June 30 each year, the City shall complete a cost of service rate study and report the results to the Council. If the rate study indicates an increase of rates is necessary to cover the cost of service, and the increase is less than five percent, the rate increase will automatically occur and no council action will be required. If the necessary rate increase is five percent or greater, the Council shall be required to act affirmatively by establishing and adopting a rate increase prior to the start of each fiscal year. (Section 16.16.010 A.1.b)
- For the purposes of this Section, "water consumption" is determined by the actual water consumption in each quarter. An annual two percent rate increase shall be in effect from July 1, 2015 until June 30, 2018 for sewer charges set forth in this chapter. (Section 16.16.010 A.2)

Currently, this legislation allows the City to automatically increase rates up to five percent if necessary to cover the cost of service, and increase rates by two percent annually until June 30, 2018. The intent of the legislation was to do one or the other, not both simultaneously.

Ordinance 50-15 removes section 16.16.010 A.2 as Ordinance 26-15 was intended to do.

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