

CITY OF MITCHELL

City Council Meeting
Agenda Item Request



The deadline for agenda items is Wednesday at noon, prior to the City Council Meeting

Meeting Date Requested: Requested By:

Desired Action of City Council: Authorization Approval Resolution
 Ordinance Citizen Request Discussion

Amount Budgeted in current fiscal year for this item (if applicable):

Agenda Item:

Explanation/Background of Agenda Item Requested:

The enclosed resolution would implement water and sewer rate increases to fund upcoming infrastructure investments. The increases would be stepped into two increase, with one effective in 2020 and the second increase effective in May 2021.

Capital Projects
The proposed rate increases would be used to cover debt service costs to finance several projects that were identified on the City's water & sewer facility plans. These projects will replace aging infrastructure as well as additional infrastructure that is needed as the community continues to grow.

Water Rate:
The resolution would increase the base rate for water by \$.97 and the unit rate by \$.25 for Water in September of 2020. This increase would result in an average monthly increase of \$2.33/month for a 4,000 gallon user or \$27.72/year. The second proposed increase in May of 2021 would increase the base fee by \$3.24 and would not increase the unit rate. The second increase would result in an average monthly increase of \$3.24/month with an annual cost of \$28.88/year. The total cost increase to the user from the current rate to the May 2021 rate would be \$5.55/month or \$66.60/year for a 4,000 gallon user.

Sewer Rate:
The resolution would increase the base rate for sewer by \$2.55 and the unit rate by \$.16 effective September 1, 2020. This would result in an a month increase of \$3.41 or \$40.89 annually for a 4,000 gallon user. The second proposed increase in May of 2021 would increase the base fee by \$6.71/month and would not increase the base rate. This would result in a monthly cost increase of \$6.71 or \$80.52/year. The total cost increase to the user from the current rate to the May 2021 rate would be \$10.12/month or \$121.41/year for a 4,000 gallon user.

Rate Comparisons to other First Class Municipalities

CITY OF MITCHELL

City Council Meeting
Agenda Item Request



The deadline for agenda items is Wednesday at noon, prior to the City Council Meeting

These rate increases would put the city at the middle for comparison of the combined rate costs of other first class municipalities (compared to their 2019 rates).

Historical Rate Increases

Included in the packet is a listing of the historical rate increases for both water & sewer since September 1993.