



## Kalama City Council - Council Agenda Item Information Form

**Meeting Date:** November 5, 2014

**Prepared by:** Coni McMaster, Clerk/Treasurer

**Subject:** Revenue Public Hearing – Utility Rate Increases

**Summary:** The water/sewer operating budget is extremely lean and the costs of operating both systems have been increasing steadily with inflation and the cost of living. The public works department has been working shorthanded for a long period of time and is in desperate need of at least one additional full-time position. Water rates have not been increased since 2010 and sewer was increased in 2012 to meet debt service, but not for operations. I want to propose rate increases for operating revenue for 2015. While we want to see the information from the Rate Study, I don't believe that we can wait to implement a rate increase until that is completed. The Study will provide additional information for additional increases which will be necessary. This increase is to be a starting point to cover the costs of doing business. Recommendation for a rate increase is around 5 percent and will include an increase to the charge based on consumption which means the percentage of increase will vary depending on a customer's usage. More information will be presented at the hearing.

<b>WATER/SEWER RATE INCREASE</b>			
PROPOSING TO INCREASE WATER .20 PER 100 CUBIC FEET			
PROPOSING TO INCREASE SEWER \$1 TO BASE FEE PLUS .50 PER 100 CUBIC FEET			
		2 person household 600 cubic ft per month	Family of 4 Household 1000 cubic ft per month
Current bill :	Water	\$19.70	Current bill : Water \$ 26.50
	Sewer	\$70.50	Sewer \$ 92.50
	Taxes	<u>\$ 5.41</u>	Taxes <u>\$ 7.14</u>
	<b>Total</b>	<b>\$95.61</b>	<b>Total \$126.14</b>
Proposed:	Water	\$ 20.90	Proposed: Water \$ 28.50
	Sewer	\$ 74.50	Sewer \$ 98.50
	Taxes	<u>\$ 5.72</u>	Taxes <u>\$ 7.62</u>
	<b>Total</b>	<b>\$101.12</b>	<b>Total \$134.62</b>
Total Increase – Monthly		\$ 5.51	Total Increase – Monthly \$ 8.48
Annual		\$66.12	Annual \$101.76
Percentage of Increase		5.8%	Percentage of Increase 6.7%