



MEETING OF JANUARY 3, 2023

TO: Mayor Jordan and City Council
THRU: Susan Norton, Chief of Staff
FROM: Timothy Nyander, Utilities Director
Paul Becker, Chief Financial Officer
DATE: December 15, 2022
SUBJECT: DEFER WATER AND SEWER RATE INCREASES FOR 2023

RECOMMENDATION:

AN ORDINANCE TO AMEND § 51.136(A)(2), § 51.136(B)(2), § 51.136(C)(2), § 51.137(A)(2), § 51.137(B)(2), AND § 51.137(E)(3) OF THE FAYETTEVILLE CITY CODE TO DEFER WATER AND SEWER RATE INCREASES FOR 2023 UNTIL AFTER THE ADOPTION OF A NEW RATE STUDY, AND TO DECLARE AN EMERGENCY

BACKGROUND:

An automatic 3% annual cost increase in water and sewer rates is required by the current Water and Sewer Rate Ordinance. The City Administration, through the Water and Sewer Committee, is currently working on a new Water and Sewer Rate Study which is being conducted by Black and Veatch consultants.

DISCUSSION:

Although the rate study has not yet been finalized, it is anticipated that recommendations will be brought to the City Council in the spring of 2023 for consideration. The automatic annual increase and rate study recommendations would result in two separate rate changes in a short time period on City utility system water and sewer customers. Therefore, to avoid confusion and multiple financial adjustments, it is recommended that the annual 3% cost adjustment for January 2023 be waived. Water and Sewer rates would then be changed later in 2023 in accordance with the new study as adopted by the City Council.

BUDGET/STAFF IMPACT:

This request would maintain water and sewer revenue at current levels in 2023 until new water and sewer rates are adopted and become effective.

ATTACHMENTS: 2022-266 SRF WS Rate Increase Waive, ORD AMEND SECTIONS 51.136 AND 51.137 TO DELAY RATE INCREASES FOR 2023

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