

BOARD OF ALDERMEN

ITEM NO. D(3)

AGENDA ITEM ABSTRACT

MEETING DATE: May 15, 2007

SUBJECT: Presentation on Proposed Water and Sewer Rate Increases under Consideration by the OWASA Board of Directors

DEPARTMENT: MANAGER'S OFFICE	PUBLIC HEARING: NO
ATTACHMENTS: A - Resolution B - 5/8 Letter from Mac Clarke, including report on proposed rate / structure changes	FOR INFORMATION CONTACT: Ed Kerwin, Executive Director, OWASA

PURPOSE

The purpose of this agenda item is for OWASA officials to give a more detailed explanation of the proposed water and sewer rate increases as well as changes in the rate structure which are being considered by the OWASA Board of Directors.

INFORMATION

Monthly water rates for *all* customers are proposed to increase by 6.25% and monthly sewer rates by 13.75%. The effect on individual customers will vary depending on their water and sewer use patterns.

The Board of Directors is also considering an increasing block water rate structure for individually metered residential customers as well as a sewer billing cap of 15,000 gallons per month on the assumption that residential use exceeding that amount is likely to result from outdoor water use that does not result in discharge into the OWASA wastewater system.

FISCAL IMPACT

The increased water and sewer rates will effect the Town's water and sewer bills.

RECOMMENDATION

Town staff recommends that the Board of Aldermen accept this report from OWASA officials.