



October 7, 2024

To: Sam Anselm, City Administrator

From: Earlene Rich, Finance Director

Re: Utility Rates – Effective January 1, 2025

Executive Summary

The Finance Department, with the support of the Utility Department, recommends increasing the utility rates effective January 1, 2025.

Discussion

Municipally owned utilities are funded by ratepayer charges and are not subsidized by tax revenues. Therefore, rates set for use of the utility should generate adequate annual revenue to pay the costs of operation, maintenance, replacement of existing infrastructure, reserves for future capital needs, and required debt obligations. The proposed utility rate increases were reviewed by Council during a work session on September 23 with discussion and comments addressed at that time.

The utility rates currently in effect were set at the beginning of the current fiscal year: January 1, 2024.

If utility rates are not approved, the current operating plan and capital improvement plan for the related utility will need to be revised. Operations will be impacted, but the extent of the impact would depend on the level of funding approved through rate increases.

Fiscal Impact

Recommended rate increases will be sufficient to fund current levels of operations and provide for necessary investment in utility infrastructure.

BILL NO. 4781

ORDINANCE NO. _____

AN ORDINANCE INCREASING WATER RATES FOR CUSTOMERS OF THE CITY OF WEST PLAINS, MISSOURI.

WHEREAS, the City of West Plains has been providing water services to its citizens and charging a user fee therefor; and

WHEREAS, the current fee schedule was last revised in January 2024; and

WHEREAS, the City Council of West Plains desires to maintain user fees where revenues will cover operating expenses, overhead expense, and normal replacement costs; and

WHEREAS, the cost of providing water services to utility customers of the City of West Plains, Missouri, has continued to increase; and

WHEREAS, the City Council, in order to offset the increased costs, deems it necessary to increase the present rates to its customers; and

WHEREAS, the City of West Plains, Missouri has determined that fair and reasonable rates for water services are set forth in Sections 1, 2, and 3.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WEST PLAINS, MISSOURI AS FOLLOWS:

Section 1: That the City Council of the City of West Plains, Missouri does hereby authorize and ratify the increase of user fees, a true copy of said user fees being attached hereto and made a part of here as EXHIBIT A.

Section 2: That the minimum water rate shall continue to be charged to customers on the basis of water meter presence.

Section 3: That this Ordinance shall be in full force and effect from and after the date of its passage and approval with rates reflected on the January 2025 bill.

PASSED AND APPROVED THIS ____ DAY OF NOVEMBER 2024.

CITY OF WEST PLAINS, MISSOURI

BY: _____
MAYOR MICHAEL TOPLIFF

ATTEST:

CITY CLERK KELLIE MAYERS

EXHIBIT A

Water Rates		
	2024	2025
<u>Facility Charge (Treatment and Delivery)</u>		
<1"	\$ 15.69	\$ 16.16
1"-≤ 2"	\$ 32.68	\$ 33.66
>2"-4"≤	\$ 81.66	\$ 84.11
4">	\$ 237.48	\$ 244.60
<u>Usage Per 1,000 Gallon</u>		
>1,000	\$ 3.51	\$ 3.62
<u>Primacy Fee (MoDNR Mandate)</u>		
2025 Rates can be updated by MoDNR		
<1"	\$ 0.44	\$ 0.44
1"-≤ 2"	\$ 1.75	\$ 1.75
>2"-4"≤	\$ 8.50	\$ 8.50
4">	\$ 16.50	\$ 16.50