

08/12/2024

A quick statement regarding the sewer rate increases.

In May as we were preparing the budget for the next year, it became apparent that our sewer budget was considerably underfunded. Multiple reasons were pointed out to us as to the cause of this issue. Included in that list were bond and loan payments to pay for a nearly 2.5-million-dollar sewer project that had to be undertaken to return the city to compliance with state regulations, that project resulted in two new larger lift stations and several thousand feet of new sewer mains to carry the increased flow from those stations to the treatment plant. The addition of approximately 200 new homes in the past three years has also put an increased strain on the remaining infrastructure, namely on pumps in the smaller lift stations which are an integral part of the system. These pumps have been seeing an increase in failures due to the introduction of items into our system which cause damage to them. Those items include things like wet wipes, disposable diapers, feminine hygiene items, clothing items etc. The costs of these pumps have increased greatly due to the inflation rates that we are experiencing currently. Another issue is the age of the system, which was installed 30 years ago and is experiencing typical age-related issues. These are not all the issues facing our city but are given to show the cause of our need for rate increases.

For the past few years, the city has implemented 3% rate increases yearly to try and offset our increasing costs, but inflation has outpaced our income.

In our research on how best to make up for these shortfalls we made the decision to implement an operational and maintenance fee based on water usage. This is a use-based rate which is directly proportional to the amount of water used, because traditionally the more water you use the more outflow you have. Unfortunately, we have no way to estimate the amount of water used for everyday household use and the water used for lawn watering and swimming pools. We just don't have the ability to do it.

The O&M fee was originally set to be billed earlier but due to issues with implementation moved it out a month. This regrettably caused it to appear on the same bill with our yearly water and sewer increases and a rate increase from our solid waste provider creating a lot of confusion due to substantial bill increases.

We as a board are also users and as such were affected by the same increases as all our citizens. We realize that we have work to do to fix it, and have it included on tonight's agenda to get corrected. We understand that people are upset and frustrated, as are we, and we are working on adjusting the rates to be lower but still providing sufficient funds to operate our sewer system effectively. Please bear with us so that we can get this fixed and still provide a very necessary service for our customers.

Thank you,

*Charles Wilkins*

Charles Wilkins  
Mayor