

**Metropolitan Domestic Water Improvement District
Board of Directors**

March 13, 2023

**Discussion of Proposed Rate and Fees Adjustments for
Fiscal Years 2024, 2025, and 2026 and Scheduling a Public Hearing**

Synopsis

The Board of Directors is requested to discuss the proposed changes to the rate schedules for Fiscal Years 2024, 2025, and 2026. If the Board concurs, a public hearing will be held to consider these adjustments.

Proposed Adjustment of Rates & Fees Overview

The revenue generated by the proposed rates has been included in the requested budget for Fiscal Year 2024. With higher-than-normal inflation, and increased water costs, the cost of providing water to our customers has increased.

The proposed rate changes for Fiscal Year 2024 include an increase in the water availability rate and water consumption charges in all service areas. In Fiscal Year 2025, the tier rate structure would change, including a change to include 2,000 gallons in the water availability rate. The water resources utilization fee would increase in Fiscal Year 2024 and Fiscal Year 2025 by \$0.15 each year. The bulk water rate would increase in Fiscal Year 2024 from \$4.80 per 1,000 gallons to \$4.95 per 1,000 gallons and in Fiscal Year 2025 to \$5.10 per 1,000 gallons. In Fiscal Year 2026, staff are not recommending any adjustments to the District's rates or fees.

With the water availability rate change, the monthly cost of a second meter will increase. Meter testing fees will be \$150 for 5/8" to 1" meters, \$205 for 1½ " to 2" meters, and \$1,200 for all meters larger than 2". The private fire service line monthly fee will be increasing for all meter sizes with a 5/8" meter costing \$17.62 per month.

The Backflow fee would increase from \$110 to \$135 per devise and the inspection fee would increase from \$155 to \$200 based upon 2 hour of time per inspection. Plan Review Fees would increase in both Fiscal Year 2024 and 2025.

Scheduling a Public Hearing

It is recommended that the Board of Directors discuss with staff the proposed rate and fee adjustments and recommend any modification that should be included.

It is also recommended that the Board schedule a rate hearing for Monday, May 15, 2023, at 5:30 p.m. At the rate hearing, the Board will discuss and adopt the rate and fee adjustments as presented by staff for Fiscal Years 2024, 2025, and 2026.

Recommended Motion

I move to schedule a public hearing for May 15, 2023, at 5:30 p.m. for the purpose of discussing and possible adoption of the adjustments to the District's water rates and fees for Fiscal Years 2024, 2025, and 2026.

Respectfully submitted,

Diane Bracken, M.Adm.
Chief Financial Officer

I concur with the recommendation.
Respectfully submitted,

Joseph Olsen, P.E.
General Manager