



MEMO TO: Mayor Vandernail and the Board of Trustees
FROM: Lucas C. Seffens, Utilities Superintendent
DATE: 5-3-2023
SUBJECT: Water, Sewer Rates and Impact Fee Study

SUBJECT: Authorize the Town Manager to sign the proposal from Raftelis to create rate structure recommendations for the Town's water, sewer rates and impact fees.

DEPARTMENT: Public Works

PRESENTER/PREPARER: Lucas C. Seffens, Water Utilities Superintendent

FISCAL INFORMATION:

Cost as Recommended: \$53,375

Balance Available: \$90,000

Funds:

\$45,000 from account 55-40-330 Engineering Fees (wastewater fund)

\$45,000 from account 50-40-330 Engineering Fees (water fund)

New Appropriation Required: No

REQUESTED ACTION: Authorize the Town Manager to sign contracts with Raftelis for Water & Sewer Rates and Impact Fee studies and expend budgeted funds from Water Engineering Fees (50-40-330) and Wastewater Engineering Fees (55-40-330), not to exceed \$90,000.

SUMMARY AND BACKGROUND OF SUBJECT MATTER: A review and adjustment to the Town's water and sewer rates was recommended by town staff in 2022. The 2023

budget directed \$90,000 to be used for a Water and Sewer Rate Study.

Adjustments to our water and wastewater rates are recommended by town staff due to the continued increase in customers, aging infrastructure, the rising costs of materials and services, and proper budgeting for planned Capital Infrastructure Projects. To provide transparency and objectivity in rate adjustments, best practice is to conduct a study and provide recommendations for potential rate structures. Once the study is completed, the consultants would submit their recommendations to the Town, so the Board of Trustees may have the information needed to approve and set new rates.

Town staff posted a Request for Proposals on the 17th of March, 2023. Two bids were submitted to the Town on the 14th of April, 2023. After being reviewed by town staff, Raftelis was selected as the most qualified candidate to conduct the study.

Scope of Work:

Project Management and Meetings	\$8,090
Customer Usage Analysis	\$6,030
Water/Wastewater Plant Development Fees	\$7,785
10-year Financial Plan	\$9,765
Water and Wastewater Cost of Service	\$7,785
Rate Design	\$7,665
Board Presentations and Reports	\$6,255
<hr/>	
Total	\$53,375

PROJECT SCHEDULE:

Notice of Award May 4, 2023
Completed By July 19, 2023

STAFF RECOMMENDATION: Adopt the REQUESTED ACTION as a motion.