



**GARDINER CITY COUNCIL
AGENDA ITEM INFORMATION SHEET**



Meeting Date	11/15/2023	Department	Wastewater
Agenda Item	4g. Advise and consent to an increase to the minimum Sewer Rate		
Est. Cost			

Background Information	Please see the attached Powerpoint presentation presented at the November 1, 2023 meeting of City Council.		

Requested Action	"I move to approve a 30% increase to the minimum sewer rate effective for the January 2024 billing"
City Manager and/or Finance Review	City Manager Approves this action
Council Vote/ Action Taken	
Departmental Follow-Up	

City Clerk Use Only	1 st Reading _____	Advertised _____	EFFECTIVE DATE _____
	2 nd Reading _____	Advertised _____ w/in 15 Days	
	Final to Dept _____	Updated Book _____	Online _____

Why?

Over the last several years, the City has maintained steady, minimal, sewer rate increases; which funded normal annual operating cost increases, and to plan for the WasteWater Treatment Plant Upgrades.

However, the fund balance has been depleted, leaving no room for unanticipated costs; as well as funding for the second phase of the upgrade.

- There have been 4% increases in the last 5 fiscal years
- It required half of those increases (10%) to pay for the added \$133K annual debt on Phase I of the Plant Upgrade
- It will require an additional 5% increase if we fund Phase II of the Plant Upgrade

Where we thought we would be...

FY24 Proposed Budget	1,914,707
June 30, 2022 Unassigned Fund Balance	381,783
Fund Balance Percent of Proposed Budget	20%
Proposed use of Fund Balance to offset FY24 Budget	(100,000)
Remaining Fund Balance	281,783.00
Percent of Proposed Budget	15%


Where we are:

\$140,000



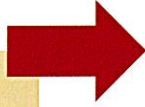
Electricity, chemical price surge, and major increase in sludge disposal

\$90,000



South Gardiner manhole replacements, manhole adjustments, and several residential sewer issues

\$70,000



Less Revenue

FY23 added expenses and less revenue resulted in the use of \$300K in Fund Balance leaving a balance of \$74K.



Proposed Increase

30% Increase (minimum only)
Adds \$200K/Year

Things to Consider

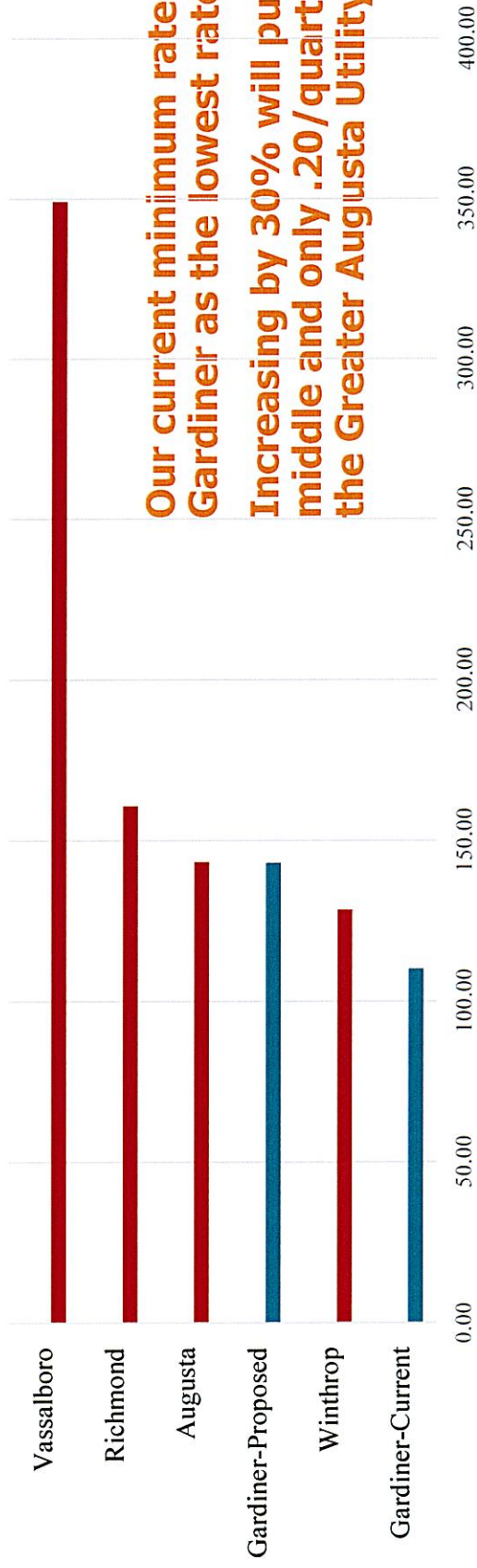
- Increase to Wages & Benefits
- Anticipated increase in Chemical usage
- Potential for an added \$75K in debt for Phase II Plant Upgrade
- The Fund Balance should be built up
 - Annual \$2M budget - recommended fund balance of 15% (\$300K)

What this means to the user:

Quarterly minimum \$143.11
Annual minimum cost \$572.42
adds \$33.02/quarter
adds \$143.11/year

**** Approved by WasteWater Advisory Committee on 9/27/23 ****

How do our rates compare?



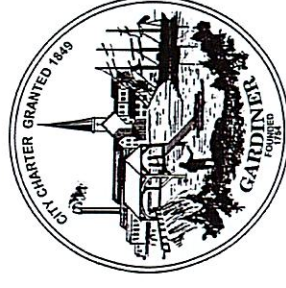
Nov. 15

- Public Hearing on Proposed Rate Increase
- Discussion on Phase II WW Plant Upgrades
- Council Vote on Proposed Rate Increase

Dec. 6

- Council Vote on Phase II WW Plant Upgrades

Next Steps



Questions or comments can be directed to Doug Clark, WasteWater Director via email: dclark@gardinermaine.com or by calling 582-1351