

Ordinance

City of Portland, Tennessee

No. 22 - 77

Second Reading

AN ORDINANCE AUTHORIZING A RATE INCREASE FOR WATER AND SEWER RATES FOR USAGES BEGINNING JANUARY 1, 2023

WHEREAS, the City of Portland deems it necessary to impose a rate increase on water and sewer; and

WHEREAS, the rate study performed by *Rate Studies* recommends a flat rate increase of 10% for water & sewer across all rate structures effective January 1, 2023, a flat rate increase of 10% for water & sewer across all rate structures effective July 1, 2023, a flat rate increase of 5% for water & sewer across all rate structures effective July 1, 2024 and an additional 3% increase effective July 1, 2025 and each subsequent Fiscal Year thereafter; and

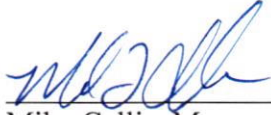
WHEREAS, based on the review of the information provided by *Rate Studies*, the timing of potential projects, future grant submittals, net position calculation, and depreciation cost leading up to 2026, new rate structures are needed. Due to increased operational cost for outside city infrastructure such as fuel, increased over-time for extended response times, end of line flushing, aging service lines and equipment, outside city rates will have an additional increase. The following new rate schedule is as follows: January 1, 2023 10% increase for outside-city residential sewer rates; January 1, 2023 20% increase for outside-city commercial/industrial sewer rates; January 1, 2023 12% increase for outside-city water rates; January 1, 2023 10% increase for inside-city water & sewer rates; January 1, 2024 10% increase for water & sewer across all rate structures; January 1, 2025 5% increase for water & sewer across all rate structures; July 1, 2026 2.5% increase for water & sewer across all rate structures and each subsequent Fiscal Year thereafter for a period of 5 years based on the Consumer Price Index adjustment (CPI 2000-2022 avg 2.5%) and may be adjusted based on rate study information; and

WHEREAS, the City shall perform a rate study every 2 years beginning in December 2025 to review rates of the previous two Fiscal Years; and

WHEREAS, the cause for the increases are for coverage of normal increases in operating & material costs, Tennessee Department of Environment and Conservation (TDEC) mandated Consent Order requirements, and to make Capital Improvements to the Water and Sewer systems; and

NOW THERE, BE IT ORDAINED by the Mayor and Board of Alderman of the City of Portland that Water and Sewer rates shall be increased as stated above for usage beginning January 1, 2023; and

BE IT FURTHER ORDAINED, that the Ordinance shall become effective upon its passage, the public welfare requiring it.



Mike Callis, Mayor



Patricia Keen, City Recorder

Passed First Reading: November 7, 2022

Passed Second Reading: December 5, 2022