



September 3, 2026

DISCUSSION ITEM STAFF REPORT

ITEM 8.B. Review and Discussion of Potential Rate Increase

Recommendations:

1. Discuss potential rate increase; and
2. If the Board determines to move forward with the rate increase process, provide Direction to staff regarding a target rate to return for introduction of an ordinance.

Discussion:

At the August 6, 2026 Board meeting, the Board requested the opportunity to have further discussion of a rate increase.

The most recent rate increase was approved in January 2026. An increase of 32% for water and 36% for wastewater rates became effective in February. These combined adjustments resulted in an expected monthly increase of \$57 for residential customers and \$474 for hotels.

For the current budget, each 10% increase would raise approximately \$145,000 in total additional revenue.

If the Board determines a rate increase for FY2026-27 should be evaluated further, staff requests direction on the target level of increase.