



CITY OF BLAIR

MEMORANDUM

DATE: 9/22/26

MEMO TO: City Council and Mayor

FROM: CJ Heaton Deputy City Administrator of Public Works

RE: Water and Sewer Rates for FY 26 -17

SUMMARY: Staff discussed the need to reevaluate the current water and sewer rates during the budget process this past year. A budget shortfall is noted in the wastewater department and rising costs in both departments are a major concern.

PREVIOUS ACTION: Council had previously approved a 1.5% water rate increase that would go into effect each January. Council had also previously approved a 10% annual wastewater rate increase. Staff also has been working with our new Waterworth software to do a complete analysis of the rates.

BACKGROUND/DISCUSSION: Both the water and wastewater staff have been working diligently to keep costs down. However, rising operating costs, higher field rental for sludge disposal, and deferred maintenance have put us in a tight financial spot. Staff requests that the council consider moving up the implementation date of the previously approved rates to start on October 1, billable in November, and due December 1. This will better align with the fiscal year, and the planned spending for the department. We also anticipate working on a major rate study on both facilities to better capture our true costs and anticipated revenues. Staff feel that any major changes can be tailored to our higher and large volume users rather than the average household.

Attached are the proposed rate schedules and comparisons of other communities. Blair has historically had very low rates, which has its benefits, but comes at the cost of maintenance and facility improvements. For many years, the facilities and staff have made do with what they had and done a fantastic job doing so. Staff provides these other rates as an example of what is typical around the state. As you can see Blair continues to have lower-than-average rates, even with the proposed increases, in fact we are the lowest from the communities that provided their rates.

FINANCIAL IMPLICATIONS: Will help ensure that we meet our budgeted income expectations, with future rate changes likely in this fiscal year.

RECOMMENDATION: Approval of both the water and wastewater rates.

