



# City of Blaine Anoka County, Minnesota

Blaine City Hall  
10801 Town Sq Dr NE  
Blaine MN 55449

## Legislation Text

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### **WORKSHOP ITEM - Joe Huss, Finance Director**

## **2018 PROPOSED BUDGETS - WATER UTILITY FUND AND SANITARY SEWER UTILITY FUND**

At the October 12 Workshop, Council reviewed draft budgets for both the Water Utility Fund and the Sewer Utility Fund. A summary of that discussion follows:

### **Water Utility Fund**

- The focus in the City's water operations over the next five years will be to address infrastructure needs, particularly:
  - New water treatment plant
  - Wellhouse rehabilitation
  - Technology improvements
    - Radio/SCADA system
    - Security
    - AMR upgrades
- Most of the infrastructure will be financed through a debt issue
- New infrastructure will bring about increased operating costs
  - Staffing to operate new treatment plant
  - Debt service
  - Depreciation
  - Water treatment expenses (chemicals)
- Prompts the need for rate increase
  - 10¢/1,000 gallons annually
  - 80¢/month for average residential account

### **Sanitary Sewer Utility Fund**

- After years of operating gains, the sanitary sewer fund has been experiencing operating losses of ~\$350,000 since 2013
- Rates/fees had not kept pace with MCES disposal costs (60% of operating expenses)
- In 2016, implemented a program of rate increases
  - 2016 = rate increase of \$1.00/month

- 2017 = additional increase of \$1.00/month
- 2018 recommendation is \$1.00/ month (projected operating loss of \$176,000)
- \$1.00/month increases planned through 2021 (evaluated annually)

Staff will update Council on progress of the 2018 Proposed Utility Budgets in preparation for formal adoption at an upcoming Council meeting.

Upon discussion of the attached budgets and the programs supported by the proposed budgets, staff is seeking Council direction to either amend the budgets presented or request that they be brought forth as presented for adoption.