



CITY OF CARNATION

# UTILITY RATES

PRESENTED AT THE NOVEMBER 5, 2024  
REGULAR COUNCIL MEETING





# Timeline

**2021**

PANDEMIC RECOVERY  
PERIOD

**2023**

WATER AND SEWER UTILITY  
FUNDS SEGREGATED

**2025**

PROPOSED RATE INCREASE  
IMPLEMENTED

**2022**

STORMWATER UTILITY  
FUND FORMED

**2024**

RATE STUDY COMPLETED

**2026 AND BEYOND**

UTILITY FUNDS  
STABILIZE

# Water Fund: Four-Year Projection

Fund 401 - Water Operations - <b>NO</b> Increase	2024	2025	2026	2027	2028
Annual Water Sales Revenue	\$748,441	\$939,081	\$975,177	\$1,062,879	\$1,206,981
Total Maintenance Expenditures	\$1,323,674	\$1,225,269	\$1,272,507	\$1,321,685	\$1,372,889
Positive/Negative Balance	<b>\$ (575,233)</b>	<b>\$ (286,188)</b>	<b>\$ (297,329)</b>	<b>\$ (258,806)</b>	<b>\$ (165,907)</b>
Cumulative Shortfall	<b>\$ (575,233)</b>	<b>\$ (861,421)</b>	<b>\$ (1,158,751)</b>	<b>\$ (1,417,556)</b>	<b>\$ (1,583,464)</b>

Fund 401 - Water Operations - <b>WITH</b> Increase	2024	2025	2026	2027	2028
Annual Water Sales Revenue	\$748,441	\$1,136,288	\$1,224,699	\$1,382,937	\$1,622,866
Total Maintenance Expenditures	\$1,323,674	\$1,225,269	\$1,272,507	\$1,321,685	\$1,372,889
Positive/Negative Balance	<b>\$ (575,233)</b>	<b>\$ (88,981)</b>	<b>\$ (47,807)</b>	<b>\$ 61,252</b>	<b>\$ 249,977</b>

# Sewer Fund: Four-Year Projection

Fund 411 - Sewer Operations - <b>NO</b> Increase	2024	2025	2026	2027	2028
Annual Sewer Revenue	\$773,341	\$775,938	\$817,827	\$890,035	\$969,424
Total Maintenance Expenditures	\$1,511,704	\$1,450,708	\$1,506,345	\$1,565,374	\$1,495,920
Positive/Negative Balance	\$(738,363)	\$(674,769)	\$(688,518)	\$(675,339)	\$(526,495)
Cumulative Shortfall	\$(738,363)	\$(1,413,133)	\$(2,101,651)	\$(2,776,990)	\$(3,303,485)

Fund 411 - Sewer Operations - <b>WITH</b> Increase	2024	2025	2026	2027	2028
Annual Sewer Revenue	\$773,341	\$923,330	\$1,012,044	\$1,145,440	\$1,297,474
Total Maintenance Expenditures	\$1,511,704	\$1,452,155	\$1,508,253	\$1,567,883	\$1,499,142
Positive/Negative Balance	\$(738,363)	\$(528,825)	\$(496,209)	\$(422,443)	\$(201,668)

\*Positive Balance in Sewer Operations Fund Estimated in 2030

# Stormwater Fund: Four-Year Projection

Fund 409 - Stormwater Operations - <b>NO</b> Increase	2024	2025	2026	2027	2028
Annual Stormwater Revenue	\$163,410	\$165,570	\$173,346	\$186,522	\$200,922
Total Maintenance Expenditures	\$198,390	\$236,153	\$201,204	\$212,388	\$224,235
Positive/Negative Balance	\$(34,979)	\$(70,583)	\$(27,858)	\$(25,866)	\$(23,312)
Cumulative Shortfall	\$(34,979)	\$(105,562)	\$(133,420)	\$(159,286)	\$(182,598)

Fund 409 - Stormwater Operations - <b>WITH</b> Increase	2024	2025	2026	2027	2028
Annual Stormwater Revenue	\$163,410	\$172,193	\$187,168	\$208,358	\$231,668
Total Maintenance Expenditures	\$198,390	\$236,948	\$202,863	\$215,009	\$227,924
Positive/Negative Balance	\$(34,979)	\$(64,755)	\$(15,695)	\$(6,651)	\$3,744



## What is the City doing in response?

- Operational cost control
- Low-income discount Ordinance
- Considering increasing rates for utility customers outside of city limits.
- Adopting an Ordinance to keep up with inflation and avoid large increases in the future
- New development will fund debt payments, increasing available funds for operations and maintenance

