**Public Invite: Town Hall Meeting - Molalla Utility Rates**

DATE: Wednesday, November 5th

TIME: 7 pm

LOCATION: Molalla Adult Center

The Molalla City Council will be holding a Town Hall meeting on Wednesday November 4, 2015 to inform the community of needed increases for Sanitary Sewer and Water utility rates. Many residents or business owners may remember back in 2006 the City increased Sewer rates and then in 2009 the City increased Water rates. The former changes were the last rate increases for the City of Molalla. Following a 10 and 7 year hiatus from rate increases the City has examined the current rate structure and found that a 29.8% inflation rate has occurred since 2006 and current rates have not kept up with service costs or maintenance needs.

In 2006 the City hired Donovan Enterprises to conduct a rate study for sanitary sewer rates. This study suggested a rate increase in 2006 but also a rate increase in 2007. Rates were increased in September of 2006 but no increase occurred in 2007. In addition, the study suggested that the City revisit the rate study periodically in order to monitor inflation rates and the cost of providing service. The hope would have been that smaller incremental increases would be best for the consumer. However, after 10 years of no increase the City needs between a 27% and 35% increase in sanitary sewer rates to meet today’s service demands and requirements.

Similarly, the water rate has not kept up with service costs since the last increase in 2009. Donovan Enterprises provided the City with a rate structure indicating a need for increase of 6% in 2009 followed by incremental increases near 2% over the next 5 years. The first increase in 2009 was the only increase that took place. Today we are finding that with service increases as well as regulatory changes the City will need a 20% increase to keep up with service and capital needs.

Listing the percentages seems large and insurmountable for the customer, but the suggested sanitary sewer increase on average will be between $10.67 and $13.81 and the water increase will be $5.77 for the customer. Your City Council thought it best to schedule a Town Hall meeting to present these findings and discuss rate changes with you all prior to implementation.

Council is also committed to completing 5-year capital plans that will help map out service and capital needs over this 5-year cycle. Hopefully, this will help to eliminate long term breaks in examining utility rates. Please join us.