



**DATE:** August 29, 2024  
**TO:** Environmental Services Commission  
**FROM:** Lucy Liu, Director  
Scott Edwards, Deputy Director  
Matt Thurber, Assistant Director – Resource Management and Customer Service  
Scott Pickard, Acting Fiscal Manager  
**SUBJECT:** 2025-2026 Utilities Requested Budget and Rates – Update and Public Hearing

## **ACTION REQUIRED**

The Environmental Services Commission (ESC) will hold a Public Hearing on the Utilities Department requested 2025-2026 operating budget, 2025-2034 capital budget, and 2025-2026 rates.

## **BACKGROUND / ANALYSIS**

### ***Budget and Rates Review***

Between January and July, the ESC has reviewed in detail the Utilities Department requested 2025-2026 operating budget, 2025-2034 capital budget, and the rates necessary to support those budgets. At the time of preparing this report, the city is still in the process of developing the preliminary budget. When the process concludes, we will report to the Commission any material budget adjustments and corresponding rate impacts. Changes in the requested utility rates for 2025-2026 are not anticipated.

### ***Public Hearing***

On September 5, the ESC will accept public testimony on the requested 2025-2026 operating budget, 2025-2034 capital budget, and 2025-2026 rates prior to forwarding a formal ESC recommendation on the Utilities Department budget and rates for City Council consideration on September 24. As context for the Public Hearing, staff will provide a brief recap of the Utilities Department requested 2025-2026 operating budget, 2025-2034 capital budget, and 2025-2026 rates.

### ***Accomplishments and Goals***

On September 5, staff will also provide the ESC with a comprehensive notebook reflecting all operating and capital budget documents. This includes Utilities accomplishments for the 2023-2024 biennium and goals for the 2025-2026 biennium, which align with the department's requested budget.

## **NEXT STEPS**

Following are the remaining steps in the ESC's review of the requested Utilities 2025-2026 budget and rates:

Date	Approving Body	Topic
September 12	ESC	➤ ESC develops budget and rates recommendation to City Council

September 24	Council & ESC	<ul style="list-style-type: none"><li>➤ ESC Chair presents budget and rates recommendation to City Council</li><li>➤ City Council reviews City Manager’s Preliminary Budget, including Utilities proposal for rates, operating, and capital budgets</li></ul>
November	Council	<ul style="list-style-type: none"><li>➤ Anticipated budget adoption by City Council</li><li>➤ Anticipated utility rate ordinances adoption by City Council establishing water, sewer, and stormwater utility rates for 2025-2026</li></ul>

---