



# City of Strafford

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June 28, 2023

RE: New Utility Rate Structure to be considered

Dear Strafford Utility Customer,

In 2020, the City hired Cochran Engineering to study the City’s drinking water system and sewer collection system needs. These studies revealed some critical issues of the aging infrastructure and identified needed maintenance and improvements over the next 10-15 years as the system continues to age and as the city grows. The study also included a utility rate study to support current and future utility system needs.

Background - Utility rates have not been revised in over 10 years. The City has funded basic repairs and maintenance over these years. But as costs have increased, the City’s Utility Fund is now only capable of paying for short-term remedies to critical infrastructure needs which is neither practical nor responsible without having major concerns.

So, what is the solution? Over the last year, the Board of Aldermen reviewed the findings and recommendations of the engineering studies and considered utility rates that could pay for current and future needs. The Board considered several phase-in options to help ease the impact on our utility customers.

The rates to be considered are smaller step increases over a period of years, rather than bigger increases in one or two years. This is to balance Water and Sewer Systems needs and impacts to utility customers.

What might this mean to a residential user (EXAMPLES for comparison) – Several EXAMPLES are shown below to compare the resulting monthly cost based on the current rates as compared to how one’s monthly cost would look based on the proposed rates in step one of the phase-in (*examples do not include standard taxes and fees*):

Usage in gallons	Current Residential (Inside City Limits)		Proposed Residential (Inside City Limits)		Usage in gallons	Current Residential (Outside City Limits)		Proposed Residential (Outside City Limits)	
	Water	Sewer	Water	Sewer		Water	Sewer	Water	Sewer
2500	\$ 10.89	\$ 41.79	\$ 16.75	\$ 41.00	2500	\$ 12.58	\$ 47.78	\$ 20.25	\$ 45.00
3500	\$ 14.15	\$ 49.58	\$ 21.25	\$ 51.00	3500	\$ 16.33	\$ 56.71	\$ 25.75	\$ 57.00
5000	\$ 18.50	\$ 61.26	\$ 28.00	\$ 66.00	5000	\$ 21.28	\$ 70.11	\$ 34.00	\$ 75.00

What’s next? At a Regular Board of Aldermen meeting on **July 17, 2023**, there will be a presentation of utility information and a Public Hearing followed by the Board of Aldermen’s discussion of the proposed new Water and Sewer Utility Rate structure. The Public Hearing will allow an opportunity for citizens to speak and be heard. The proposed utility rate structure is available for viewing at City Hall between 8 am – 5 pm Monday through Friday and can also be viewed on the City’s website at [Straffordmo.net/Public Notices](http://Straffordmo.net/Public Notices).

Respectfully,

Martha E. Smartt  
 City Administrator