



STAFF REPORT

Board of Aldermen

AN ORDINANCE AMENDING APPENDIX A OF THE BRANSON MUNICIPAL CODE PERTAINING TO UTILITIES FEE SCHEDULE.

FIRST READING: OCTOBER 24, 2023

FINAL READING: NOVEMBER 14, 2023

Initiated By: Utilities

Approved By: *Cathy Stepp*

Financial Impact: Budgeted in the next year's budget

Community Plan 2030: EI-1: Utilities

FACTS:

This item provides for a public hearing and the first reading of a bill amending the City of Branson's monthly water and sewer rates.

Utilities has incorporated 2024 projected revenues and expenses into the department's water and sewer rate models. Rate adjustments are recommended for the fiscal year 2024 to maintain adequate revenue to fund operations and maintenance of the City's water treatment systems, wastewater treatment systems, water distribution systems, and sewer collection systems

Large infrastructure improvements requested by Utilities for 2024 will be funded through the City's tourism tax.

For the fiscal year, 2024 staff recommends a 3% residential water rate adjustment, a 12% commercial water rate adjustment, and a 6% sewer rate adjustment. These recommendations will sustainably fund operations of the utilities and maintain desired operating reserves.

With the proposed adjustments Branson's water and sewer rates will remain among the lowest in the state for residential customers and within a mid-range of comparison cities for commercial customers.

If approved, the proposed water and sewer rate adjustments outlined in the attached ordinance will become effective upon the first billing period in January 2024.

DETAILED ANALYSIS:

In 2015 the City of Branson implemented the current water and sewer rate adjustment plan used by the Utilities Department to fund operations and maintenance of the City's water and sewer treatment systems. The current plan has been a valuable tool in allowing the department to maintain necessary water and sewer revenues for operations and maintenance programs.

In 2011 the department began building an operating program base to ensure, to the best of our abilities, that the City's water and sewer systems would consistently meet state and federal regulations. A rate design consultant was contracted in 2011 to thoroughly review the City's water and sewer assets and determine where rates should be set to cover operational costs at that time.

Along with these improvements, employees also work in a progressive structure that provides for the growth and development of employees and supervisors. Safety programs have been implemented and enhanced safety features have been added to the department's chemical handling systems that reduce potential risks to residents of the community.

Since 2010 the water and sewer treatment facilities have been in constant compliance with state regulations. Sanitary sewer spills, which used to be frequent, have been reduced by approximately 75% as maintenance of the sewer collection system, and 38 sewer pumping stations, have improved.

Each year the Utilities Department compares a list of between 80 and 90 public entities for comparison of water and sewer costs to customers. With the rate increases being considered Branson's water and sewer rates will remain among the lowest in the state of Missouri for residential customers largely in part because of the availability of Tourism Tax that is used for necessary infrastructure improvements. Branson's tourism base also provides substantial revenues through commercial rates. Approximately 75 percent of the water used in Branson goes to commercial customers. Having the ability to pass that substantial portion of water and sewer service operational cost to the tourism base helps keep our residential rates as low as possible.

BACKUP DOCUMENTATION:

Staff Report Exhibit 1 – Presentation Water Sewer Rates 2024