

CITY OF COOS BAY CITY COUNCIL

Agenda Staff Report

MEETING DATE	AGENDA ITEM NUMBER
June 27, 2026	5.c

TO: Mayor Benetti, Council President DiNovo and City Councilors

FROM: Brianna Weigel, Finance Director

THROUGH: Nichole Rutherford, City Manager

ISSUE: Consideration to Adopt Resolution 26-19 Adjusting Sewer User Fees

SUMMARY:

The City of Coos Bay Budget Committee concluded the FY 2026-2027 budget meeting on May 14, 2026 with approval of the proposed budget which included a 6% increase in sewer user rates. In order to implement the sewer user rate adjustment commencing with the July 2026 billing cycle, Resolution 26-19 would need to be adopted.

ACTION REQUESTED:

If it pleases Council, adopt Resolution 26-19 adjusting sewer user rates, charges, and fees.

BACKGROUND:

The City's wastewater rate consultant recommended a 6.0% rate increase for next fiscal year to appropriately plan for the city's aging wastewater infrastructure operation, maintenance and replacement. This recommendation was based on evaluation of the city's forecasted wastewater operations and maintenance (O&M) costs for next fiscal year together with proposed construction projects and debt service. The City of Coos Bay Budget Committee concluded the FY 2026-2027 budget meeting on May 14, 2026 with approval of the proposed budget which included a 6% increase in sewer user rates. In order to implement the sewer user rate adjustment commencing with the July 2026 billing cycle, Resolution 26-19 would need to be approved. The sewer fee portion on the Coos Bay-North Bend Water Board billing will increase, based upon the rate study average use of 560 cubic feet per household, approximately \$5.93 per month. The revenue will provide funding for O&M, sewer line replacements, pump station rehabilitations, storm drain repairs, and the capital improvements planned for next fiscal year. Last year's rate increase was 7.5%.

The wastewater user fees are used to operate and maintain (O&M) the city's two wastewater treatment plants, two dozen pump stations, and 90 miles of sewer mains. It is rare for a city the size of Coos Bay to have two wastewater treatment plants or as many pump stations. The user fees are also used to pay debt service on loans for capital improvements to replace or refurbish the treatment plants, pump stations, and sewer mains. The city uses a rate consultant to recommend the necessary rate increases to pay for O&M costs, capital debt service costs, and the cost of upcoming capital projects. Some of the ongoing projects associated with this recommended rate increase include Treatment Plant 1 Phase 1 upgrade, several sewer line and storm line repair projects, and sponsorship option water quality projects. By gradually adjusting sewer user fee rates annually over the past several years, City Council has not had to implement a steep rate hike spike in order to ensure adequate funding for the wastewater system. By anticipating the future debt service for these upcoming projects, we can continue to avoid steep spikes in future sewer rate increases.

BUDGET IMPLICATIONS:

City Council Meeting June 27, 2026

This rate increase is reflected in the FY2026-2027 budget.

ATTACHMENT(S):

- Resolution 26-19 Adjusting Sewer Rates_6%.pdf
- Rate History.pdf
- Sewer Rates Comparison May 2026.pdf