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Date: March 24, 2026

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Interim City Administrator Lacey McQuead to Recommend Water and Sewer Rate Increases to Address Urgent Financial Obligations

Interim City Administrator Lacey McQuead announced today that she will recommend significant increases to the City's water and sewer rates during the City Council meeting on April 2nd.

A comprehensive review of the City's utility funds revealed that current revenues cannot cover daily operating costs while simultaneously meeting existing loan obligations. Under the current rate structure, the City is unable to fund day-to-day services, pay down debt, and prepare for essential infrastructure repairs.

"Our priority is ensuring the long-term stability and safety of our water and sewer systems," said McQuead. "While rate increases are never easy, we must take these steps to fulfill our financial obligations and build a reserve that protects our community from future emergencies."

The recommendation is driven by several critical factors:

- Unmet Financial Projections: The original pro forma used when securing the City's water loan obligations has not been met, creating a gap between projected and actual revenue.**
- Depleted Cash Reserves: The City has relied on cash carry-over funds to stay current on loan payments. This practice has exhausted those reserves, leaving no "rainy day" cushion.**
- Lack of Capital Improvement Funding: Currently, there are no funds set aside for emergency repairs or long-term upgrades, leaving the City vulnerable to infrastructure failures.**

The April 2nd City Council meeting will include a detailed presentation on the financial health of the utility funds and the specific adjustments required to restore fiscal stability. Residents are encouraged to attend or view the meeting online to learn more about the proposal.

For more information, please visit the City Website at josephoregon.org or contact the City Administration Office.