

RESOLUTION NUMBER 2026-36

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF EUSTIS, FLORIDA, ESTABLISHING STORMWATER UTILITY RATES PURSUANT TO CHAPTER 94, ARTICLE 3, DIVISION 1 OF THE CITY CODE OF ORDINANCES; PROVIDING FOR LEGISLATIVE FINDINGS; SETTING MONTHLY STORMWATER SERVICE RATES OF \$8.00 FOR RESIDENTIAL CUSTOMERS AND \$16.00 FOR NONRESIDENTIAL CUSTOMERS; SUPERSEDING ALL PRIOR RESOLUTIONS ESTABLISHING STORMWATER RATES; PROVIDING FOR AN EFFECTIVE DATE; AND PROVIDING FOR RELATED MATTERS.

RECITALS

WHEREAS, Article VIII, Section 2(b) of the Florida Constitution authorizes municipalities to exercise governmental, corporate, and proprietary powers to conduct municipal government, perform municipal functions, and render municipal services; and

WHEREAS, Chapter 166, Florida Statutes, grants municipalities broad home rule power to enact ordinances and resolutions necessary to protect the public health, safety, and welfare, including the authority to establish, impose, and collect service charges for municipal services; and authorizes municipalities to levy and collect fees, charges, and assessments for municipal services provided to property owners and residents within the municipal boundaries; and

WHEREAS, Section 403.0893, Florida Statutes, authorizes municipalities to create stormwater utilities and to impose and collect stormwater fees to fund the planning, design, construction, operation, and maintenance of stormwater management systems; and

WHEREAS, the City of Eustis ("City") established a stormwater drainage utility pursuant to Ordinance Number 14-25, codified in Chapter 94, Article III, Sections 94-176 through 94-184 of the City Code of Ordinances ("Code"), to acquire, own, construct, equip, operate, and maintain the City's stormwater control system; and

WHEREAS, Code Sections 94-180(a) and (b) provide that the City Commission shall by resolution establish reasonable rates for the stormwater drainage utility system for residential and nonresidential properties; and

WHEREAS, Code Section 94-180(d) expressly provides that residential and nonresidential stormwater rates may be increased from time to time by resolution of the City Commission; and

WHEREAS, Code Section 94-184(a) confirms that the stormwater drainage utility fee shall be charged and collected as allowed by law and adopted by resolution or ordinance; and

WHEREAS, pursuant to its home rule authority, the City operates a stormwater drainage utility for the benefit of developed and undeveloped platted real properties within the City, which utility provides essential services including the collection, conveyance, detention, retention, treatment, and discharge of stormwater, reduces hazards to property and life resulting from

stormwater runoff, and confers a special benefit upon such properties by mitigating flooding, protecting property, and managing stormwater runoff generated therefrom; and

WHEREAS, the stormwater drainage utility provides ongoing operation, maintenance, capital improvements, regulatory compliance including Municipal Separate Storm Sewer System (MS4) permit obligations and system renewal necessary to protect public health, safety, and welfare; and

WHEREAS, pursuant to Code Section 94-178(2), the cost of operating and maintaining the stormwater drainage utility system and financing necessary repairs, replacements, improvements, and extensions should, to the extent practicable, be allocated in relationship to user impacts, benefits enjoyed, and services received; and

WHEREAS, stormwater utility revenues must be sufficient to fund operation, maintenance, replacement, capital improvements, and any debt service associated with stormwater facilities, and the current fee schedule is insufficient to meet these obligations; and

WHEREAS, the City engaged Raftelis Financial Consultants (“Raftelis”), a municipal utility rate consulting firm, to conduct a stormwater rate study and evaluate the revenue sufficiency of the stormwater drainage utility; and

WHEREAS, the City Commission finds that certain costs associated with the stormwater drainage utility system, including administrative support and services performed by other City departments, are appropriately allocated to the stormwater utility and reflected in the system’s revenue requirements, and that any transfers to other City funds represent reimbursement for such services and not a diversion of stormwater utility revenues for unrelated governmental purposes; and

WHEREAS, the Raftelis rate study determined that an adjustment to the City’s stormwater drainage utility fees is necessary to ensure continued fiscal solvency of the stormwater drainage utility and for the City’s ability to meet its operational, maintenance, capital, and regulatory obligations; and

WHEREAS, the City Commission hereby accepts and incorporates into the legislative record the Stormwater Rate Study prepared by Raftelis, dated March 27, 2026, as competent substantial evidence supporting the rate adjustments adopted herein;

WHEREAS, the City Commission has reviewed and considered the stormwater rate study and supporting financial information presented and finds the assumptions and conclusions therein to be reasonable for purposes of establishing stormwater utility rates; and

WHEREAS, the City Commission finds that the rate adjustment recommended by the Raftelis rate study and adopted herein is intended to address near-term revenue needs of the

stormwater utility system while the City completes its ongoing stormwater master planning process, after which a more comprehensive evaluation of rate structure and cost allocation methodologies may be undertaken; and

WHEREAS, the adjusted rate structure is reasonable, equitable, and designed to recover the projected revenue requirements of the stormwater drainage utility system based upon a financial analysis of operating, capital, and debt service needs, and constitutes a reasonable and proportionate approximation of the costs of providing stormwater services and the benefits received by properties within the City, and is consistent with Code Section 94-178(2) which requires allocation of costs in relationship to user impacts and benefits; and

WHEREAS, the City Commission finds that the use of a uniform monthly rate structure for residential and nonresidential properties is a reasonable, fair, and administratively efficient method of allocating stormwater utility costs at this time, given the absence of parcel-specific impervious area data for all properties, the cost and administrative burden associated with implementing a more complex rate structure, and the need for timely implementation of revenue adjustments to maintain system operations; and

WHEREAS, the City Commission further finds that precise mathematical allocation of stormwater system costs to individual parcels is not required, and that the adopted rate structure represents a reasonable and practical approximation of such costs; and

WHEREAS, the City Commission further finds that, although a parcel-specific cost-of-service methodology is not utilized at this time, the adopted rate structure represents a reasonable and practical approximation of stormwater demand, runoff contribution, and benefit received by properties within the City based on available data, historical rate structures, and accepted utility rate-setting practices; and

WHEREAS, the City Commission further finds that the adopted rate structure represents a reasonable approximation of stormwater system demand and benefit, recognizing that all developed properties contribute to and benefit from the stormwater drainage system through runoff generation, system usage, and flood protection services; and

WHEREAS, the City Commission further finds that nonresidential properties, due to greater impervious surface areas, parking requirements, and intensity of development, generally contribute greater stormwater runoff and system demand than residential properties, and that establishing a nonresidential rate at approximately two times the residential rate constitutes a reasonable and equitable approximation of relative system usage and benefit; and

WHEREAS, the City Commission recognizes that undeveloped land parcels are not currently assessed a stormwater utility fee pursuant to Code Section 94-180(c) and finds that such exclusion is appropriate at this time because undeveloped properties, while contributing

some runoff, generally generate substantially less runoff due to natural pervious conditions, and therefore their exclusion represents a reasonable policy determination consistent with the City's classification framework, subject to future evaluation as part of a comprehensive rate study; and

WHEREAS, the City Commission finds it is in the best interest of the City and its residents to adjust the stormwater drainage utility fees to ensure the stormwater drainage utility system is adequately funded; and

WHEREAS, the City Commission finds the effective date of this Resolution is coordinated with the adopted budget amendment to ensure revenue projections are properly aligned and all notice timelines for City residents are satisfied by law; and

WHEREAS, the City Commission finds that the stormwater utility fee imposed herein provides a special benefit to affected properties in excess of that provided to the general public and that the amount of the fee is fairly and reasonably apportioned among properties based on their use of and benefit from the stormwater system.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF EUSTIS, FLORIDA:

SECTION 1. RECITALS AND LEGISLATIVE FINDINGS.

The foregoing recitals are hereby ratified, confirmed, and incorporated into this Resolution as legislative findings of the City Commission.

SECTION 2. ESTABLISHMENT OF STORMWATER UTILITY RATES.

Pursuant to Code Section 94-180 and the authority set forth herein, the following monthly stormwater utility rates are hereby established for all customers receiving stormwater services from the City:

Customer Class	Monthly Rate	Basis
Residential	\$8.00	Per single-family dwelling unit
Nonresidential	\$16.00	Per utility account

Undeveloped land parcels shall continue to have no fee charged, consistent with Code Section 94-180(c).

SECTION 3. BILLING

The adjusted stormwater drainage utility fees shall be billed as an additional fee on each property's water/sewer utility bill, consistent with Code Section 94-180(d).

SECTION 4. USE OF REVENUES.

All fees collected pursuant to this Resolution shall be deposited into the Stormwater Utility Management Fund established under Code Section 94-183 and shall be used solely for the purposes authorized therein, including planning, construction, operation, maintenance, repair, replacement, design, right-of-way acquisition, and improvement of the City's stormwater drainage utility system and incidental costs.

The City Commission hereby finds that such use of revenues constitutes a valid stormwater utility purpose and is reasonably related to the provision of stormwater services. The City Commission further finds that any transfers to other City funds represent the proportional and equitable cost of services directly supporting or allocable to the stormwater utility, including but not limited to personnel, equipment, infrastructure maintenance, and administrative services necessary for stormwater system operation, and do not constitute a diversion of stormwater utility revenues for unrelated governmental purposes.

SECTION 5. SUPERSESSION OF PRIOR RATE RESOLUTIONS.

This Resolution hereby supersedes all prior resolutions, or portions thereof, establishing or adjusting stormwater drainage utility fees, to the extent of any conflict herewith.

SECTION 6. SEVERABILITY.

If any section, subsection, sentence, clause, phrase, or provision of this Resolution is held invalid or unconstitutional by a court of competent jurisdiction, such invalidity shall not affect the validity of the remaining portions of this Resolution, which shall be given full force and effect as if the invalid or unconstitutional portion had not been included.

SECTION 7. CONFLICTS.

All resolutions, or parts thereof, in conflict with this Resolution are hereby repealed to the extent of any such conflict.

SECTION 8. EFFECTIVE DATE.

This Resolution shall take effect upon adoption; provided, however, that the adjusted stormwater utility rates established herein shall be implemented beginning with the first utility billing cycle occurring after at least one full billing cycle following customer notice of such rate adjustment.

To give this Resolution to effect intended by this Section, City customers will be notified of the stormwater utility rates increase on their May 2026 utility invoice which will not be implemented until the subsequent billing cycle. City customers will be charged the increased stormwater utility fee on their June 2026 utility invoice.

PASSED AND ADOPTED in Regular Session of the City Commission of the City of Eustis, Florida, this 16th day of April, 2026.

**CITY COMMISSION OF THE
CITY OF EUSTIS, FLORIDA**

Emily A. Lee
Mayor/Commissioner

ATTEST:

Christine Halloran, City Clerk

CITY OF EUSTIS CERTIFICATION

**STATE OF FLORIDA
COUNTY OF LAKE**

The foregoing instrument was acknowledged before me, by means of physical presence, this 16th day of April 2026 by Emily A. Lee, Mayor/Commissioner, and Christine Halloran, City Clerk, who are personally known to me.

Notary Public - State of Florida
My Commission Expires:
Notary Serial Number:

CITY ATTORNEY'S OFFICE

This document is approved as to form and legal content for the use and reliance of the Eustis City Commission.

City Attorney's Office

Date

CERTIFICATE OF POSTING

The foregoing Resolution Number 2026-36 is hereby approved, and I certify that I published the same by posting one copy hereof at City Hall, one copy hereof at the Eustis Memorial Library, and one copy hereof at the Eustis Parks and Recreation Office, all within the corporate limits of the City of Eustis, Lake County, Florida.

Christine Halloran, City Clerk