



STAFF REPORT

CITY OF GREEN COVE SPRINGS, FLORIDA

TO: Regular Council Meeting **MEETING DATE:** 11/10/2020
FROM: Scott Schultz, Asst. Water Utilities Director
SUBJECT: Second and Final Reading of Ordinance No. O-12-2020, an Ordinance modifying Wastewater Rates – Fiscal Year (FY) 2021.

BACKGROUND

On August 16th, 2016, Council accepted a rate study by staff and Mittauer & Associates, which outlined required rate increases needed to finance the proposed capital improvements to the City's wastewater and reclaimed water systems. The rates began incremental increases in 2017, leveling back off in 2022. Funds collected during this period will be set aside as retained earnings, avoiding a large single increase (approximately 90%) in 2021. Each year staff will review the proposed increases for potential adjustments.

Updates and re-evaluations have taken place annually as the City has progressed in its capital improvements to the Wastewater Treatment & Collection Systems, and Reclaimed Water Systems.

There are opportunities for citizens to minimize the implications of the rate increases through water conservation and the utilization of irrigation meters (avoiding the sewer charges for water used for irrigation purposes).

In accordance with FSS Chapter 180.136, Public Notices have been sent to all utility customers.

The FY 2021 budget approved by Council is predicated on this nine percent (9%) increase.

Section 1. City Code Section 90-376, entitled "Wastewater Rates" which establishes wastewater rates, is hereby amended to read as follows, effective on December 8, 2020:

Sec. 90-376. – Wastewater rates.

(a) *Rates schedule.* The rates, fees and charges for wastewater service furnished by the wastewater system of the city, referred to as a "wastewater charge," shall be based upon the quantity of potable water, determined by metering, furnished to each user's premises each month. The owner, occupant or tenant of each lot or parcel of land which is connected with or uses the wastewater system shall pay for the use of, and for the services and facilities furnished by the wastewater system, a wastewater charge according to the following schedule.

Base charges for all wastewater accounts are as follows:

Meter Size	Monthly Base Charge*
¾"	\$30.98 \$33.77

1"	\$54.88 <u>\$59.82</u>
1-1/2"	\$107.73 <u>\$117.43</u>
2"	\$154.48 <u>\$168.38</u>
3"	\$203.29 <u>\$221.59</u>
4"	\$538.71 <u>\$587.19</u>
6"	\$1,016.41 <u>\$1,107.89</u>
8"	\$1,707.58 <u>\$1,861.26</u>
10"	\$2,439.38 <u>\$2,658.92</u>
* Base charge does not include any usage.	

(b) *Wastewater utility users outside the city limits.* All wastewater utility users outside the city limits shall pay 125 percent of the equivalent rate charged to those users within the city limits.

(c) *Application of charges.* The charges in this section shall apply to all classes of users, including residential and commercial (industrial, institutional, charitable or otherwise), except as otherwise provided in this Code.

(d) *Maximum monthly bill.* The maximum monthly residential bill shall be \$100.00. There shall be no maximum commercial charge per month.

(e) *Minimum monthly bill.* The minimum residential and commercial charge shall be the base charge based on the user's potable water meter size. The base charge does not include any usage.

(f) *Bulk wastewater rates.* Bulk or wholesale wastewater rates shall be calculated to reflect the city's cost of providing wastewater service to those entities entering into an agreement with the city. Such rates will be determined on an individual basis by the city.

	Monthly Charge per 1,000 Gallon of use					
Residential						
Block Size	<3,000 gallons	3,001—10,000 gallons	10,001—15,000 gallons	15,001—20,000 gallons	>20,001 gallons	
Rate (\$/1,000 gal)	\$0.59 <u>\$0.64</u>	\$5.63 <u>\$6.14</u>	\$5.80 <u>\$6.32</u>	\$5.12 <u>\$6.53</u>	\$6.21 <u>\$6.77</u>	
Commercial	Monthly Charge per 1,000 Gallon of use					
Block Size	<3,000 gallons	3,001—10,000 gallons	10,001—15,000 gallons	15,001—20,000 gallons	20,001—50,000 gallons	>50,001 gallons

Rate (\$/1,000 gal)	\$0.59	\$5.63	\$5.80	\$5.99	\$6.21	\$6.39
	<u>\$0.64</u>	<u>\$6.14</u>	<u>\$6.32</u>	<u>\$6.53</u>	<u>\$6.77</u>	<u>\$6.97</u>

(g) *Commercial* as defined within this section, includes all uses other than residential.

(h) *Annual rate increase.* The City Manager shall issue a written report to the City Council during the annual budget process recommending any necessary wastewater rate adjustments.

(i) *Computation of use.* A consumption of a fraction of any 1,000 gallons shall be the same as using the entire 1,000 gallons.

FISCAL IMPACT

The approved FY 2021 Wastewater Department budget is predicated on this rate increase.

RECOMMENDATION

Approve Ordinance No. O-12-2020 on Second and Final Reading