



FLAGLER BEACH CITY COMMISSION

Item No. 10

Meeting Date: 10-26-17

Issue: A Resolution by The City Commission Of The City Of Flagler Beach, For Water & Sewer, Stormwater and Sanitation Fee Increases To Provide Revenues That Will Be Sufficient To Operate Financially Self Supporting Utilities; Repealing Resolution 2016-44. Providing For Conflict and an Effective Date.

From: Kathleen Doyle, Finance Director

Organization: City Staff

RECOMMENDATION: Approve Resolution 2017-35

BACKGROUND: During the Budget Workshop and Budget Hearings, staff discussed with City Commission, the need for an increase to the base fees for the **Utility, Sanitation and Stormwater Funds**. For the Resolution, staff is proposing an increase to revenues for the 2017-18 Budget Year only. The analysis will be reviewed annually and adjusted as needed.

Water & Sewer Base Fees

The 5 Year Capital Plan adopted with the 2017/18 Budget for Water and Sewer rates revealed the need for an increase in Base Fees to provide monies for Capital Improvements of **\$3,105,400** that were approved for the **2017/18** Budget.

The adopted budget included a 25% increase to the Water Base Fee and a 50% increase to the Sewer Base Fee. On page 2 of Resolution 2017-35, the Water and Sewer Forecast shows the following. **An estimated \$1,500,000 in Capital Projects that were underway and projects related to Hurricane Irma, in 2016/17 will be encumbered into the 2017/18 Budget next month.** The only increase to revenue in the encumbrance, will be for those items related to Irma, best estimate at this point is \$700,000 and these dollars are very slow in coming. We still have not received any reimbursement for Hurricane Matthew. The forecast also shows an increase to debt service of \$191,000; for the anticipated loan of \$2,000,000 for Waste Water Plant Phase III.

An amount close **\$8 million dollars** will be necessary to fund the scheduled Water & Sewer Items and pay 5 years of debt service as shown on The Five Year Capital Improvement Plan. The Capital Improvement Plan encompasses October 1, 2017 through September 30, 2022. The 5 Year Capital Plan was worked on during July and August, it does not include the damages which occurred during Hurricane Irma and results of studies that were underway. The City's distribution system also needs to be addressed, in the last 12 years we have only completed minimal work on our sewer and water lines, mostly on an as needed basis. Our CUP (Consumptive Use Permit) addresses the need to build a Reclaimed Water Plant by 2027, which is only 10 years away.

The City is responsible for providing water to the John Anderson Corridor a water service area which is larger than the island side of Flagler Beach. Development of that area is beginning now with the Seaside Landings Community, a neighborhood of 100 home sites. Development of the water service area will bring us more water customers to share in the cost of supporting the Utility Infrastructure, but at the same time this will bring more demand on our current system. Development in the John Anderson Corridor may also provide a venue for the Reclaimed Water Plant and negate the cost of pumping reclaimed water under the intracoastal to the island.

The City of Flagler Beach imposes Base Fees to provide reserves for Capital Items such as Infrastructure and Facility Improvements and Equipment. Based on the needs presented in the 5 Year Capital Plan, a 25% increase to Water Base Fees and a 50% increase to Sewer Base Fees will be needed to continue rebuilding the Unrestricted Reserves, which currently has a balance of less than \$1,000,000.

Debt Service

The unpaid principal on the SRF loan for **Utility Fund**, which continues through 2027 is \$3,887,596. The State Revolving Loan was issued in 2009 to build the Water Treatment Plant and requires annual payments of \$465,750. An additional \$191,000 was estimated as debt service on a loan for \$2,000,000 for the WWIP Phase III project.

Water & Sewer Flow Rates

Ordinance 2008-01 provides for water and sewer rate increases based on the percentage change in the Gross Domestic Product Implicit Price Deflator as adopted by the Florida Public Service Commission. This information can be found at www.psc.state.fl.us. The result of their analysis is a **1.51%** increase over 2016-17 figures. Water and Sewer Flow rates are an established fee to balance the costs of water production. The increase of 1.51% provided by the index will be sufficient to cover the daily operations of the Water Plant and the Wastewater Plant for the 2017/18 Budget Year

Stormwater

The 3 Year Analysis for the Stormwater Fund showed the Revenues and Reserves were insufficient to provide reserves for uncompleted and future Stormwater projects, Debt Service, as well as maintenance on existing infrastructure. An increase in the monthly charges will be necessary.

The \$4.00 monthly fee per ERU (Equivalent Residential Unit) was first imposed during the 2004/05 budget year; a Stormwater Master Plan was also approved. The Stormwater Fund Reserves, along with Federal Grants and a \$1,800,000 loan have provided the City with seven of the eight designed systems from the 2009 Stormwater Master Plan. **The City is also scheduled to complete the eighth project during the 2017/18 fiscal year. The project will be paid with Grant Funds and Stormwater Funds.**

Staff recommends a **30%** increase for the **2017/18** year, to maintain the completed infrastructure, **repay the debt service** and begin building reserves to finish the Stormwater Master Plan and maintain a positive fund balance as matching funds for future grants.

Sanitation

Base Fees for the Sanitation Fund will need to be increased 10% to provide **adequate funds for daily operations and for** the capital purchases for the 5 Year Capital Plan.

Ordinance 2008-03 provides for solid waste collection fees to be adjusted annually based on the percentage change in the Gross Domestic Product Implicit Price Deflator as adopted by the Florida Public Service Commission. The 1.51% increase is not enough to compensate the changes to daily operations which occurred in fiscal year 2017/18. An aging fleet needs to be replaced during the next several years. City Staff plans to lease/purchase 3 new vehicles during this year.

Staff recommends an increase to \$19.80 monthly for residential sanitation service. Staff recommends that the increase of 10% be added to the commercial rates.

How the increase to all Utilities affects our residents

The total increase to base fees for a residential account are **\$12.80** per month; **\$153.57** annually. This is the highest increase staff has had to bring to commission for approval; but the demands of the infrastructure and plant improvements need to be addressed. As shown on the "Surrounding

Communities – Water & Sewer Base Fees”; our rates are still comparable to Palm Coast and Ormond Beach, but well below those of Bunnell, Beverly Beach and Plantation Bay.

Regular increases to base fees were never followed, even when it was clear that they were needed back in 2005 when the City began work on the Water Treatment Plant. If the City had imposed 10% increases to Water and Sewer Base fees for the last 10 years, the increase would have not been so severe and the city would have unrestricted reserves in excess of \$2.3 million. The City can no longer put off the improvements needed at the Waste Water Plant.

If approved, the rates will be in place for the November billing cycle.

BUDGETARY IMPACT: The above increases are necessary to maintain normal operations, provide for capital improvements, debt service and maintain an adequate reserve balance.

LEGAL CONSIDERATIONS/SIGN-OFF: N/A

PERSONNEL: N/A

POLICY/REQUIREMENT FOR BOARD ACTION: N/A

IMPLEMENTATION/COORDINATION: New rates if adopted will begin with the November 30th Billing.

Attachments: Resolution 2017-35, Exhibit A to Resolution 2017-35, Exhibit B to Resolution 2017-35, Area Comparison of Sewer Water Base Fees, Proposed Residential Base Fees, Rate Increase 12 Year History, Flow of Unrestricted Utility Fund

RESOLUTION 2017-35

A RESOLUTION BY THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH, FOR WATER & SEWER, STORMWATER AND SANITATION FEE INCREASES TO PROVIDE REVENUES THAT WILL BE SUFFICIENT TO OPERATE FINANCIALLY SELF SUPPORTING UTILITIES; REPEALING RESOLUTION 2016-44; PROVIDING FOR CONFLICT; PROVIDING AN EFFECTIVE DATE HEREOF.

WHEREAS, Section 5.03.39 and 5.03.56 of the Land Development Regulations require the rate schedules for Water and Sewer Services be adopted by resolution.

WHEREAS, Chapter 11, Section 11-13 requires the fees for solid waste collection be adopted by resolution of the City Commission.

WHEREAS, Section 5.03.123 (8) of the Land Development Regulations directs the city to analyze the Stormwater Fund for the cost of services and benefits provided, and the system and structure of fees, charges, fines and other revenues of the utility annually to ensure an equitable, adequate and stable utility rate and fee structure and to achieve a stable financial position for the utility.

WHEREAS, Section 5.03.126 of the Land Development Regulations set the initial fee for the Stormwater Rate at \$4.00 in budget year 2004/05.

NOW THEREFORE BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH, AS FOLLOWS:

SECTION 1. The Water and Sewer Base Fees should support the Capital Expenditures and Debt Service for the Utility Fund; the current rates are insufficient. The Water and Sewer Flows should support the operations of the Water and Wastewater Plants; the current rates are insufficient.

The Revenues that need to be generated for the operation and maintenance, replacement, capital expenditures and debt service of the Water and Sewer System for the budget years beginning October 1, 2017 and ending September 30, 2020 are as follows.

WATER AND SEWER FORCASTED REVENUES AND EXPENSES *

	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR
	2017-2018	2018-2019	2019-2020
WATER SALES	\$ 1,200,697	\$ 1,218,828	\$ 1,237,232
WATER SERVICE BASE CHARGE	\$ 1,158,114	\$ 1,273,925	\$ 1,401,318
SEWAGE SERVICE	953,674	968,074	982,692
SEWER BASE FEES	<u>731,509</u>	<u>877,811</u>	<u>1,053,373</u>
	\$ 4,043,994	\$ 4,338,638	\$ 4,674,615
ESTIMATED FEMA REVENUE	\$ 700,000		
LOAN FOR WASTE WATER PLANT	\$ 2,000,000		
OTHER REVENUE	<u>164,900</u>	<u>169,847</u>	<u>176,641</u>
Total Revenues	\$ 6,908,894	\$ 4,508,485	\$ 4,851,256
Operating Expense	\$ 2,356,900	\$ 2,427,607	\$ 2,500,435
ESTIMATED ENCUMBRANCE FROM 2016/17	\$ 1,500,000		
5-Year Capital Plan	\$3,105,400	\$1,186,000	\$ 593,800
Debt Service	<u>\$ 656,720</u>	<u>\$ 656,720</u>	<u>\$ 656,720</u>
Total Expenses	\$ 7,619,020	\$ 4,270,327	\$ 3,750,955
Revenues Less Expenditures	(710,126)	238,158	1,100,301

***FOR 2017-18**

*Water and Sewer Base Charges include a 25% Increase to Water Base Fees and 50% Increase to Sewer Base Fees
Water and Sewer Flows are increased by the
Gross Domestic Product Implicit Price Deflator 1.51% in this
forecast*

***FOR 2018-19 & 2019-20**

*Water and Sewer Base Charges include a 10% Increase to Water Base Fees and 20% Increase to Sewer Base Fees
Water and Sewer Flows are increased by the
Gross Domestic Product Implicit Price Deflator 1.51% in this
forecast*

SECTION 2. The Stormwater Fees should support the expenses of the utility and provide for future infrastructure; the current rates are insufficient.

The Revenues needed to be generated for the operation and maintenance, replacement, capital expenditures and debt service of the Stormwater Fund for the budget years beginning October 1, 2017 and ending September 30, 2020 are as follows.

STORMWATER FUND FORCASTED REVENUES AND EXPENSES			
	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR
	2017-2018	2018-2019	2019-2020
Monthly Fee per ERU	\$6.83	\$8.87	\$11.53
STORMWATER FEES	\$362,401	\$462,080	\$600,704
OTHER REVENUES	2,500	2,575	2,652
GRANT REVENUE	-	-	-
Total Revenues	\$364,901	\$464,655	\$603,356
Operating Expense	\$132,112	\$136,075	\$140,158
5-Year Capital Plan	\$172,250	\$50,000	\$50,000
Debt Service	<u>\$118,613</u>	<u>\$119,000</u>	<u>\$120,000</u>
Total Expenses	\$422,975	\$305,075	\$310,158
Revenues Less Expenditures	8,923	38,645	129,015

SECTION 3 The Sanitation Fees should support the expenses of the utility and provide for capital purchases; the current rates are insufficient.

The Revenues needed to be generated for the operation and maintenance and capital replacement expenditures of the Sanitation Fund for the budget years beginning October 1, 2017 and ending September 30, 2020 are as follows.

SANITATION FUND FORCASTED REVENUES AND EXPENSES			
	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR
	2017-18	2018-19	2019-20
REFUSE FEES	1,198,464	\$1,318,310	\$1,450,141
RECYCLING	4,500	2,200	2,400
SPECIAL PICKUPS	2,500	2,000	2,000
	\$1,205,464	\$1,322,510	\$1,454,541
OTHER REVENUE	<u>22,400</u>	<u>23,072</u>	<u>23,764</u>
Total Revenues	\$1,227,864	\$1,345,582	\$1,478,306
Operating Expense	\$1,014,535	\$1,044,971	\$1,076,320
Capital Plan	80,000.00		-
Capital Lease to Purchase Sanitation Trucks	90,000.00	90,000	200,000.00
Total Expenses	\$1,184,535	\$1,134,971	\$1,276,320
Revenues Less Expenditures	20,929	187,539	178,221

SECTION 4 That the rates to be paid for Water and Sewer Services, Stormwater Rates and Solid Waste Collection Fees shall be in accordance with Exhibit A and Exhibit B, attached hereto and made a part hereof.

SECTION 5 All Resolutions or parts thereof in conflict herewith be and the same are hereby repealed.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2017.

CITY OF FLAGLER BEACH, FLORIDA
CITY COMMISSION

ATTEST:

Linda Provencher, Mayor

Penny Overstreet, City Clerk

Rate schedules for water as required by Appendix "A" Land Development Regulations, Section 5.03.39 shall be as follows:

SCHEDULE W1. CONNECTION CHARGES

Meter Size (inches)	Charge Inside City Limits	Charge when Developer-Installed Tap/Connection*	Charge Outside City Limits
5/8 × 3/4	\$515.00	\$330.00	\$772.50
3/4	\$570.00	\$385.00	\$855.00
1	\$665.00	\$420.00	\$997.50
1 1/2	\$850.00	To be determined at time of connection	To be determined at time of connection
2	\$1,885.00	To be determined at time of connection	To be determined at time of connection
3	\$4,375.00	To be determined at time of connection	To be determined at time of connection
4	\$7,820.00	To be determined at time of connection	To be determined at time of connection
6	\$11,975.00	To be determined at time of connection	To be determined at time of connection
8	\$17,915.00	To be determined at time of connection	To be determined at time of connection

* For property in Rio Mar, Pebble Beach, Custers Palm Harbor Subdivision and Palma Vista Subdivision only on N. 12th Street, Water Connection = \$265.00, as per development agreement. For property in Cedar Island Subdivision there are no water connection charges.

SCHEDULE W2. METER DEPOSITS

Meter Size (inches)	Owner's Deposit	Tenant's Deposit
5/8 × 3/4	\$35.00	\$150.00
3/4	\$35.00	200.00
1	\$45.00	200.00
1 1/2	\$75.00	200.00
2	\$125.00	200.00
3	\$325.00	200.00
4	\$425.00	200.00
6	\$460.00	200.00
8	\$510.00	200.00

SCHEDULE W3. MONTHLY CHARGES FOR WATER--RESIDENTIAL GALLONS USED

Charge	Charges Inside City Limits		Charges Outside the City Limits	
	Current Rate	Proposed Rate	Current Rate	Proposed Rate
Water Base	17.30	21.63	25.95	32.44
*Gallons 0-2000	4.69	4.76	7.04	7.14
*2001-8001	7.31	7.42	10.96	11.13
*8001-up	8.83	8.96	13.24	13.44

***Note:** Rates are per 1000 gallons with first rate increase at 2001 gallons, second rate increase at 8001 gallons.

In circumstances whereby one water meter serves both residential and commercial activities, that meter shall be charged at the COMMERCIAL rate detailed below.

SCHEDULE W4. MONTHLY CHARGES FOR WATER--COMMERCIAL WITH VALID LOCAL BUSINESS TAX RECEIPT

Charge with LBTR	Charges Inside City Limits		Charges Outside the City Limits	
	Current Rate	Proposed Rate	Current Rate	Proposed Rate
Water Base	17.30	21.63	25.95	32.44
<i>Plus</i> Flow Charge per 1000 Gallons	9.36	9.50	14.04	14.25

A base unit is defined as a distinct assigned space whose primary function is to provide income to the business owner. In motels, hotels, and/or bed and breakfast facilities, each room designed to be available for rent and/or the business office associated with that activity is considered a base unit.

SCHEDULE W5. MONTHLY CHARGES FOR IRRIGATION METERS

Charge	Charges Inside City Limits	
	Current Rate	Proposed Rate
*Gallons 0-2000	4.69	4.76
*2001-8001	7.30	7.41
*8001-up	8.83	8.96

***Note:** Rates are per 1000 gallons with first rate increase at 2001 gallons, second rate increase at 8001 gallons

SCHEDULE W6. RESERVED

SCHEDULE W7. MONTHLY PRIVATE FIRE PROTECTION (FIRE SPRINKLER SYSTEM) CHARGE PER CONNECTION TO CITY SYSTEM

Fire Line Size (inches)	Rate
4..	\$42.00
6..	\$84.00
8.	\$135.00
10....	\$194.00
12....	\$363.00

SCHEDULE W8. CHARGES AND FEES

Account maintenance fee....	\$15.00
Service turn-on....	\$25.00
Service turnoff....	\$25.00
Service turn-on before 7 a.m. or after 4 p.m. M-F or on Sat. or Sun.	\$35.00
Remove meter....	\$25.00
Reconnect charge....	\$100.00
Meter exchange (customer request) ¾"	\$150.00
Meter exchange (customer request) 1"	\$185.00
Meter exchange (customer request) Larger than 1"	\$40.00 + Cost of meter
Return check fee....	in accordance with F.S.S.
Clearing around water meters	\$25.00
Meter Re-Read Service Charge	\$10.00

SCHEDULE W9. INTEREST

Compounded monthly....	1.5% per month
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SCHEDULE W10. DELINQUENT BILLS AND PENALTIES

These fees are a part of a consolidated statement for utility customers, which is generally paid by a single payment. If a partial payment is received, the payment shall be applied pro rata to each account billed on the consolidated statement in the proportion that an individual account bears to the total consolidated statement of all current charges for all accounts. Section 5.03.35 of the Land Development Regulations shall apply to all charges on this rate schedule.

SCHEDULE W7. MONTHLY PRIVATE FIRE PROTECTION (FIRE SPRINKLER SYSTEM) CHARGE PER CONNECTION TO CITY SYSTEM

Fire Line Size (inches)	Rate
4..	\$42.00
6..	\$84.00
8.	\$135.00
10....	\$194.00
12....	\$363.00

SCHEDULE W8. CHARGES AND FEES

Account maintenance fee....	\$15.00
Service turn-on....	\$25.00
Service turnoff....	\$25.00
Service turn-on before 7 a.m. or after 4 p.m. M-F or on Sat. or Sun.	\$35.00
Remove meter....	\$50.00
Reconnect charge....	\$100.00
Meter exchange (customer request) 3/4"	\$150.00
Meter exchange (customer request) 1"	\$185.00
Meter exchange (customer request) Larger than 1"	\$40.00 + Cost of meter
Return check fee....	in accordance with F.S.S.
Clearing around water meters	\$25.00
Meter Re-Read Service Charge	\$10.00

SCHEDULE W9. INTEREST

Compounded monthly....	1.5% per month
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SCHEDULE W10. DELINQUENT BILLS AND PENALTIES

These fees are a part of a consolidated statement for utility customers, which is generally paid by a single payment. If a partial payment is received, the payment shall be applied pro rata to each account billed on the consolidated statement in the proportion that an individual account bears to the total consolidated statement of all current charges for all accounts. Section 5.03.35 of the Land Development Regulations shall apply to all charges on this rate schedule.

Rate schedules for sewer as required by Appendix "A" Land Development Regulations, Section 5.03.56 shall be as follows:

SCHEDULE S1. CONNECTION CHARGES

System Type	Charge Inside City Limits	Charge when Developer-Installed Tap/Connection*	Charge Outside City Limits
Gravity	\$950.00	\$950.00	\$1425.00
Low Pressure	\$950.00	\$950.00	\$1425.00
Low Pressure Lambert Avenue	\$950.00	N/A	\$1625.00

* For property in Cedar Island and Palma Vista Subdivision only on N. 12th Street, there is no sewer connection fee.

SCHEDULE S2. MONTHLY CHARGES FOR SEWER--RESIDENTIAL

System Type	Charges Inside City Limits		Charges Outside the City Limits	
	Current Rate	Proposed Rate	Current Rate	Proposed Rate
<u>Single Meter</u>				
Sewer Base	9.33	14.00	14.00	20.99
<i>Plus</i> Flow Charge per 1000 Gallons	6.23	6.32	9.34	9.49
<u>Multiple Users on Single Meter</u>				
Sewer Base	9.33	14.00	14.00	20.99
<i>Plus</i> Flow Charge per 1000 Gallons	6.23	6.32	9.34	9.49
<u>Low Pressure</u>				
Sewer Base	15.65	23.48	23.48	35.21
<i>Plus</i> Flow Charge per 1000 Gallons	9.33	9.47	13.99	14.21

In circumstances whereby one water meter serves both residential and commercial activities, that meter shall be charged at the COMMERCIAL rate detailed below.

*Utility Agreements for Cedar Island and Stonebridge Subdivisions require maintenance by home owners. Charges will be single meter rate.

SCHEDULE S3. MONTHLY CHARGES FOR SEWER—COMMERCIAL

Meter Size (Inches)	Current Rate	Proposed Rate
5/8" Sewer Base	22.76	34.14
<i>Plus</i> Flow Charge per 1000 Gallons	6.23	6.32
3/4" Sewer Base	22.76	34.14
<i>Plus</i> Flow Charge per 1000 Gallons	6.23	6.33
1" Sewer Base	32.94	49.41
<i>Plus</i> Flow Charge per 1000 Gallons	6.23	6.33
1 1/2" Sewer Base	64.68	97.02
<i>Plus</i> Flow Charge per 1000 Gallons	6.23	6.33
2" Sewer Base	116.76	175.14
<i>Plus</i> Flow Charge per 1000 Gallons	6.23	6.33
3" Sewer Base	325.12	487.68
<i>Plus</i> Flow Charge per 1000 Gallons	6.23	6.33
4" Sewer Base	429.33	644.00
<i>Plus</i> Flow Charge per 1000 Gallons	6.23	6.33
6" Sewer Base	465.59	698.39
<i>Plus</i> Flow Charge per 1000 Gallons	6.23	6.33
8" Sewer Base	517.67	776.51
<i>Plus</i> Flow Charge per 1000 Gallons	6.23	6.33

The minimum monthly charge detailed immediately above applies to each water meter connection.

SCHEDULE S4. INTEREST

Compounded monthly....	1.5% per month
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SCHEDULE S5. DELINQUENT BILLS AND PENALTIES

These fees are a part of a consolidated statement for utility customers, which is generally paid by a single payment. If a partial payment is received, the payment shall be applied pro rata to each account billed on the consolidated statement in the proportion that an individual account bears to the total consolidated statement of all current charges for all accounts. Sections 5.03.35 and 5.03.64 of the Land Development Regulations shall apply to all charges on this rate schedule.

<p style="text-align: center;">STORMWATER FEE SCHEDULE Fees are based on ERU (Equivalent Residential Unit) of 2,049 square feet Current Rate per ERU: \$5.25 Proposed Rate per ERU: \$6.83</p>

The Fee Schedule for Solid Waste Collection Shall Be:

Residential Service

Per single family residential unit \$19.80

Per single family residential unit with a Home Business Tax Receipt \$30.70

Commercial Can Service

Number of Cans (Cans must be less than 32-gallons in size and weigh less than 50 pounds)	Weekly Pickup	
	2	3
1 to 2	30.70	47.00
2 to 3	63.30	95.90

Tote Service

Number of Totes (65-gallons)	Weekly Pickup		
	2	3	4
1	30.70	47.00	63.30
2	63.30	95.90	128.49
3	95.90	144.79	193.68
4	128.49	193.68	258.88
5	161.09	242.61	324.07

Commercial Container

Container Sizes (Cubic Yards)	Weekly Pickup					Special Pickup Each
	2	3	4	5	6	
2	132.66	199.93	267.20	334.48	401.75	65.38
4	267.20	413.73	560.18	688.76	859.13	132.66
6	401.75	615.51	829.31	1,043.04	1,256.80	199.93
8	536.26	817.33	1,098.37	1,379.44	1,660.44	267.20

Special Pickup Service

The cost for a special pickup service for garbage or recycling shall be in accordance with the commercial container special pickup fee schedule.

The cost for a special pickup service for yard waste shall be \$160 for a full load and \$80 for a partial load, per pick up.

Applying to all Service

1. In the event of vacancies or nonpayment of fees, rules and policies existinf for nonpayment of water or sewer bills will apply.
2. All fees due the city shall be included in the city utility bill which is rendered montly. No discounts shall be allowed for prompt payment thereof.
3. The fact that any place of abode or any place of business is occupied shall be prima facie evidence that garbage, yard waste, or recycling is being produced and accumulated upon such premises, and the fees for collection and disposal thereof are due to the City. No credit shall be given when a home or business is vacant
4. All solid waste collection fees shall constitute, and are hereby imposed as a special assessment lien against the real property aforesaid; and, until fully paid and discharged, shall remain liens equally in rank and dignity with city ad valorem taxes, and superior in rank and dignity to all other liens, encumbrances, titles and claims in, to or against the real property involved. Such special assessment liens for service charges shall be enforced by any of the methods provided for by law.
5. There shall be an annual adjustment of solid waste collection fees. Such adjustment shall be calculated by using the annual indexing factor based on the Public Service Commission published percentage change in the Gross Domestic Product Implicit Price Deflator. The resulting fee will become effective each October 1, Starting October 1, 2007 and will be valid for the new fiscal year.

Flow of Water & Sewer Forecast to Unrestricted Fund Balance

9/30/16 Estimated Unrestricted Reserve	\$	1,000,000
Revenues Less Expenditures 9/30/18	\$	(710,126)
Balance 10/01/18	\$	289,874

Revenues Less Expenditures 9/30/19	\$	238,158
Balance 10/01/19	\$	528,032

Revenues Less Expenditures 9/30/20	\$	1,100,301
Balance 10/01/20	\$	1,628,333

2005- 2017 Rate Increases on Water & Sewer Base Fees

	0%	0%	0%	38%	2.57%	0%	1.22%	0%	3.62%	1.67%	7.00%	13.31%	19.96%	33.80%
2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Current Rate	Proposed for 2017/2018	
<u>Water Base Fees</u>	4.57	4.57	4.57	9.39	9.39	9.6	11.63	12.05	12.25	13.11	14.42	17.30	21.63	
<u>Sewer Base Fees</u>	7.60	7.60	7.60	7.78	7.78	7.78	5.75	5.96	6.06	6.48	7.78	9.33	14.00	
Total	12.17	12.17	12.17	17.17	17.17	17.38	17.38	18.01	18.31	19.59	22.20	26.63	35.63	
<u>Monthly Amount of Increase</u>	\$ -	\$ -	\$ -	\$ 4.57	\$ 0.43	\$ 0.21	\$ -	\$ 0.63	\$ 0.30	\$ 1.28	\$ 2.61	\$ 4.43	\$ 9.00	

The City Base Fees have increased \$14.46 since 2005

2005- 2017 Rate Increases on Water & Sewer Base Fees - if we had increased 10% annually

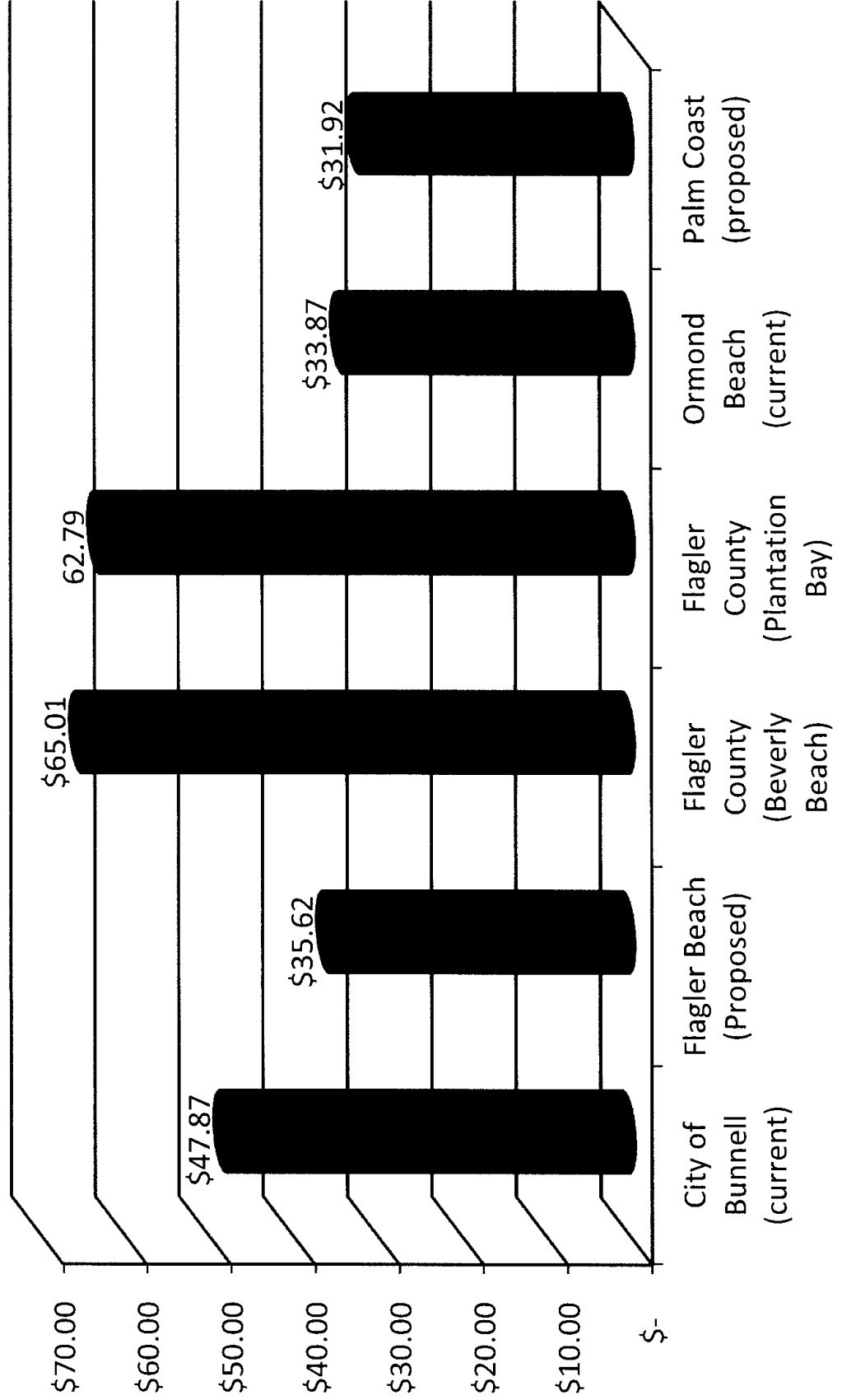
	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Water Base Fees</u>	4.57	5.03	5.53	6.08	6.69	7.36	8.10	8.91	9.80	10.78	11.85	13.04	15.78
<u>Sewer Base Fees</u>	7.60	8.36	9.20	10.12	11.13	12.24	13.46	14.81	16.29	17.92	19.71	21.68	26.24
Total	12.17	13.39	14.73	16.20	17.82	19.60	21.56	23.72	26.09	28.70	31.57	34.72	42.01
<u>Monthly Amount of Increase</u>	\$ 1.22	\$ 1.34	\$ 1.47	\$ 1.62	\$ 1.78	\$ 1.96	\$ 2.16	\$ 2.37	\$ 2.61	\$ 2.87	\$ 3.16	\$ 3.47	\$ 3.82

If we had a plan back in 2005 and increased at 10% per year, we would have an Unrestricted Fund Balance of \$2.3 million

Residents would not have felt the increase as severely.

Actual Base Fees Collected 2005-2017	9,129,058
Base Fees if we had increased 10% annually	10,461,919
Loss of Revenue without funding plan	1,332,861

Surrounding Communities - Water & Sewer Base Fees



Residential Rate Proposal

	Current Rates	Proposed Increase	% Increase	\$ Increase
Water	17.30	21.63	25%	4.33
Sewer	9.33	14.00	50%	4.67
Sanitation	18.00	19.80	10%	1.80
Stormwater	5.25	6.83	30%	1.58
Tax	1.73	2.16		0.43
Total Base before water usage	51.61	64.41		12.80

Increase per month	12.80
Annual Increase	153.57
% increase	24.80%

From
City Engineer
Fred Griffith

Specific (Select) Water System Improvements Planned at Water Plant **10/23/17 (FWG)**

Well 12R Construction Completion	\$60,000
WTP Clearwell Conversion (Water Storage at WTP) / HS Pumps Upgrade	\$250,000
Emergency Generator Replacement (30 years old)	\$90,000
Nano Filter Annual Phased Replacement	\$50,000
Well Mag Meter Replacements	\$20,000
Future Plant Upgrades due to permitting requirements	?????
Wellfield Expansion (Next 5 years)	\$1 – 2 million

Note:

Wellfield Expansion is also in the planning stages. Significant funds will be required in the future for design, permitting, and construction of several more drinking water wells to serve our expanding customer base with our western service area.

Water Distribution System Replacement has been largely ignored for many years and will in the next ten to twenty years need to have significant water pipe line and valve replacements undertaken as the water distribution system continues to age. I would like to consider us "lucky" or fortunate that our water system has held up as long and as well as it has in the existing saltwater environment. I would like to suggest a budget of \$250,000 - 400,000 / year for the next ten year period for an eventual full water system replacement. (Currently there is approximately 400 water valves in our system and 50 miles of water lines, and approximately 3500 water services.) Water mains, water services and especially water valves will need annual maintenance and programed scheduled replacements annually.

\$250,000 - 400,000 / year

Water Meter Replacements technology has been investigated and would like to be considered soon to provide more cost effective meter reading and monitoring, and better service to our customers in helping to avoid excessive water use and high water bills that no one wants or appreciates. This will require a significant initial investment to implement but will pay for itself over the long haul. Estimated cost to upgrade our water meter system with up-to-date remote read and monitoring technology. Estimated cost \$ 1.5 million. Currently we have 3500 water meters in our Utility System.

\$1.5 million (.5 million over a 3 year period)

Specific Wastewater System Improvements Planned at Wastewater Treatment Plant / Collection System

WWTP Phase II Construction Completion (clarifier rehabilitation, recycle and scum pump replacement, oxidation ditch rehab, sludge wasting valve, and clarifier launder covers, flume rehab \$ 800,000

WWTP Phase III (master pump station, screening structure, sludge digester, dewatering facility with sludge press, electrical building) \$ 2 million

WWTP Phase IV (includes new oxidation ditch, lab / office building replacement, pumps, valves, piping and tank modifications, chemical feed system replacement, general site improvements, additional permit requirements) \$ 4-5 million

Off-site Lift Station Rehabilitation Work / Install Bypass Connections \$150,000 / year

Completion of Warehouse / Office Building on north side \$50,000

Our Wastewater Collection System is 40 or more years old. As evidenced by our increased wastewater flows during storm water events and high ground water conditions which we have just experienced daily wastewater flows can readily increase up to 2 or 3 times average flow levels. Over the past 30 days we have been averaging 50% increased sewer inflow over normal levels. This additional flow of course increases our operational costs in electrical bills and equipment wear and tear. We have however in recent years successfully re-lined and sealed approximately 21,600 linear feet of our 129,000 linear feet of gravity sewer lines or approximately 20 % of the City's sewer lines to date. Future lining on the remaining pipeline sections are strongly recommended. In addition, sanitary sewer manholes and wastewater pump station wet wells also need attention to prevent the excessive inflow and infiltration that we are currently experiencing. This work will also need to be programmed into our future budgets annually. \$250,000 - 500,000 per year could easily be invested in this particular rehabilitation work effort. Currently we have approximately 500 manholes and 25 wet wells in our City system, the majority of which needing some type of rehabilitation efforts expended. Manhole, wetwell, and pipe collapses with city rights of -way are very expensive. These we need to strive to avoid by investing in and maintaining our systems in a regular and consistent manner each and every year. This all of course takes money.

\$500,000 / year

Hurricane Irma - Related Remote Pump Station Replacement Costs

(destroyed electrical panel and / or pumps)

Palms Pump Station	120,000
South Lambert Pump Station	120,000
South 12 th Street Pump Station	50,000
South 25 th Street Pump Station	170,000
South 27 th Street Lift Station	120,000
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Subtotal	\$ 580,000

Note: These pumping stations in my opinion were not constructed properly with electrical panels installed above flood stage and without emergency bypass connections installed. We are now making plans that all of existing and future pumping stations will have emergency bypass pump connections.