



FLAGLER BEACH CITY COMMISSION

Item No. 9

Meeting Date: 10-24-2019

Issue: A Resolution by The City Commission Of The City Of Flagler Beach, For Water, Sewer and Stormwater Fee Increases To Provide Revenues That Will Be Sufficient To Operate Financially Self Supporting Utilities; Repealing Resolution 2018-33. Providing For Conflict and an Effective Date.

From: Kathleen Doyle, Finance Director

Organization: City Staff

RECOMMENDATION: Approve Resolution 2019-22

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 2019-20 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 2019/20 Budget for Water and Sewer rates revealed the need for an increase in Base Fees to provide monies for Capital Improvements of **\$2,253,600** that were approved for the 2019/20 Budget. City staff anticipates an additional \$1,540,000 to be encumbered from the 2018/19 budget for projects that were underway but not completed by September 30th. The total amount of expenditures will be \$3,793,600.

The adopted budget included a 12.5% increase to the Water Base Fee and a 12.5% increase to the Sewer Base Fee. The Draft Budget included a 25% increase as was approved with Resolution 2018-33, Exhibit A (Utility Budget Forecast).

An amount over **\$16 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, 2019 through September 30 2024.*** Staff continues to obtain alternate funding sources, such as Grants and SRF Loans, but City needs to maintain adequate reserves to secure these types of revenues. The City entered into a Utility Service Area agreement in 2007 establishing the district that we provide Water and Sewer Services to. Future growth in this area will financially impact our Facilities, Infrastructure and Customer Service needs.

City Staff worked with consultants to submit an application for a loan through the State Revolving Fund for the completion of the Waste Water Plant. This loan will be similar in structure to the current SRF loan for the Water Plant. The water plant loan will be completely paid off in 2027. Depending on the actual cost of the WWTP, loan payments could exceed \$550,000 annually. 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 7 years away.

The City of Flagler Beach imposes Base Fees to provide reserves for Capital Items such as Infrastructure and Facility Improvements and Equipment. **The increase of 12.5% to Water/Sewer Impact Fees equates to approximately \$265,000 annually.** Exhibit A to Resolution 2019-22, showing Water and Sewer Forecasted Revenues and Expenditures shows even with that 12.5% increase to base fees,

Expenses will exceed Revenues by \$1.6 million if all projects are completed in the current year. The Attachment also shows maintaining an increase of 12.5% to base fees is not feasible.

The year-end close out is currently in process, but currently the Unrestricted Utility Reserves Cash Balance is projected to be \$2.5 Million at 9/30/19. This is the amount of savings we could use towards next years' budget shortfall of \$1.6 Million. This would mean that when we get to the end of 2020 we would only have \$900,000 left in unrestricted reserves. This should be seriously considered when assessing the increase to Utility Base Fees; last years' resolution suggested staying at 25% increase for 2019/20 and 2020/21 budget year.

Alternatives could be to continue to push capital projects out to future years. However, this may jeopardize the level of service City Staff strives to provide for our Citizens.

Debt Service

The unpaid amount, principal plus interest, on the SRF loan for Utility Fund, which continues through 2027 is \$3,148,156. The State Revolving Loan was issued in 2007 to build the Water Treatment Plant and requires annual payments of \$465,750. An additional SRF loan for the design and completion of improvements to the Waste Water Plant is being reviewed; if we are eligible for this low interest loan and depending on the cost of the plant The City would face another 20 years of debt service of \$600,000 per year. Depending on the timing of completion of the plant, the City could have to pay both loans simultaneously, or close to \$1 million per year in debt service. The City may have the option to defer payments on the SRF loan for the WWTP; but of course we would accrue interest on the time of deferral.

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 **2.36%** increase over 2018-19 figures. Water and Sewer Flow rates are an established fee to balance the costs of water production. The increase of 2.36% provided by the index is **not sufficient to cover the daily operations** of the Water Plant and the Wastewater Plant for the 2019/20 Budget Year based on our current water and sewer flows. Operations Cost is budgeted at \$2.6 million; Water/Sewer flow revenues are budgeted at \$1.7 million. City Staff will monitor expenses for operations closely. Water Consumption has decreased over the past years.

Water/Sewer Connection Fees

The Fees for new service connection on new construction, charged on Building Permits, are being increased due to increased costs for labor and materials. This is the first increase in many years.

Stormwater

The 3 Year Analysis for the Stormwater Fund shows the Revenues and Reserves are sufficient 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 the eight designed systems from the 2009 Stormwater Master Plan. **The City is currently working on improvements for South Daytona and South Central Avenues, this is project is funded with a \$500,000 grant from St. John's River Water Management District and the remainder from Stormwater Funds.**

Staff recommends a **\$1 per month** increase for the **2019/20** 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

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.

At this time the City will keep the current rates for Sanitation which were last increased in 2017/18 fiscal year. City Staff is conducting a Sanitation Study to determine a new fee schedule for residents and commercial accounts based on our current Sanitation needs and costs.

Once the Sanitation Study is complete all Commercial Accounts will be assessed a fee for Recycling.

For many years, Tipping Fees for Recycling were free of charge to the City. To encourage recycling, the City decided to pick up all recycling for residents and commercial accounts at no charge to the Customer. Recycling is now billed at the same rate as regular trash; the City can no longer absorb the high costs associated with recycling.

All Sanitation Customers, (Residential and Commercial) will be notified of the meeting that will address the results of the study and changes to fees on their Utility Bills.

How the increase to all Utilities affects our residents

The total increase to base fees for a residential account are **\$6.91** per month; **\$82.87** annually.

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 12 years, the increase would have not been so severe and the city would have unrestricted reserves in excess of \$3 million as indicated on the attached Rate Increase 15 Year History.

The City can no longer put off the improvements needed at the Waste Water Plant, Infrastructure Needs, New Wells and Projects to improve the efficiency of our service.

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

BUDGETARY IMPACT: Utility increases are necessary to maintain normal operations, provide for capital improvements, debt service and maintain an adequate reserve balance. The increase of 12.5% to Water/Sewer Base Fees will not be enough to accomplish these goals; as indicated by Exhibit A to Resolution 2019-22.

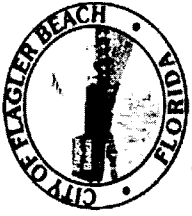
LEGAL CONSIDERATIONS/SIGN-OFF: N/A

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 2019-22, Exhibit A to Resolution 2019-22(Utility Forecast), Exhibit B to Resolution 2019-22(Stormwater Forecast), Exhibit C to Resolution 2019-22(Water/Sewer Rate Table), Exhibit D to Resolution 2019-22 (Sanitation Forcast), Exhibit E to Resolution 2019-22 (Sanitation Rates), Area Comparison of Sewer Water Base Fees, Proposed Residential Base Fees, Rate Increase 15 Year History



PROPOSED INCREASE FOR 2019-20

Utility Bill BASE Fee Increases

	Current Rate	2019/20
<u>Water Base Fees (12.5%)</u>	27.04	30.42
<u>Sewer Base Fees (12.5%)</u>	17.50	19.69
<u>Stormwater Fee (12.77%)</u>	7.83	8.83
<u>Refuse Fee</u>	19.80	19.80
<u>Utility Tax</u>	2.70	3.04
Total	74.87	81.78

Monthly Amount of Increase \$ **6.91**
Annual Increase \$ **82.87**

	\$ increase per fee	% increase per fee
	\$ 3.38	12.50%
	\$ 2.19	12.50%
	\$ 1.00	12.77%
	\$ -	0.00%
	\$ 0.34	

9.22% INCREASE TO ALL BILLED BASE FEES

Actual 2005-2020 Rate Increases on Base Fees

Increase each year	Proposed for													
	0%	38%	2.57%	0%	1.22%	0%	3.62%	1.67%	7.00%	13.31%	19.96%	33.80%	25.01%	12.50%
2005	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2006	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2007	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2008	0%	38%	2.57%	0%	1.22%	0%	3.62%	1.67%	7.00%	13.31%	19.96%	33.80%	25.01%	12.50%
2009	0%	0%	2.57%	0%	1.22%	0%	3.62%	1.67%	7.00%	13.31%	19.96%	33.80%	25.01%	12.50%
2010	0%	0%	0%	0%	1.22%	0%	3.62%	1.67%	7.00%	13.31%	19.96%	33.80%	25.01%	12.50%
2011	0%	0%	0%	0%	1.22%	0%	3.62%	1.67%	7.00%	13.31%	19.96%	33.80%	25.01%	12.50%
2012	0%	0%	0%	0%	1.22%	0%	3.62%	1.67%	7.00%	13.31%	19.96%	33.80%	25.01%	12.50%
2013	0%	0%	0%	0%	1.22%	0%	3.62%	1.67%	7.00%	13.31%	19.96%	33.80%	25.01%	12.50%
2014	0%	0%	0%	0%	1.22%	0%	3.62%	1.67%	7.00%	13.31%	19.96%	33.80%	25.01%	12.50%
2015	0%	0%	0%	0%	1.22%	0%	3.62%	1.67%	7.00%	13.31%	19.96%	33.80%	25.01%	12.50%
2016	0%	0%	0%	0%	1.22%	0%	3.62%	1.67%	7.00%	13.31%	19.96%	33.80%	25.01%	12.50%
2017	0%	0%	0%	0%	1.22%	0%	3.62%	1.67%	7.00%	13.31%	19.96%	33.80%	25.01%	12.50%
2018	0%	0%	0%	0%	1.22%	0%	3.62%	1.67%	7.00%	13.31%	19.96%	33.80%	25.01%	12.50%
2019	0%	0%	0%	0%	1.22%	0%	3.62%	1.67%	7.00%	13.31%	19.96%	33.80%	25.01%	12.50%
2020	0%	0%	0%	0%	1.22%	0%	3.62%	1.67%	7.00%	13.31%	19.96%	33.80%	25.01%	12.50%
Total Monthly Base Fees for the Year	12.17	12.17	12.17	12.17	12.17	12.17	12.17	12.17	12.17	12.17	12.17	12.17	12.17	12.17
Monthly Amount of Increase	\$ -	\$ -	\$ 0.43	\$ -	\$ 0.21	\$ -	\$ 0.63	\$ 0.30	\$ 1.28	\$ 2.61	\$ 4.43	\$ 9.00	\$ 8.91	\$ 5.57
														\$ 37.94

Rate Increase if City had followed 10% Increase Plan

Increase each year	Proposed for													
	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2005	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2006	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2007	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2008	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2009	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2010	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2011	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2012	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2013	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2014	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2015	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2016	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2017	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2018	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2019	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2020	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Total Monthly Base Fees for the Year	12.17	13.39	14.73	16.20	17.82	19.60	21.56	23.72	26.09	28.70	31.57	34.72	38.19	46.22
Monthly Amount of Increase	\$ 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	\$ 4.20
														\$ 4.62
														\$ 38.67

Actual Billed
 Billed if City had increased 10% per year
 Revenue lost without steady increase

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
474,993	486,610	700,126	699,851	710,673	832,119	822,573	900,155	943,482	1,032,982	1,169,250	1,384,721	1,819,079	2,233,908
546,190	600,809	660,889	833,887	917,276	1,009,003	1,109,904	1,220,894	1,342,983	1,477,282	1,625,010	1,787,511	1,966,262	2,273,805
(71,196)	(114,198)	39,237	(134,036)	(206,603)	(176,884)	(287,330)	(320,739)	(399,502)	(444,299)	(455,760)	(405,790)	(147,182)	(99,898)

Base Fees Collected 2006-2019
 With 10% Annual Increase
 Revenues that could have been in reserves

14,207,524	Rate Proposed for 2019/20	\$ 50.11
17,371,703	Rate at 2019/20 with steady 10% Increase	\$ 50.84
3,164,179		

If the City had increased 10% annually since 2006, we would have had \$3 million in unrestricted reserves that would have been used to maintain and rehabilitate our plants and infrastructure and plan for future improvements. Now that ACTUAL Residential Rates (\$50.11) are close to where they would have been if the City had consistently increased our rates by 10%, (\$50.84) can we switch to just 10% per year?

Unfortunately no; a 10% increase for the 2020/21 year would generate less than a \$250,000 increase to revenues; the years of neglect to our Water and Sewer System due to lack of funds has compounded into millions of dollars of capital needs. City Staff strives to find outside funding sources but recommends 25% increase resumes 2020/21 to insure we have adequate reserves to secure the low interest SRF Loan for the WWTP and also have reserves for grant match requirements.

RESOLUTION 2019-22

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 2018-33; 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, 2019 and ending September 30, 2022 are shown in "Exhibit A" attached hereto and made a part hereof

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, 2019 and ending September 30, 2022 are shown in "Exhibit B" hereto and made a part hereof

SECTION 3 That the rates to be paid for Water and Sewer Services and Stormwater Fees shall be

in accordance with "Exhibit C", attached hereto and made a part hereof.

SECTION 4 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, 2019 and ending September 30, 2022 are shown in "Exhibit D" hereto and made a part hereof

SECTION 5 That the rates to be paid for Water and Sewer Services, Stormwater Rates and Solid Waste Collection Fees shall be in accordance with Exhibit C and Exhibit D, attached hereto and made a part hereof.

SECTION 6 All Resolutions or parts thereof in conflict herewith be and the same are hereby repealed.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2019.

CITY OF FLAGLER BEACH, FLORIDA
CITY COMMISSION

ATTEST:

Linda Provencher, Mayor

Penny Overstreet, City Clerk

WATER AND SEWER FORCASTED REVENUES AND EXPENSES * 12.5% Increase to Base Fees			
	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR
	2019-2020	2020-2021	2021-2022
WATER SALES	\$ 922,000	\$ 943,759	\$ 966,032
WATER SERVICE BASE CHARGE	\$ 1,519,875	\$ 1,899,844	\$ 2,374,805
SEWAGE SERVICE	\$ 843,000	\$ 862,895	\$ 883,259
SEWER BASE FEES	\$ 972,000	\$ 1,215,000	\$ 1,518,750
	\$ 4,256,875	\$ 4,921,498	\$ 5,742,846
Legislative Grant WWTP(from 2018/19)	\$ 425,000		
Projects qualified for Restricted Impact Fees	\$ 465,000	\$ 1,000,000	\$ 750,000
OTHER REVENUE	\$ 206,000	\$ 212,180	\$ 220,667
Total Revenues	\$ 5,352,875	\$ 6,133,678	\$ 6,713,513
Operating Expense	\$ 2,687,866	\$ 2,768,502	\$ 2,851,557
ENCUMBRANCE FROM 2018/19	\$ 1,540,000		
5-Year Capital Plan	\$ 2,253,600	\$ 4,378,000	\$ 4,278,000
Debt Service	\$ 475,846	\$ 475,846	\$ 475,846
Total Expenses	\$ 6,957,312	\$ 7,622,348	\$ 7,605,403
Revenues Less Expenditures**	\$ (1,604,437)	\$ (1,488,670)	\$ (891,890)

***FOR 2019-20**

Water and Sewer Base Charges include a 12.5% Increase to Water Base Fees and 12.5% Increase to Sewer Base Fees
Water and Sewer Flows are increased by the
Gross Domestic Product Implicit Price Deflator 2.36% in this forecast

***FOR 2020-21 & 2021-22**

Water and Sewer Base Charges include a 25% Increase to Water Base Fees and 25% Increase to Sewer Base Fees
Water and Sewer Flows are increased by the
Gross Domestic Product Implicit Price Deflator 2.36% in this forecast

**** REVENUES LESS EXPENDITURES**

The negative numbers indicate the shortfall in funding to accomplish the Operations and Capital Projects in the forecast. The total deficit for the forecasted three years is close to \$4 million even with 25% increases to base fees and use of restricted impact fees for those qualified projects. IF we can secure the SRF loan there will be a decrease of roughly \$2.8 million of expense for the WWTP since we will have a funding source, the loan, to offset. That still leaves \$1.2 million in projects that need to be moved out to the future years, if possible.

STORMWATER FUND FORCASTED REVENUES AND EXPENSES			
	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR
	2018-2019	2019-2020	2020-2021
Monthly Fee per ERU	\$8.83	\$9.83	\$10.83
STORMWATER FEES	\$465,000	\$525,512	\$584,820
OTHER REVENUES	5,700	5,871	6,047
GRANT REVENUE			
Total Revenues	\$470,700	\$531,383	\$590,867
Operating Expense	\$117,865	\$121,401	\$125,043
5-Year Capital Plan	\$205,048	\$250,000	\$150,000
Debt Service	<u>\$118,110</u>	<u>\$119,000</u>	<u>\$120,000</u>
Total Expenses	\$441,023	\$490,401	\$395,043
Revenues Less Expenditures	29,677	38,645	129,015

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	<i>Proposed 2019-20</i>	Charge when Developer-Installed Tap/Connection*	Proposed 2019-20	Charge Outside City Limits	Proposed 2019-20
5/8 × 3/4	\$ 515.00	\$ 615.00	\$ 330.00	399.75	\$ 772.50	922.50
3/4	\$ 570.00	\$ 670.00	\$ 385.00	435.50	\$ 855.00	1,005.00
1	\$ 665.00	\$ 765.00	\$ 420.00	497.25	\$ 997.50	1,147.50
1 1/2	\$ 850.00	\$ 950.00	Determined at time of connection	Determined at time of connection	Determined at time of connection	Determined at time of connection
2	\$ 1,885.00	\$ 1,985.00	Determined at time of connection	Determined at time of connection	Determined at time of connection	Determined at time of connection
3	\$ 4,375.00	\$ 4,475.00	Determined at time of connection	Determined at time of connection	Determined at time of connection	Determined at time of connection
4	\$ 7,820.00	\$ 7,920.00	Determined at time of connection	Determined at time of connection	Determined at time of connection	Determined at time of connection
6	\$ 11,975.00	\$ 12,075.00	Determined at time of connection	Determined at time of connection	Determined at time of connection	Determined at time of connection
8	\$ 17,915.00	\$ 18,015.00	Determined at time of connection	Determined at time of connection	Determined at time of connection	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	27.04	30.42	40.56	45.63
*Gallons 0-2000	4.84	4.95	7.27	7.43
*2001-8001	7.55	7.73	11.33	11.59
*8001-up	9.12	9.34	13.68	14.00

***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	27.04	30.42	40.56	45.63
<i>Plus</i> Flow Charge per 1000 Gallons	9.67	9.90	14.50	14.85

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.

Exhibit C to Resolution 2019-22

SCHEDULE W5. MONTHLY CHARGES FOR IRRIGATION METERS

Charge	Charges Inside City Limits	
	Current Rate	Proposed Rate
Water Base	27.04	30.42
*Gallons 0-2000	4.84	4.95
*2001-8001	7.54	7.72
*8001-up	9.12	9.34

***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 FSS
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	17.50	19.69	26.25	29.53
<i>Plus</i> Flow Charge per 1000 Gallons	6.43	6.58	9.65	9.87
<u>Multiple Users on Single Meter</u>				
Sewer Base	17.50	19.69	26.25	29.53
<i>Plus</i> Flow Charge per 1000 Gallons	6.43	6.58	9.65	9.87
<u>Low Pressure</u>				
Sewer Base	29.35	33.02	44.03	49.53
<i>Plus</i> Flow Charge per 1000 Gallons	9.64	9.87	14.46	14.80

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

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

Meter Size (Inches)	Current Rate	Proposed Rate
5/8" Sewer Base	42.68	48.02
<i>Plus</i> Flow Charge per 1000 Gallons	6.43	6.58
3/4" Sewer Base	42.68	48.02
<i>Plus</i> Flow Charge per 1000 Gallons	6.43	6.58
1" Sewer Base	61.76	69.48
<i>Plus</i> Flow Charge per 1000 Gallons	6.43	6.58
1 1/2" Sewer Base	121.28	136.44
<i>Plus</i> Flow Charge per 1000 Gallons	6.43	6.58
2" Sewer Base	218.93	246.30
<i>Plus</i> Flow Charge per 1000 Gallons	6.43	6.58
3" Sewer Base	609.60	685.80
<i>Plus</i> Flow Charge per 1000 Gallons	6.43	6.58
4" Sewer Base	805.00	905.63
<i>Plus</i> Flow Charge per 1000 Gallons	6.43	6.58
6" Sewer Base	872.99	982.11
<i>Plus</i> Flow Charge per 1000 Gallons	6.43	6.58
8" Sewer Base	970.64	1,091.97
<i>Plus</i> Flow Charge per 1000 Gallons	6.43	6.58

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: \$7.83 Proposed Rate per ERU: \$8.83</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.