

# City of Palm Coast, Florida Agenda Item

**Agenda Date:** March 18, 2025

<b>Department</b>	CONSTRUCTION MANAGEMENT & ENGINEERING	<b>Amount</b>
<b>Division</b>	ENGINEERING	<b>Account #</b>
<b>Subject:</b> ORDINANCE 2025-XX UTILITY RATE AMENDMENT		
<b>Presenter:</b> Carl Cote, Director of Stormwater & Engineering		
<b>Attachments:</b> <ol style="list-style-type: none"><li>1. Presentation</li><li>2. Updated Ordinance</li><li>3. Business Impact</li></ol>		
<b>Background:</b> <b>Council Priority:</b> <b>D. Sustainable Environment and Infrastructure</b>		
<b><u>UPDATED BACKGROUND FROM THE MARCH 4, 2025, BUSINESS MEETING:</u></b> The first reading of this item was heard at the March 4, 2025, Business Meeting. After the first reading of the Ordinance, the City Council provided direction to modify the 5-Year CIP based on the removal of the revenue from the 2nd Bond. The revised plan shall include all projects required as part of the Consent Decree and projects necessary in order to obtain an engineering certification/declaration that the utility system capital plan is properly funded to maintain and keep the utility system in a decent operational condition, comply with regulatory requirements, as well as meeting the capacity and demands on the utility system.		
A review of the rates to be revisited when the impact fees are able to be re-evaluation in FY27/FY28 for implementation 5/1/2028. An additional bond and/or rate increase may be necessary at this time to address the deferred and reduced funding of projects, additional projects, any construction costs increases, regulatory requirements or other needs.		
<b><u>ORIGINAL BACKGROUND FROM THE MARCH 4, 2025, BUSINESS MEETING:</u></b> To ensure revenues are sufficient to support the operation, maintenance and expansion of the water and sewer utility the City periodically conducts a review of the established rates and fees. The city enlisted the services of Stantec Consulting Services Inc., in Florida to conduct a <i>Water and Wastewater Revenue Sufficiency and Capital Facilities Fees Study</i> . Calculations are needed to assess the rates necessary to maintain the infrastructure of the water and sewer system. The consultant will recommend adjustments to various rates including monthly base charges and per gallon charges as well as adjustments to water and sewer capacity fees that are assessed for new construction. Rate studies are performed to assure that the studied entity will be sustainable over time to cover operating costs, capital improvements costs, stay within financial policies and cover debt payments with a reserve for emergencies. Much information must go into this evaluation and ultimately the result that is derived from all the information that goes into the study. These studies are usually performed every 3 to 5 years to keep up with the changes that occur in the operation, growth changes, material cost changes, labor rates, equipment costs as well as		

maintenance and other factors.

Based on the current economic factors changing much of how our economy functions, such as covid impact, supply chain issues, inflation, labor shortages and the fact that our past few studies have not been of the most comprehensive nature, this study is a more thorough dive into our system needs.

During the regularly scheduled City Council meeting of November 14, 2023, utility staff and the utility rate consultant presented its initial findings, options for consideration, and recommendations for cost adjustments. This was a presentation only for information and to request council direction with a future rate consideration to come back to council for adoption. City staff and the Consultant have taken the guidance provided by council at the November meeting and included a new water tier, holding the base rates flat for the initial rate adjustment, and moving up the capacity fees adjustment from October to May to coincide with the first monthly rate adjustment.

City Council heard the first reading of this item at the February 20, 2024, Business Meeting. Per City Council direction an Ordinance was revised to reflect City Council's motion to adjust only the Capital Facility Fee and approval of 2<sup>nd</sup> reading on March 5, 2024.

On October 15, 2024, City Council approved proceeding with a utility gap analysis to be performed by Raftelis, a rate consultant, to determine the current rate revenue shortfall. This is important because it helps identify and address deficiencies in a utility system's capacity, financial performance, and infrastructure. It provides a clear understanding of current capabilities versus future needs, enabling informed decision-making and strategic planning. Key reasons for conducting a utility gap analysis include; Identifying Capital Needs, Ensure Service Reliability, Support economic development, Update fees for services, and Budgeting and Resource Allocations.

This item is to review the findings of the GAP analysis and proposed recommendations for utility rate increases and adjustments to utility charges.

**Recommended Action:**  
**ADOPT ORDINANCE 2025-XX UTILITY RATE AMENDMENT**



# UTILITY RATES & CHARGES

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# Charges for Services

# Utility Service Agreement Charges

A review of charges for new utility agreements (new development) has been completed to verify the Utility was recovering its costs. A modification is proposed to simplify the process and so that the developer can determine these fees early on in their process. The new system will utilize a cost for each Equivalent Residential Units (ERU's).



## Utility Service Agreement

The cost to account for City expenses including but not limited to administrative and inspection of new utilities associated with new development shall be **\$75.00** per ERU for each of the following categories; Water & Sewer. There will be a minimum charge of **\$3,500.00**.

### SAMPLE PROJECT CALCULATION

ITEM	DESCRIPTION	ERU's	COST PER ERU	EXTENSION
1	Water	200	\$75.00	\$15,000.00
2	Sewer	200	\$75.00	\$15,000.00
	<b>TOTAL</b>			<b>\$30,000.00</b>

*The Ordinance was updated to include these charges.*

# Utility Charges

Refer to Ordinance for Complete Listing of all Charges.

Administer a Consumer Price Index (CPI) adjustment of up to 3% if the City Manager or designee, determines that an increase in fees is necessary based on an annual review of the cost increase to the City for materials, equipment and services.

Fees to be reviewed no less than every 5-Years as part of a comprehensive Rate Study.

## Listing of Fee Changes and New Fees

WATER SERVICE RATES, FEES AND CHARGES			
	Current Rates		Effective April 2025
<b>Hydrant Meter:</b>			
Customer Deposit	\$	560.00	\$ 2,150.00
Installation Fee	\$	-	\$ 130.00
<b>Meter Test:</b>			
5/8", 3/4", & 1" Meter	\$	40.00	\$ 225.00
Turn On / Reconnect:	\$	25.00	\$ 50.00
Turn Off / Disconnect:	\$	25.00	\$ 50.00
Reconnect / Premise Visit (after hours):	\$	35.00	\$ 100.00
Violation Connection:	\$	-	\$ 1,000.00
<b>Meter Tampering Fee:</b>			
First Occurrence	\$	125.00	\$ 250.00
Second Occurrence	\$	-	\$ 500.00
Third and Subsequent Occurrences	\$	-	\$ 750.00
Premise Visit (per visit):	\$	25.00	\$ 50.00
Late Payment:		1.5% of bill with \$5 Min.	1.5% of bill with \$10 Min.
Fire Flow Test:	\$	85.00	\$ 250.00
Back-flow Preventer Annual Inspection Commerical/Industrial:	\$	-	\$ 100.00
<b>Meter Installation with Tap:</b>			
5/8" & 3/4" Meter	\$	672.77	\$ 2,326.93
<b>Meter Installation with No Tap:</b>			
5/8" & 3/4" Meter	\$	514.49	\$ 965.03
Irrigation Meter Installation:	\$	514.49	\$ 965.03
Permit Reviews:	\$	-	\$ 25.00
Permit Inspections/Reinspections:	\$	25.00	\$ 40.00

# Utility Charges

Refer to Ordinance for Complete Listing of all Charges.

## Listing of Fee Changes and New Fees

WASTEWATER SERVICE RATES, FEES AND CHARGES			
	Current Rates		Effective April 2025
Premise visit:	\$	25.00	\$ 50.00
After Hour Premise visit:	\$	25.00	\$ 100.00
Late payment:		1.5% of bill with \$5 Min.	1.5% of bill with \$10 Min.
PEP Tank Connection:	\$	-	\$ 756.74
Wastewater Pressure Test:	\$	60.00	\$ 250.00
Permit Reviews:	\$	-	\$ 25.00
Permit Inspections/Reinspections:	\$	25.00	\$ 40.00

RECLAIMED WATER SERVICES RATES, FEES AND CHARGES			
	Current Rates		Effective April 2025
Turn on/Reconnect:	\$	25.00	\$ 50.00
Turn off/Disconnect:	\$	25.00	\$ 50.00
Reconnect / Premise Visit (after hours):	\$	25.00	\$ 100.00
Violation Connection (Plus Full City Cost):	\$	125.00	\$ 250.00
Premise Visit:	\$	25.00	\$ 50.00
Late Payment:		1.5% of bill with \$5 Min.	1.5% of bill with \$10 Min.
Meter Installation:			
5/8" & 3/4" Meter	\$	427.42	\$ 874.47
Permit Reviews:	\$	-	\$ 25.00
Permit Inspections/Reinspections:	\$	25.00	\$ 40.00

INDUSTRIAL WASTEWATER PRETREATMENT RATES, FEES AND CHARGES			
	Current Rates		Effective April 2025
Annual Surveillance Fee:			
Inspection, Administrative Fees and Equipment	\$	70.00	\$ 200.00
Inspection for Noncompliance:			
Inspection due to Noncompliance, Admin Fees, Sampling and Equipment	\$	80.00	\$ 250.00
Administrative Penalty for Continued Noncompliance:	\$	125.00	\$ 250.00

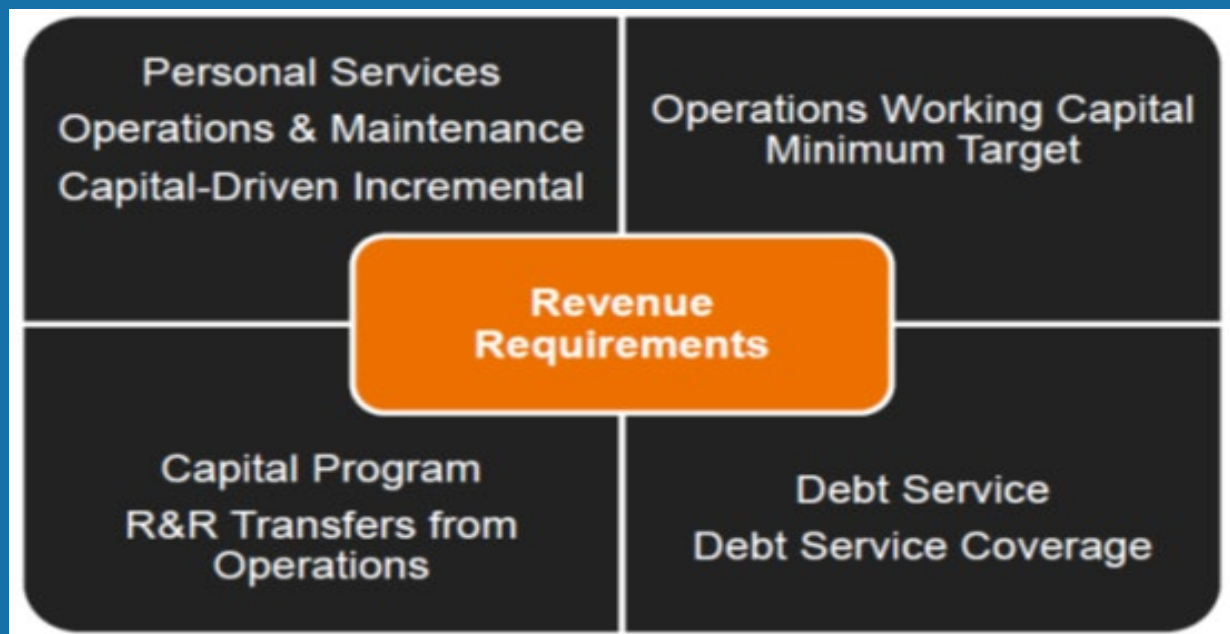
# Rates



# Utility Rates

Utility Rates are used to Maintain Services and to Ensure there are Revenues to Satisfy and Support the Operation, Maintenance, Regulatory & Compliance Requirements, and to provide upgrades of the Utility.

Review every 3 to 5 Years.



## Infrastructure Costs

Items include the construction, maintenance, and repair of treatment facilities, pipelines, pumping stations, and building and site components. It's important to note that some of these elements can be substantial expenses, requiring thoughtful, long-term planning.

## Operational Costs

Day-to-day costs, such as labor, energy, chemicals, and equipment maintenance. These costs can fluctuate based on changes in the demand, flow or loading. Energy and chemicals will vary as the flow or loading to the system changes, inflationary costs, and supply and demand for items.

## Regulatory & Compliance Costs

Entails testing, monitoring, and reporting to ensure treated water or wastewater adheres to environmental and regulatory standards. It's also vital to anticipate future changes in the treatment process such as PFA and PFOS, seek alternative water supplies, and future shifts in waste streams.

## Replacement & Rehabilitation (R&R)

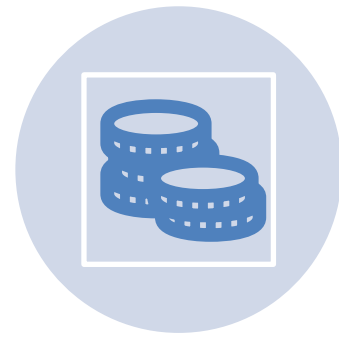
Replacement or upgrades of equipment, typically on a longer-term cycle. It is critical to place or rehabilitate our vital assets by evaluating the physical condition and functionality of its remaining service life. Original infrastructure was put in over 50 years ago.



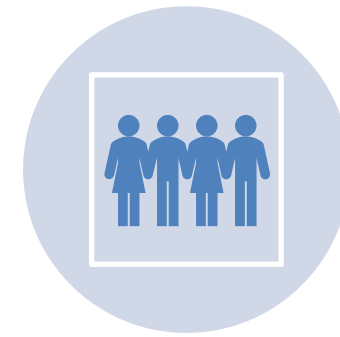
**Maintains and Increases  
Level of Service Quality**



**Ability to Maintain  
Existing Infrastructure  
Needs**



**Supports Economic  
Growth**



**Supports Quality of Life**



**Assists in Meeting  
Regulatory  
Requirements**



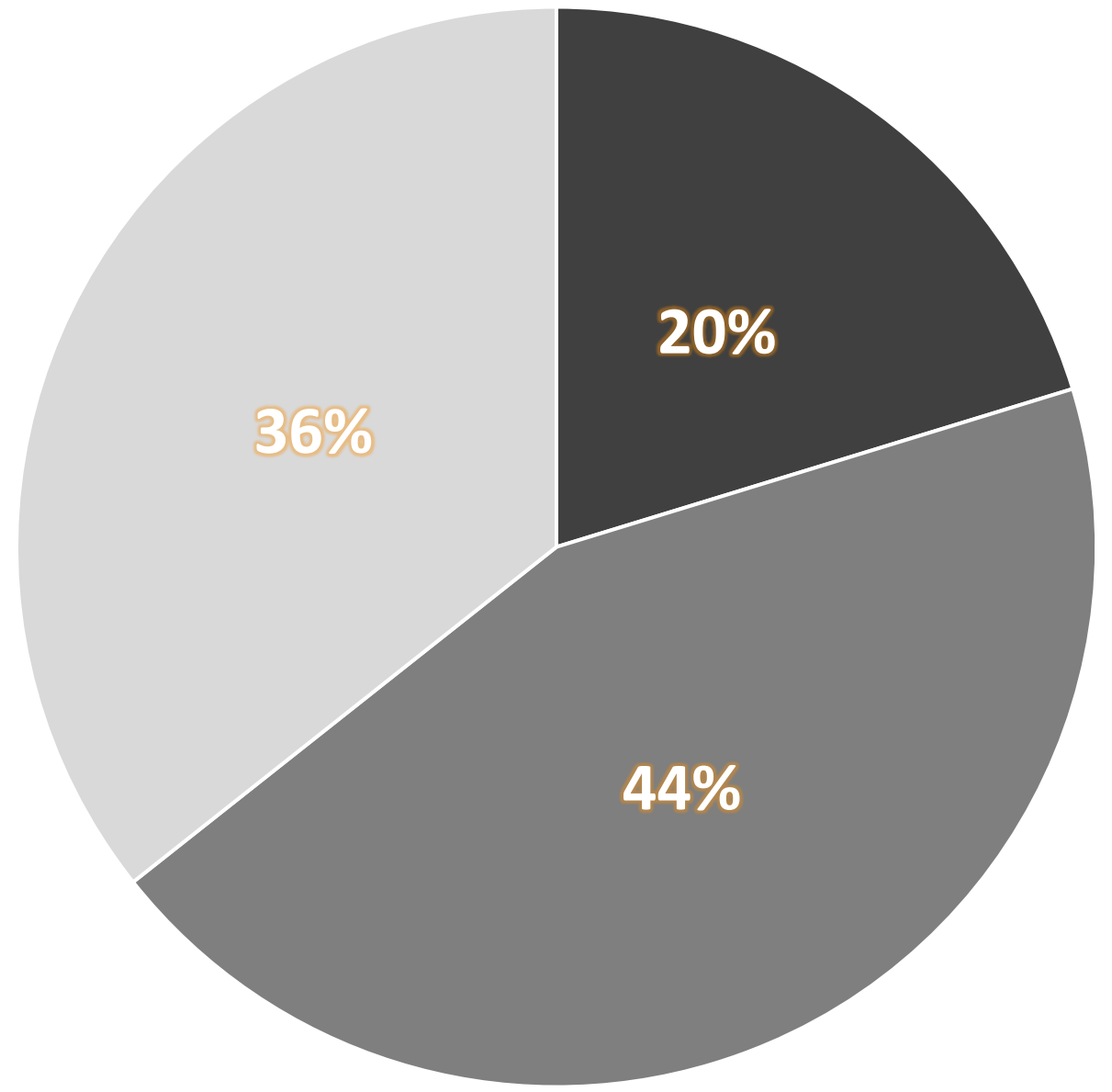
**Public Health & Safety  
Benefits**



# UTILITY 5-YEAR CAPITAL IMPROVEMENT PLAN (CIP) (FY 25–29)

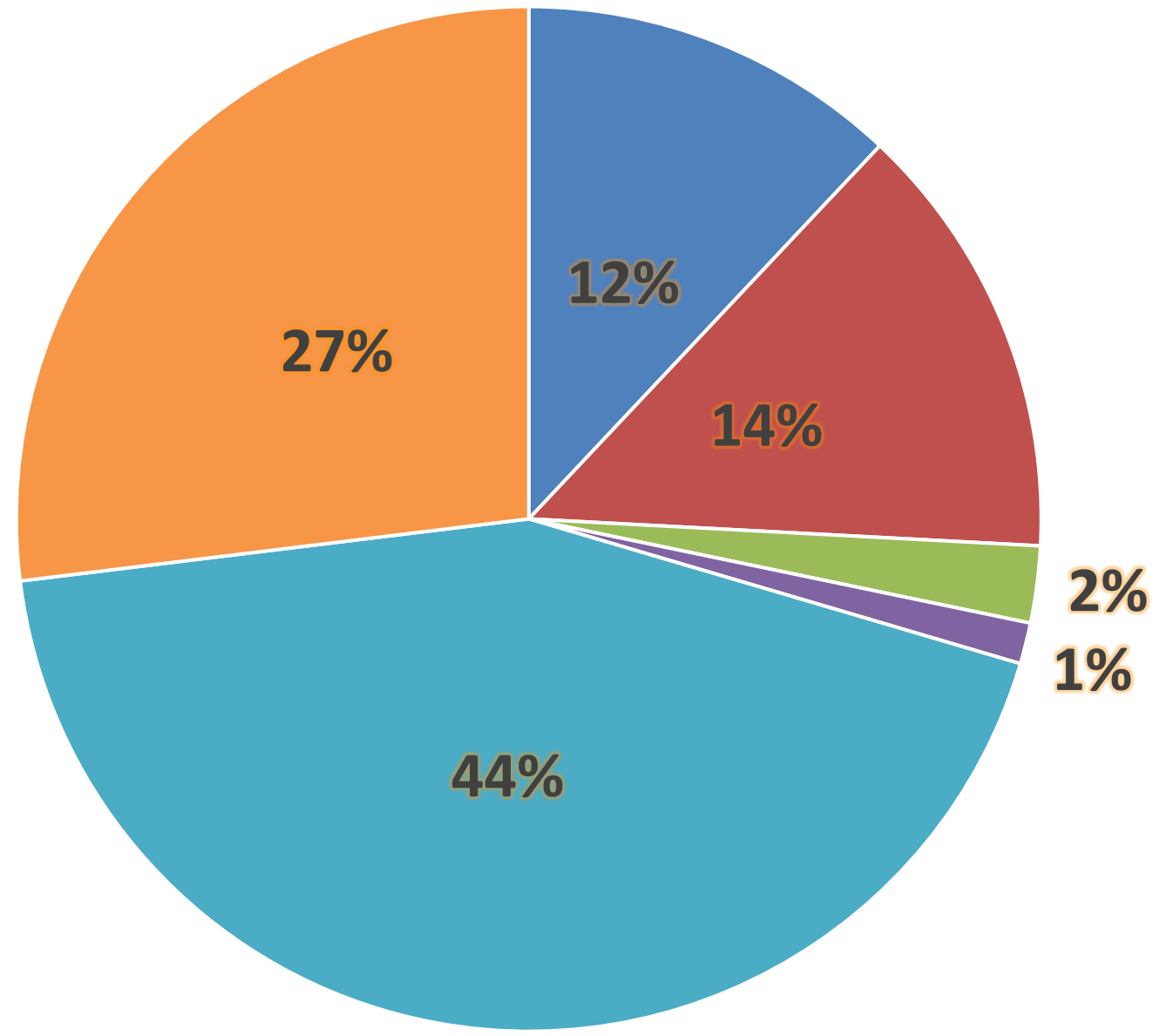
	Rates	Impact Fees	Grants	SRF Loan	FY26 Bond	FY28 Bond	Grand Total
Water Capacity	\$ -	\$ 48,536,301	\$ -	\$ -	\$ 47,008,500	\$ 36,519,000	\$ 131,975,801
Wastewater Capacity	\$ -	\$ 41,600,887	\$ 15,787,113	\$ 8,450,000	\$ 20,262,000	\$ 18,663,000	\$ 287,121,000
R&R	\$ 78,258,000	\$ -	\$ -	\$ -	\$ 37,765,500	\$ 120,259,809	\$ 232,283,329
<b>TOTAL</b>	<b>\$ 78,258,020</b>	<b>\$ 90,137,188</b>	<b>\$ 15,787,113</b>	<b>\$ 8,450,000</b>	<b>\$ 283,394,000</b>	<b>\$ 175,441,809</b>	<b>\$ 651,468,130</b>

**PROJECT TYPE**



■ Water Capacity ■ Wastewater Capacity ■ R&R

**FUNDING**



■ Rates ■ Impact Fees ■ Grants ■ SRF Loan ■ FY26 Bond ■ FY28 Bond



# WATER CAPACITY PROJECTS

#	Projects	FY 25 (Gap Study)	FY 26 (Gap Study)	FY 27 (Gap Study)	FY 28 (Gap Study)	FY 29 (Gap Study)	FY25 - FY29 Total	Impact Fees	Grant	SRF Loan	FY26 Bond	FY28 Bond
	<b>Other Expenditures (Operating/Contractual/Allocations/Debt Service/Transfers)</b>	<b>2,108,301</b>	<b>2,915,000</b>	<b>2,889,000</b>	<b>3,052,000</b>	<b>3,457,000</b>	<b>14,421,301</b>	<b>14,421,301</b>	-	-	-	-
	<b>Water Treatment Facility (Plant) #1</b>	<b>1,000,000</b>	<b>3,348,000</b>	<b>7,426,000</b>	<b>3,824,500</b>	-	<b>15,598,500</b>	<b>1,000,000</b>	-	-	<b>14,598,500</b>	-
1	WTF #1 - Plant Expansion by 1.8+/- MGD (Ozone+GAC)	1,000,000	3,348,000	7,426,000	3,824,500	-	15,598,500	1,000,000	-	-	14,598,500	-
	<b>Water Treatment Facility (Plant) #2</b>	<b>8,550,000</b>	<b>602,000</b>	-	-	-	<b>9,152,000</b>	<b>9,152,000</b>	-	-	-	-
2	WTF #2 - Lime Sludge Thickener & 2MG Ground Water Storage Tank ##	8,550,000	-	-	-	-	8,550,000	8,550,000	-	-	-	-
3	WTF #2 - TTHM & Aeration Equipment	-	100,000	-	-	-	100,000	100,000	-	-	-	-
4	WTF #2 - Add Skid	-	502,000	-	-	-	502,000	502,000	-	-	-	-
	<b>Water Treatment Facility (Plant) #3</b>	<b>900,000</b>	<b>10,789,000</b>	<b>10,052,000</b>	<b>11,487,000</b>	<b>12,381,000</b>	<b>45,609,000</b>	<b>3,498,000</b>	-	-	<b>18,803,000</b>	<b>23,308,000</b>
5	WTF #3 - Plant Expansion to 3.0 - 6.0 MGD	900,000	7,712,000	10,052,000	11,487,000	12,381,000	42,532,000	2,996,000	-	-	16,228,000	23,308,000
6	WTF #3 - 2MG Ground Storage Tank #2	-	3,077,000	-	-	-	3,077,000	502,000	-	-	2,575,000	-
	<b>Wellfield and Wells</b>	<b>5,595,000</b>	<b>10,421,000</b>	<b>10,841,000</b>	<b>7,090,000</b>	<b>7,204,000</b>	<b>41,151,000</b>	<b>14,245,000</b>	-	-	<b>13,607,000</b>	<b>13,211,000</b>
7	Wellfield and Wells - General Upgrades & Improvements <i>(Utility Managed Projects)</i>	-	100,000	259,000	107,000	110,000	576,000	576,000	-	-	-	-
8	Wellfield and Wells - Expansion Analysis	675,000	2,610,000	569,000	427,000	439,000	4,720,000	4,720,000	-	-	-	-
9	WTF #1 - Wellfield Expansion - New Wells SW-1R, SW-2R	800,000	-	-	-	-	800,000	800,000	-	-	-	-
10	WTF #1 - Wellfield Expansion - New Wells Commerce Dr.: SW-147 & Goodwill: SW-148	1,695,000	-	-	-	-	1,695,000	1,695,000	-	-	-	-
11	WTF #2 - Wellfield Expansion - SW-24 & SW-25	975,000	25,000	4,244,000	3,278,000	3,278,000	11,800,000	1,000,000	-	-	4,244,000	6,556,000
12	WTF #3 - Wellfield Expansion - Brackish/Fresh	1,250,000	7,284,000	3,183,000	3,278,000	3,377,000	18,372,000	2,354,000	-	-	9,363,000	6,655,000
13	WTF #1, #2 & #3 - Otis Stone Well Integration & Raw Water Mains	200,000	402,000	2,586,000	-	-	3,188,000	3,100,000	-	-	-	-
	<b>Water Mains</b>	<b>4,650,000</b>	-	-	-	-	<b>4,650,000</b>	<b>4,650,000</b>	-	-	-	-
14	(Radiance CDD) WTF #2 - Water Main - Citation/Old Kings Road/SR100 Loop	4,000,000	-	-	-	-	4,000,000	4,000,000	-	-	-	-
15	(Road) Water Main Ext. - OKR S. Widening Ph. 2	650,000	-	-	-	-	650,000	650,000	-	-	-	-
	<b>Distribution System Improvements <i>(Managed by Utility)</i></b>	<b>550,000</b>	<b>452,000</b>	<b>155,000</b>	<b>160,000</b>	<b>165,000</b>	<b>1,482,000</b>	<b>1,482,000</b>	-	-	-	-
16	Water Distribution - Radio Read Metering Transmitters	550,000	452,000	155,000	160,000	165,000	1,482,000	1,482,000	-	-	-	-
	<b>Total Expenditures</b>	<b>23,353,301</b>	<b>28,527,000</b>	<b>31,363,000</b>	<b>25,613,500</b>	<b>23,207,000</b>	<b>\$132,063,801</b>	<b>\$48,448,301</b>	<b>\$-</b>	<b>\$-</b>	<b>\$47,008,500</b>	<b>\$36,519,000</b>
								<b>36.69%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>35.60%</b>	<b>27.65%</b>



# WASTEWATER CAPACITY PROJECTS

#	Projects	FY 25 (Gap Study)	FY 26 (Gap Study)	FY 27 (Gap Study)	FY 28 (Gap Study)	FY 29 (Gap Study)	FY25 - FY29 Total	Impact Fees	Grant	SRF Loan	FY26 Bond	FY28 Bond
<b>Other Expenditures (Operating/Contractual/Allocations/Debt Service/Transfers)</b>		<b>1,911,364</b>	<b>3,426,000</b>	<b>3,505,000</b>	<b>3,468,000</b>	<b>3,017,000</b>	<b>15,327,364</b>	<b>15,327,364</b>	-	-	-	-
<b>Wastewater Treatment Facility (Plant) #1</b>		<b>4,675,000</b>	<b>60,500,000</b>	<b>60,000,000</b>	<b>60,000,000</b>	-	<b>185,175,000</b>	<b>5,175,000</b>	-	-	<b>180,000,000</b>	-
1	WWTF #1 - Minor Upgrades & Improvements	300,000	-	-	-	-	300,000	300,000	-	-	-	-
2	WWTF #1 - Centrifuge Replacement - Replace with Screw Press	475,000	-	-	-	-	475,000	475,000	-	-	-	-
3	WWTF #1 - Replace Spray Field with RIBS	-	500,000	-	-	-	500,000	500,000	-	-	-	-
4	WWTF #1 - Expansion and Rehabilitation from 6.83 to 10.83 MGD	3,900,000	60,000,000	54,500,000	50,500,000	-	168,900,000	3,900,000	-	-	165,000,000	-
5	WWTF #1 - Reclaimed Water Ground Storage Tank (6MG)	-	-	5,000,000	-	-	5,000,000	-	-	-	5,000,000	-
6	WWTF #1 - Wastewater Collection System Equalizer Tank	-	-	500,000	9,500,000	-	10,000,000	-	-	-	10,000,000	-
<b>Wastewater Treatment Facility (Plant) #2</b>		<b>10,550,000</b>	<b>401,000</b>	<b>4,403,000</b>	-	-	<b>15,354,000</b>	<b>501,000</b>	<b>2,000,000</b>	<b>8,450,000</b>	<b>4,403,000</b>	-
7	WWTF #2 - RIB/Exfiltration - Phase A	2,000,000	-	-	-	-	2,000,000	-	2,000,000	-	-	-
8	WWTF #2 - Plant Expansion to 4 MGD	8,450,000	-	-	-	-	8,450,000	-	-	8,450,000	-	-
9	WWTF #2 - Reclaimed Water Ground Storage Tank (2MG)	-	301,000	3,183,000	-	-	3,484,000	301,000	-	-	3,183,000	-
10	WWTF #2 - Aquifer Recharge Investigation & Direct Potable Reuse	100,000	100,000	1,220,000	-	-	1,420,000	200,000	-	-	1,220,000	-
<b>Future Wastewater Treatment Plant #3 (South OKR)</b>		<b>500,000</b>	-	-	-	-	<b>500,000</b>	<b>500,000</b>	-	-	-	-
11	WWTF #3 - New Wastewater Treatment Facility	500,000	-	-	-	-	500,000	500,000	-	-	-	-
<b>Force Mains &amp; Gravity Sewer</b>		<b>14,181,113</b>	<b>8,536,000</b>	-	-	<b>296,000</b>	<b>23,013,113</b>	<b>9,601,000</b>	<b>13,412,113</b>	-	-	-
12	WWTF #2 - Force Main Addition - Ravenwood to WWTF #2	-	50,000	-	-	296,000	346,000	346,000	-	-	-	-
13	(Radiance CDD) WWTF #3 - Force Main - OKR - SR100 to future WWTF #3	6,050,000	-	-	-	-	6,050,000	6,050,000	-	-	-	-
14	WWTF #1 - OKR Force Main Addition - Southern Spray Field Entrance to WWTF #1 (ARPA)	4,501,880	1,205,000	-	-	-	5,706,880	3,205,000	2,501,880	-	-	-
15	WWTF #1 - Force Main Extension - A1A (Jungle Hut to Malacompra) - Flagler County ARPA	2,879,233	-	-	-	-	2,879,233	-	2,879,233	-	-	-
16	WWTF #1 - Force Main Extension - A1A (Malacompra to Marineland) - Flagler County Grant	750,000	7,281,000	-	-	-	8,031,000	-	8,031,000	-	-	-
<b>Reclaimed Water Mains</b>		<b>230,000</b>	<b>5,775,000</b>	<b>2,069,000</b>	<b>5,464,000</b>	-	<b>13,538,000</b>	<b>2,299,000</b>	-	-	<b>5,775,000</b>	<b>5,464,000</b>
17	WWTP - Reclaimed (Wet Weather) Discharge	100,000	-	2,069,000	5,464,000	-	7,633,000	2,169,000	-	-	-	5,464,000
18	(Radiance CDD) WWTF #1 - RCW Extension - OKR - SR100 to future WWTF #3 & Citation	-	4,642,000	-	-	-	4,642,000	-	-	-	4,642,000	-
19	WWTF #1 - RCW Extension - Citation Blvd (Belle Terre to Existing Dead-End)	130,000	1,133,000	-	-	-	1,263,000	130,000	-	-	1,133,000	-
<b>PEP System</b>		<b>5,650,000</b>	<b>6,129,000</b>	<b>6,313,000</b>	<b>6,502,000</b>	<b>6,697,000</b>	<b>31,291,000</b>	<b>5,650,000</b>	-	-	<b>12,442,000</b>	<b>13,199,000</b>
20	PEP System - General Upgrades & Improvements	5,250,000	5,408,000	5,570,000	5,737,000	5,909,000	29,498,000	5,250,000	-	-	10,978,000	11,646,000
21	PEP System - Upgrades	400,000	721,000	743,000	765,000	788,000	3,634,000	400,000	-	-	1,464,000	1,553,000
<b>Lift Station and Pump Station Generators (FEMA)</b>		<b>500,000</b>	-	-	-	-	<b>500,000</b>	<b>125,000</b>	<b>375,000</b>	-	-	-
22	HMGP - Emergency Back-up Pumps - Lift Stations (5)	500,000	-	-	-	-	500,000	125,000	375,000	-	-	-
<b>Lift Stations and Pump Stations</b>		<b>1,619,523</b>	<b>803,000</b>	-	-	-	<b>2,422,523</b>	<b>2,422,523</b>	-	-	-	-
23	WWTF #1 - Pump Station - Upgrade - PS 13-1	500,000	-	-	-	-	500,000	500,000	-	-	-	-
24	WWTF ## - Pump Station - 24-2 Modifications & Upgrades (WhiteView)	950,000	-	-	-	-	950,000	950,000	-	-	-	-
25	WWTF #1 - Pump Station - Upgrade - 57-4 - (Underwood Trail/Universal Trail Int.)	169,523	803,000	-	-	-	972,523	972,523	-	-	-	-
<b>Total Expenditures</b>		<b>39,817,000</b>	<b>85,570,000</b>	<b>76,290,000</b>	<b>75,434,000</b>	<b>10,010,000</b>	<b>\$ 287,121,000</b>	<b>\$ 41,600,887</b>	<b>\$ 15,787,113</b>	<b>\$ 8,450,000</b>	<b>\$ 202,620,000</b>	<b>\$ 18,663,000</b>
								<b>14.49%</b>	<b>5.50%</b>	<b>2.94%</b>	<b>70.57%</b>	<b>6.50%</b>



# WATER REHABILITATION & RENOVATION (R&R) PROJECTS

#	Projects	FY 25 (Gap Study)	FY 26 (Gap Study)	FY 27 (Gap Study)	FY 28 (Gap Study)	FY 29 (Gap Study)	FY25 - FY29 Total	Utility Rates	Grant	SRF Loan	FY26 Bond	FY28 Bond
	<b>Other Expenditures (Operating/Contractual/Allocations/Debt Service/Transfers)</b>	511,950	1,733,070	217,000	3,868,809	495,000	6,825,829	3,218,020	-	-	-	3,607,809
	<b>Water Treatment Facility (Plant) #1</b>	350,000	4,936,000	11,695,000	10,913,500	9,552,000	37,446,500	2,818,000	-	-	19,068,500	15,560,000
1	WTF #1 - Minor Upgrades & Improvements	350,000	301,000	310,000	533,000	548,000	2,042,000	2,042,000	-	-	-	-
2	WTF #1 - Rehabilitation or Conversion of Water Processing - Phase A	-	4,635,000	11,385,000	3,824,500	-	19,844,500	776,000	-	-	19,068,500	-
3	WTF #1 - Rehabilitation or Conversion of Water Processing - Phase B	-	-	-	6,556,000	9,004,000	15,560,000	-	-	-	-	15,560,000
	<b>Water Treatment Facility (Plant) #2</b>	-	251,000	3,169,000	533,000	-	3,953,000	1,301,000	-	-	2,652,000	-
4	WTF #2 - Minor Upgrades & Improvements	-	-	517,000	533,000	-	1,050,000	1,050,000	-	-	-	-
5	WTF #2 - Electrical Switchgear Upgrades	-	251,000	2,652,000	-	-	2,903,000	251,000	-	-	2,652,000	-
6	WTF #1, WTF #2, WWTF #1 - Above Ground Fuel Tanks for Generators	-	-	-	-	-	-	-	-	-	-	-
	<b>Water Treatment Facility (Plant) #3</b>	1,625,000	251,000	3,143,000	-	-	5,019,000	3,428,000	-	-	1,591,000	-
7	WTF #3 - General Upgrades & Improvements	1,625,000	-	1,552,000	-	-	3,177,000	3,177,000	-	-	-	-
8	WTF #3 - Electrical Switchgear Replacement & Upgrades	-	251,000	1,591,000	-	-	1,842,000	251,000	-	-	1,591,000	-
9	<b>Water Facilities - R &amp; R</b>	850,000	879,000	931,000	986,000	1,043,000	4,689,000	4,689,000	-	-	-	-
10	<b>Wellfield and Wells</b>	1,200,000	2,310,000	2,095,000	1,864,000	1,618,000	9,087,000	9,087,000	-	-	-	-
	<b>Water Mains</b>	1,000,000	1,004,000	-	-	-	2,004,000	2,004,000	-	-	-	-
11	(Road) WTF #1 - Water Main Relocates - OKR N. Widening Ph. 2 (Kings Way to Frontier)	1,000,000	1,004,000	-	-	-	2,004,000	2,004,000	-	-	-	-
12	<b>Distribution System Improvements</b>	725,000	1,406,000	1,526,000	1,652,000	1,783,000	7,092,000	7,092,000	-	-	-	-
	- Water Distribution - Residential Meter Change Outs	400,000	552,000	621,000	693,000	768,000	3,034,000	3,034,000				
	- Water Distribution - Commercial Meter Changeouts	100,000	126,000	155,000	186,000	219,000	786,000	786,000				
	- Water Distribution - Meter Transmitter Battery Replacements	-	502,000	517,000	533,000	549,000	2,101,000	2,101,000				
	- Water Distribution - Large Backflow Preventor Replacements	75,000	75,000	78,000	80,000	82,000	390,000	390,000				
	- Water Distribution - Construction (Repairs, minor relocates, inhouse and contracted work)	150,000	151,000	155,000	160,000	165,000	781,000	781,000				



# WASTEWATER R&R PROJECTS

#	Projects	FY 25 (Gap Study)	FY 26 (Gap Study)	FY 27 (Gap Study)	FY 28 (Gap Study)	FY 29 (Gap Study)	FY25 - FY29 Total	Utility Rates	Grant	SRF Loan	FY26 Bond	FY28 Bond
<b>Wastewater Treatment Facility (Plant) #1</b>		<b>4,050,000</b>	<b>1,506,000</b>	<b>-</b>	<b>45,000,000</b>	<b>45,000,000</b>	<b>95,556,000</b>	<b>5,556,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,000,000</b>
13	WWTF #1 - Minor Upgrades & Improvements	-	1,506,000	-	-	-	1,506,000	1,506,000	-	-	-	-
14	WWTF #1 - Headworks Bypass System & Coating Rehab and Aeration Upgrades	1,500,000	-	-	-	-	1,500,000	1,500,000	-	-	-	-
15	WWTF #1 - Generator Replacement & Electrical Upgrades	1,250,000	-	-	-	-	1,250,000	1,250,000	-	-	-	-
16	WWTF #1 - Rehabilitation & Conversion to AWT	1,300,000	-	-	45,000,000	45,000,000	91,300,000	1,300,000	-	-	-	90,000,000
<b>Wastewater Treatment Facility (Plant) #2</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,389,000</b>	<b>4,389,000</b>	<b>4,389,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
18	WWTF #2 - Minor Upgrades & Improvements	-	-	-	-	4,389,000	4,389,000	4,389,000	-	-	-	-
<b>Force Mains &amp; Gravity Sewer</b>		<b>1,335,000</b>	<b>1,004,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,339,000</b>	<b>2,339,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
19	(Road) WWTF #1 - Gravity Main Relocates - OKR N. Widening Ph. 2 (Kings Way to Frontier)	1,000,000	1,004,000	-	-	-	2,004,000	2,004,000	-	-	-	-
20	(Road) WWTF #1 - OKR Force Main Relocates - 2A, 2B, 2C	335,000	-	-	-	-	335,000	335,000	-	-	-	-
<b>Reclaimed Water Mains</b>		<b>485,000</b>	<b>151,000</b>	<b>155,000</b>	<b>160,000</b>	<b>165,000</b>	<b>1,116,000</b>	<b>1,116,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
21	Reclaimed Water Mains - General Upgrades & Improvements	150,000	151,000	155,000	160,000	165,000	781,000	781,000	-	-	-	-
22	(Road) WWTF #1 - OKR Reuse Main Relocates - 2A, 2B, 2C	335,000	-	-	-	-	335,000	335,000	-	-	-	-
<b>23</b>	<b>PEP System</b>	<b>750,000</b>	<b>1,004,000</b>	<b>1,034,000</b>	<b>1,065,000</b>	<b>1,097,000</b>	<b>4,950,000</b>	<b>4,950,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24</b>	<b>Lift Stations and Pump Stations</b>	<b>2,365,000</b>	<b>1,582,000</b>	<b>1,630,000</b>	<b>1,678,000</b>	<b>1,618,000</b>	<b>8,873,000</b>	<b>8,873,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Lift Station and Pump Stations - General Repairs & Improvements	1,015,000	1,080,000	1,113,000	1,145,000	1,179,000	5,532,000	5,532,000	-	-	-	-
	WWTF ## - Eductor Stations Conversions AU-3 (Cooper) & AU-5 (Courtney)	750,000	-	-	-	-	750,000	750,000	-	-	-	-
	WWTF ## - Eductor Stations Conversions AA-5 (Carlson) & AA-8 (Carol)	500,000	-	-	-	-	500,000	500,000	-	-	-	-
	WWTP ## - Eductor Stations Conversions AA-12 ( Cardinal) & AA-18 (Palm Coast Condos)	100,000	402,000	-	-	-	502,000	502,000	-	-	-	-
	WWTF ## - Eductor Stations Conversions XX & XX	-	100,000	414,000	-	-	514,000	514,000	-	-	-	-
	WWTF ## - Eductor Stations Conversions XX & XX	-	-	103,000	426,000	-	529,000	529,000	-	-	-	-
	WWTF ## - Eductor Stations Conversions XX & XX	-	-	-	107,000	439,000	546,000	546,000	-	-	-	-
<b>25</b>	<b>Wastewater - R&amp;R</b>	<b>2,525,000</b>	<b>8,514,000</b>	<b>9,028,000</b>	<b>9,299,000</b>	<b>9,578,000</b>	<b>38,944,000</b>	<b>17,398,000</b>	<b>-</b>	<b>-</b>	<b>10,454,000</b>	<b>11,092,000</b>
	Wastewater - General Rehabilitation & Renewal	1,300,000	2,611,000	2,690,000	2,770,000	2,853,000	12,224,000	12,224,000	-	-	-	-
	Manhole Lining	250,000	2,575,000	2,652,000	2,732,000	2,814,000	11,023,000	250,000	-	-	5,227,000	5,546,000
	Gravity Pipeline Lining	250,000	2,575,000	2,652,000	2,732,000	2,814,000	11,023,000	250,000	-	-	5,227,000	5,546,000
	Plant R&R - WWTP#1 & #2	725,000	753,000	1,034,000	1,065,000	1,097,000	4,674,000	4,674,000	-	-	-	-
<b>Total Expenditures</b>		<b>17,771,950</b>	<b>26,531,070</b>	<b>34,623,000</b>	<b>77,019,309</b>	<b>76,338,000</b>	<b>232,283,329</b>	<b>78,258,020</b>	<b>0</b>	<b>0</b>	<b>33,765,500</b>	<b>120,259,809</b>
								<b>33.69%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>14.54%</b>	<b>51.77%</b>

# Council Direction

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## Eliminate 2<sup>nd</sup> Bond

Modify the 5-Year CIP based on the removal of the revenue from the 2<sup>nd</sup> Bond. The revised plan shall include all projects required as part of the Consent Decree and projects necessary in order to obtain an engineering certification/declaration that the utility system capital plan is properly funded to maintain and keep the utility system in a decent operational condition, comply with regulatory requirements, as well as meeting the capacity and demands on the utility system.

A review of the rates to be revisited when the impact fees are able to be re-evaluation in FY27/FY28 for implementation 5/1/2028. An additional bond and/or rate increase may be necessary at this time to address the deferred and reduced funding of projects, additional projects, any construction costs increases, regulatory requirements or other needs.

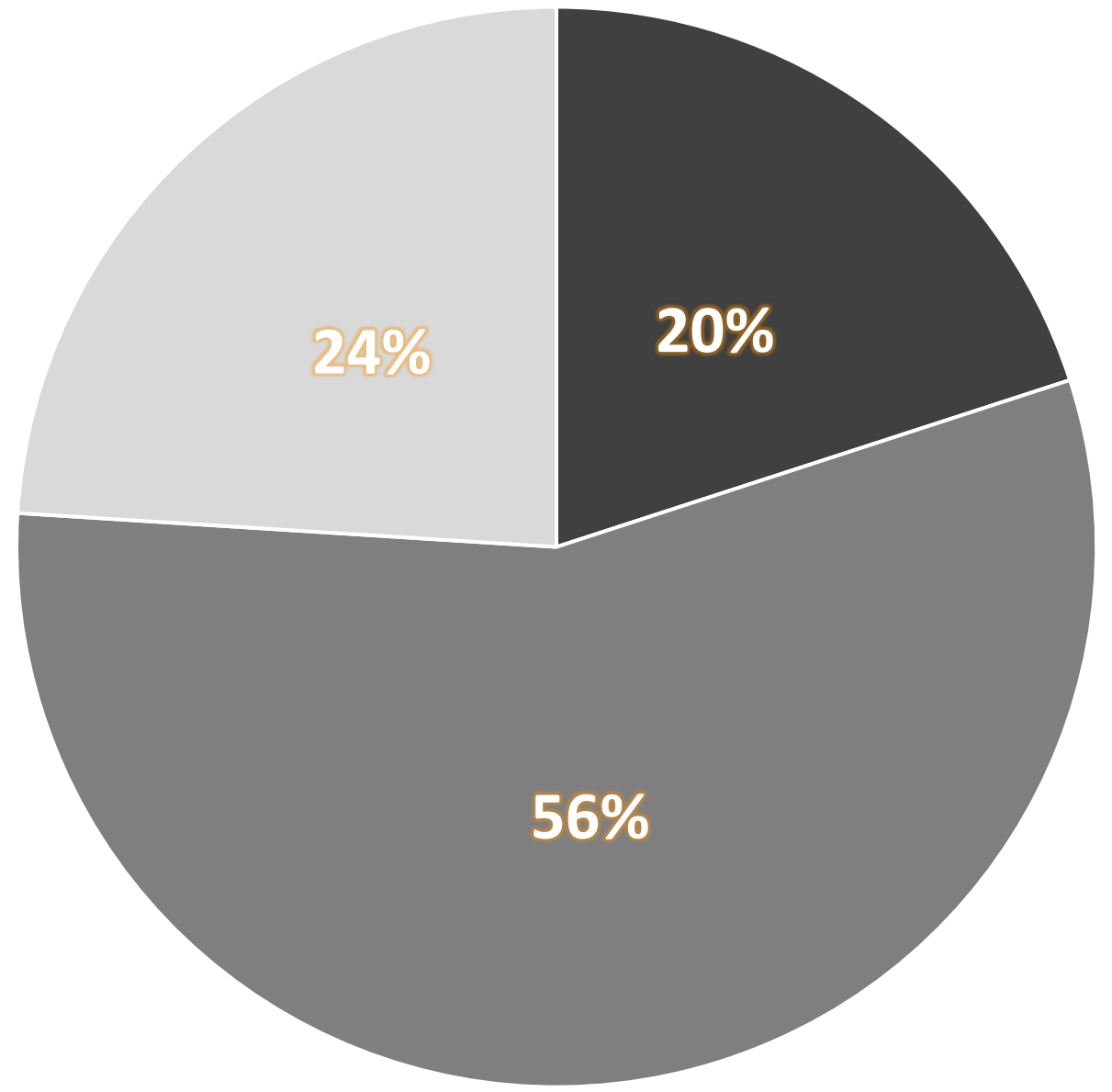




# MODIFIED UTILITY 5-YEAR CIP (FY 25–29)

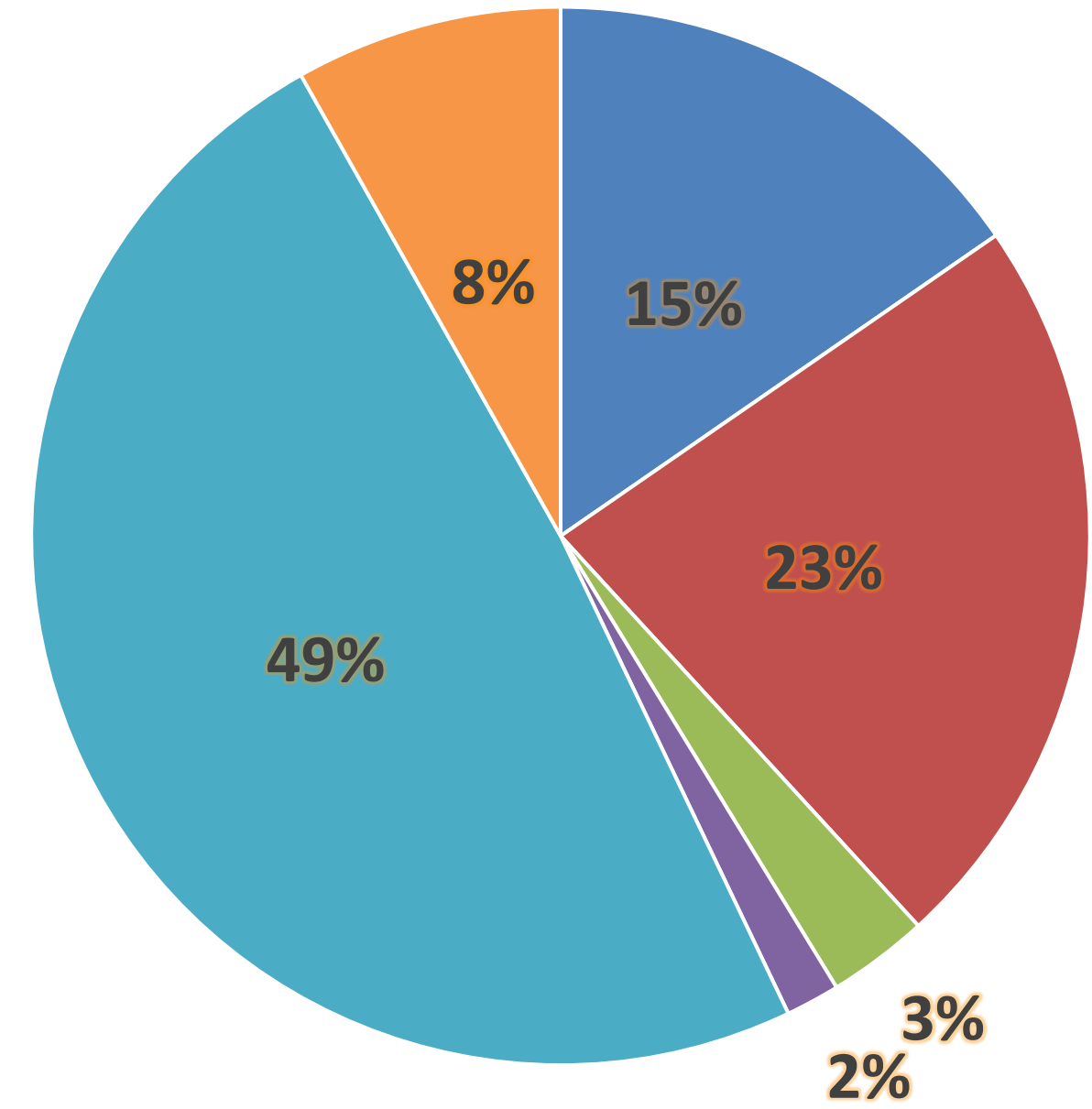
	Rates	Impact Fees	Grants	SRF Loan	FY26 Bond		Grand Total
Water Capacity	\$ -	\$ 56,998,304	\$ -	\$ -	\$ 47,518,472		\$ 104,516,776
Wastewater Capacity	\$ -	\$ 59,733,887	\$ 15,787,113	\$ 8,450,000	\$ 202,838,170		\$ 286,809,170
R&R	\$ 81,725,950	\$ -	\$ -	\$ -	\$ 41,802,158		\$ 120,528,108
<b>TOTAL</b>	<b>\$ 81,725,950</b>	<b>\$ 115,595,523</b>	<b>\$ 15,787,113</b>	<b>\$ 8,450,000</b>	<b>\$ 292,158,000</b>		<b>\$ 511,854,054</b>

**PROJECT TYPE**



■ Water Capacity ■ Wastewater Capacity ■ R&R

**FUNDING**



■ Rates ■ Impact Fees ■ Grants ■ SRF Loan ■ Bond (Capacity) ■ Bond (R&R)



# MODIFIED WATER CAPACITY PROJECTS

#	Projects	FY 25 (Gap Study)	FY 26 (Gap Study)	FY 27 (Gap Study)	FY 28 (Gap Study)	FY 29 (Gap Study)	FY25 - FY29 Total	Impact Fees	Grant	SRF Loan	FY26 Bond	FY28 Bond
	<b>Other Expenditures (Operating/Contractual/Allocations/Transfers)</b>	<b>2,108,301</b>	<b>2,915,000</b>	<b>2,889,000</b>	<b>3,052,000</b>	<b>3,457,000</b>	<b>14,421,301</b>	<b>14,421,301</b>	-	-	-	-
	<b>Water Treatment Facility (Plant) #1</b>	<b>1,000,000</b>	<b>3,348,000</b>	<b>7,426,000</b>	<b>3,824,500</b>	-	<b>15,598,500</b>	<b>1,000,000</b>	-	-	<b>14,598,500</b>	-
1	WTF #1 - Plant Expansion by 1.8+/- MGD (Ozone+GAC)	1,000,000	3,348,000	7,426,000	3,824,500	-	15,598,500	1,000,000	-	-	14,598,500	-
	<b>Water Treatment Facility (Plant) #2</b>	<b>8,550,000</b>	<b>602,000</b>	-	-	-	<b>9,152,000</b>	<b>9,152,000</b>	-	-	-	-
2	WTF #2 - Lime Sludge Thickener & 2MG Ground Water Storage Tank ##	8,550,000	-	-	-	-	8,550,000	8,550,000	-	-	-	-
3	WTF #2 - TTHM & Aeration Equipment	-	100,000	-	-	-	100,000	100,000	-	-	-	-
4	WTF #2 - Add Skid	-	502,000	-	-	-	502,000	502,000	-	-	-	-
	<b>Water Treatment Facility (Plant) #3</b>	<b>900,000</b>	<b>5,639,000</b>	<b>11,643,415</b>	<b>6,010,000</b>	-	<b>24,192,415</b>	<b>3,498,003</b>	-	-	<b>20,694,412</b>	-
5	WTF #3 - Plant Expansion to 3.0 - 4.5 MGD	900,000	2,562,000	11,643,415	6,010,000	-	21,115,415	2,996,003	-	-	18,119,412	-
6	WTF #3 - 2MG Ground Storage Tank #2	-	3,077,000	-	-	-	3,077,000	502,000	-	-	2,575,000	-
	<b>Wellfield and Wells</b>	<b>5,595,000</b>	<b>5,421,000</b>	<b>10,028,000</b>	<b>12,090,000</b>	<b>549,000</b>	<b>33,683,000</b>	<b>22,795,000</b>	-	-	<b>10,800,000</b>	-
7	Wellfield and Wells - General Upgrades & Improvements <i>(Utility Managed Projects)</i>	-	100,000	259,000	107,000	110,000	576,000	576,000	-	-	-	-
8	Wellfield and Wells - Expansion Analysis	675,000	2,610,000	569,000	427,000	439,000	4,720,000	4,720,000	-	-	-	-
9	WTF #1 - Wellfield Expansion - New Wells SW-1R, SW-2R	800,000	-	-	-	-	800,000	800,000	-	-	-	-
10	WTF #1 - Wellfield Expansion - New Wells Commerce Dr.: SW-147 & Goodwill: SW-148	1,695,000	-	-	-	-	1,695,000	1,695,000	-	-	-	-
11	WTF #1 - Wellfield Expansion - SW-24 & SW-25	975,000	25,000	4,244,000	6,556,000	-	11,800,000	1,000,000	-	-	10,800,000	-
12	WTF #2 - New Well & Raw Water Main Extension	-	150,000	250,000	5,000,000	-	5,400,000	5,400,000	-	-	-	-
13	WTF #3 - Wellfield Expansion - Brackish/Fresh	1,250,000	2,134,000	2,120,000	-	-	5,504,000	5,504,000	-	-	-	-
14	WTF #3 - Otis Stone Well Integration & Raw Water Mains	200,000	402,000	2,586,000	-	-	3,188,000	3,100,000	-	-	-	-
	<b>Water Mains</b>	<b>4,650,000</b>	-	-	-	-	<b>4,650,000</b>	<b>4,650,000</b>	-	-	-	-
15	(Radiance CDD) WTF #2 - Water Main - Citation/Old Kings Road/SR100 Loop	4,000,000	-	-	-	-	4,000,000	4,000,000	-	-	-	-
16	(Road) Water Main Ext. - OKR S. Widening Ph. 2	650,000	-	-	-	-	650,000	650,000	-	-	-	-
	<b>Distribution System Improvements <i>(Managed by Utility)</i></b>	<b>550,000</b>	<b>452,000</b>	<b>155,000</b>	<b>160,000</b>	<b>165,000</b>	<b>1,482,000</b>	<b>1,482,000</b>	-	-	-	-
17	Water Distribution - Radio Read Metering Transmitters	550,000	452,000	155,000	160,000	165,000	1,482,000	1,482,000	-	-	-	-
	<b>Total Expenditures</b>	<b>23,353,301</b>	<b>18,377,000</b>	<b>32,141,415</b>	<b>25,136,500</b>	<b>4,171,000</b>	<b>\$103,179,216</b>	<b>\$56,998,304</b>	<b>\$-</b>	<b>\$-</b>	<b>\$46,092,912</b>	<b>\$-</b>
								<b>55.24%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>44.67%</b>	<b>0.00%</b>

## **Water Capacity Fund: Reduced Expenditures by \$28,972,585**

- Project Delays or Reductions:
  - Removed Construction of 1.5 MGD Brackish Water Expansion at Water Treatment Plant #3
  - Removed Construction Brackish Wells & Raw Water Mains
- Potential Impacts and Concerns:
  - Approval to Modify the City's Consumptive Use Permit to Increase Freshwater Allocations may not be Approved due to the Delay of Utilizing Current Allocated Brackish Water
  - Cost of Construction Will Most Likely Increase
  - FDEP Requirement for Daily Peak Flow May be Exceeded without the Expansion & Wells, Especially During High-Use and Drought Conditions
  - Water Pressure May have to be Reduced to Accommodate Demand During Peak Use. (Fire Service & Level of Service Issues)
  - Future Bond May still be Necessary if Impact Fees Cannot Fully Fund the Project



# MODIFIED WASTEWATER CAPACITY PROJECTS

#	Projects	FY 25 (Gap Study)	FY 26 (Gap Study)	FY 27 (Gap Study)	FY 28 (Gap Study)	FY 29 (Gap Study)	FY25 - FY29 Total	Impact Fees	Grant	SRF Loan	FY26 Bond	FY28 Bond
<b>Other Expenditures (Operating/Contractual/Allocations/Debt Service/Transfers)</b>		<b>1,911,364</b>	<b>3,426,000</b>	<b>3,505,000</b>	<b>3,468,000</b>	<b>3,017,000</b>	<b>15,327,364</b>	<b>15,327,364</b>	-	-	-	-
<b>Wastewater Treatment Facility (Plant) #1</b>		<b>4,675,000</b>	<b>60,500,000</b>	<b>60,000,000</b>	<b>60,000,000</b>	-	<b>185,175,000</b>	<b>5,175,000</b>	-	-	<b>180,000,000</b>	-
1	WWTF #1 - Minor Upgrades & Improvements	300,000	-	-	-	-	300,000	300,000	-	-	-	-
2	WWTF #1 - Centrifuge Replacement - Replace with Screw Press	475,000	-	-	-	-	475,000	475,000	-	-	-	-
3	WWTF #1 - Replace Spray Field with RIBS	-	500,000	-	-	-	500,000	500,000	-	-	-	-
4	WWTF #1 - Expansion and Rehabilitation from 6.83 to 10.83 MGD	3,900,000	60,000,000	54,500,000	50,500,000	-	168,900,000	3,900,000	-	-	165,000,000	-
5	WWTF #1 - Reclaimed Water Ground Storage Tank (6MG)	-	-	5,000,000	-	-	5,000,000	-	-	-	5,000,000	-
6	WWTF #1 - Wastewater Collection System Equalizer Tank	-	-	500,000	9,500,000	-	10,000,000	-	-	-	10,000,000	-
<b>Wastewater Treatment Facility (Plant) #2</b>		<b>10,550,000</b>	<b>401,000</b>	<b>4,403,000</b>	-	-	<b>15,354,000</b>	<b>4,904,000</b>	<b>2,000,000</b>	<b>8,450,000</b>	-	-
7	WWTF #2 - RIB/Exfiltration - Phase A	2,000,000	-	-	-	-	2,000,000	-	2,000,000	-	-	-
8	WWTF #2 - Plant Expansion to 4 MGD	8,450,000	-	-	-	-	8,450,000	-	-	8,450,000	-	-
9	WWTF #2 - Reclaimed Water Ground Storage Tank (2MG)	-	301,000	3,183,000	-	-	3,484,000	3,484,000	-	-	-	-
10	WWTF #2 - Aquifer Recharge Investigation & Direct Potable Reuse	100,000	100,000	1,220,000	-	-	1,420,000	1,420,000	-	-	-	-
<b>Future Wastewater Treatment Plant #3 (South OKR)</b>		<b>500,000</b>	-	-	-	-	<b>500,000</b>	<b>500,000</b>	-	-	-	-
11	WWTF #3 - New Wastewater Treatment Facility	500,000	-	-	-	-	500,000	500,000	-	-	-	-
<b>Force Mains &amp; Gravity Sewer</b>		<b>14,181,113</b>	<b>8,536,000</b>	-	-	<b>296,000</b>	<b>23,013,113</b>	<b>9,601,000</b>	<b>13,412,113</b>	-	-	-
12	WWTF #2 - Force Main Addition - Ravenwood to WWTF #2	-	50,000	-	-	296,000	346,000	346,000	-	-	-	-
13	(Radiance CDD) WWTF #3 - Force Main - OKR - SR100 to future WWTF #3	6,050,000	-	-	-	-	6,050,000	6,050,000	-	-	-	-
14	WWTF #1 - OKR Force Main Addition - Southern Spray Field Entrance to WWTF #1 (ARPA)	4,501,880	1,205,000	-	-	-	5,706,880	3,205,000	2,501,880	-	-	-
15	WWTF #1 - Force Main Extension - A1A (Jungle Hut to Malacompra) - Flagler County ARPA	2,879,233	-	-	-	-	2,879,233	-	2,879,233	-	-	-
16	WWTF #1 - Force Main Extension - A1A (Malacompra to Marineland) - Flagler County Grant	750,000	7,281,000	-	-	-	8,031,000	-	8,031,000	-	-	-
<b>Reclaimed Water Mains</b>		<b>230,000</b>	<b>5,775,000</b>	-	-	-	<b>6,005,000</b>	<b>230,000</b>	-	-	<b>5,775,000</b>	-
17	WWTP - Reclaimed (Wet Weather) Discharge	100,000	-	-	-	-	100,000	100,000	-	-	-	-
18	(Radiance CDD) WWTF #1 - RCW Extension - OKR - SR100 to future WWTF #3 & Citation	-	4,642,000	-	-	-	4,642,000	-	-	-	4,642,000	-
19	WWTF #1 - RCW Extension - Citation Blvd (Belle Terre to Existing Dead-End)	130,000	1,133,000	-	-	-	1,263,000	130,000	-	-	1,133,000	-
<b>PEP System</b>		<b>5,650,000</b>	<b>6,129,000</b>	<b>6,313,000</b>	<b>6,502,000</b>	<b>6,697,000</b>	<b>31,291,000</b>	<b>20,313,000</b>	-	-	<b>10,978,000</b>	-
20	PEP System - General Upgrades & Improvements	5,250,000	5,408,000	5,570,000	5,737,000	5,909,000	27,874,000	16,896,000	-	-	10,978,000	-
21	PEP System - Upgrades	400,000	721,000	743,000	765,000	788,000	3,417,000	3,417,000	-	-	-	-
<b>Lift Station and Pump Station Generators (FEMA)</b>		<b>500,000</b>	-	-	-	-	<b>500,000</b>	<b>125,000</b>	<b>375,000</b>	-	-	-
22	HMGP - Emergency Back-up Pumps - Lift Stations (5)	500,000	-	-	-	-	500,000	125,000	375,000	-	-	-
<b>Lift Stations and Pump Stations</b>		<b>1,619,523</b>	<b>803,000</b>	-	-	-	<b>2,422,523</b>	<b>2,422,523</b>	-	-	-	-
23	WWTF #1 - Pump Station - Upgrade - PS 13-1	500,000	-	-	-	-	500,000	500,000	-	-	-	-
24	WWTF ## - Pump Station - 24-2 Modifications & Upgrades (WhiteView)	950,000	-	-	-	-	950,000	950,000	-	-	-	-
25	WWTF #1 - Pump Station - Upgrade - 57-4 - (Underwood Trail/Universal Trail Int.)	169,523	803,000	-	-	-	972,523	972,523	-	-	-	-
<b>Total Expenditures</b>		<b>39,817,000</b>	<b>85,570,000</b>	<b>74,221,000</b>	<b>69,970,000</b>	<b>10,010,000</b>	<b>\$ 279,588,000</b>	<b>\$ 58,597,887</b>	<b>\$ 15,787,113</b>	<b>\$ 8,450,000</b>	<b>\$ 196,753,000</b>	<b>\$ -</b>
								<b>20.96%</b>	<b>5.65%</b>	<b>3.02%</b>	<b>70.37%</b>	<b>0.00%</b>

<sup>58</sup>

## **Wastewater Capacity Fund: Reduced Expenditures by \$7,533,000**

- Project Delays or Reductions:
  - Removed Design and Construction of Reclaimed Wet Weather Discharge Project (directly related to I&I and PEP Issues)
- Potential Impacts and Concerns:
  - Concern with Compliance in Meeting Regulatory Requirements and Receive FDEP Violations with Overflows, Plant Overflows, and go Over the Effluent Disposal Parameters
  - Cost of Construction Will Most Likely Increase
  - Future Bond May still be Necessary if Impact Fees Cannot Fully Fund the Project



# MODIFIED WATER R&R PROJECTS

#	Projects	FY 25 (Gap Study)	FY 26 (Gap Study)	FY 27 (Gap Study)	FY 28 (Gap Study)	FY 29 (Gap Study)	FY25 - FY29 Total	Utility Rates	Grant	SRF Loan	FY26 Bond	FY28 Bond
	<b>Other Expenditures (Operating/Contractual/Allocations/Debt Service/Transfers)</b>	511,950	479,000	217,000	261,000	495,000	1,963,950	1,963,950	-	-	-	-
	<b>Water Treatment Facility (Plant) #1</b>	350,000	4,936,000	10,275,000	18,936,088	548,000	35,045,088	5,042,000	-	-	30,003,088	-
1	WTF #1 - Minor Upgrades & Improvements	350,000	301,000	310,000	533,000	548,000	2,042,000	2,042,000	-	-	-	-
2	WTF #1 - Rehabilitation or Conversion of Water Processing - Phase A	-	4,635,000	9,965,000	18,403,088	-	33,003,088	3,000,000	-	-	30,003,088	-
3	WTF #1 - Rehabilitation or Conversion of Water Processing - Phase B	-	-	-	-	-	-	-	-	-	-	-
	<b>Water Treatment Facility (Plant) #2</b>	-	251,000	3,169,000	533,000	-	3,953,000	1,050,000	-	-	2,903,000	-
4	WTF #2 - Minor Upgrades & Improvements	-	-	517,000	533,000	-	1,050,000	1,050,000	-	-	-	-
5	WTF #2 - Electrical Switchgear Upgrades	-	251,000	2,652,000	-	-	2,903,000	-	-	-	2,903,000	-
6	WTF #1, WTF #2, WWTF #1 - Above Ground Fuel Tanks for Generators	-	-	-	-	-	-	-	-	-	-	-
	<b>Water Treatment Facility (Plant) #3</b>	1,625,000	251,000	3,143,000	-	-	5,019,000	3,177,000	-	-	1,842,000	-
7	WTF #3 - General Upgrades & Improvements	1,625,000	-	1,552,000	-	-	3,177,000	3,177,000	-	-	-	-
8	WTF #3 - Electrical Switchgear Replacement & Upgrades	-	251,000	1,591,000	-	-	1,842,000	-	-	-	1,842,000	-
9	<b>Water Facilities - R &amp; R</b>	850,000	879,000	931,000	986,000	1,043,000	4,689,000	4,689,000	-	-	-	-
10	<b>Wellfield and Wells</b>	1,200,000	2,310,000	2,095,000	1,864,000	1,618,000	9,087,000	9,087,000	-	-	-	-
	<b>Water Mains</b>	1,000,000	1,004,000	-	-	-	2,004,000	2,004,000	-	-	-	-
11	(Road) WTF #1 - Water Main Relocates - OKR N. Widening Ph. 2 (Kings Way to Frontier)	1,000,000	1,004,000	-	-	-	2,004,000	2,004,000	-	-	-	-
12	<b>Distribution System Improvements</b>	725,000	1,406,000	1,526,000	1,652,000	1,783,000	7,092,000	7,092,000	-	-	-	-
	- Water Distribution - Residential Meter Change Outs	400,000	552,000	621,000	693,000	768,000	3,034,000	3,034,000				
	- Water Distribution - Commercial Meter Changeouts	100,000	126,000	155,000	186,000	219,000	786,000	786,000				
	- Water Distribution - Meter Transmitter Battery Replacements	-	502,000	517,000	533,000	549,000	2,101,000	2,101,000				
	- Water Distribution - Large Backflow Preventor Replacements	75,000	75,000	78,000	80,000	82,000	390,000	390,000				
	- Water Distribution - Construction (Repairs, minor relocates, inhouse and contracted work)	150,000	151,000	155,000	160,000	165,000	781,000	781,000				



# MODIFIED WASTEWATER R&R PROJECTS

#	Projects	FY 25 (Gap Study)	FY 26 (Gap Study)	FY 27 (Gap Study)	FY 28 (Gap Study)	FY 29 (Gap Study)	FY25 - FY29 Total	Utility Rates	Grant	SRF Loan	FY26 Bond	FY28 Bond
<b>Wastewater Treatment Facility (Plant) #1</b>		<b>4,050,000</b>	<b>1,506,000</b>	-	-	-	<b>5,556,000</b>	<b>5,556,000</b>	-	-	-	-
13	WWTF #1 - Minor Upgrades & Improvements	-	1,506,000	-	-	-	1,506,000	1,506,000	-	-	-	-
14	WWTF #1 - Headworks Bypass System & Coating Rehab and Aeration Upgrades	1,500,000	-	-	-	-	1,500,000	1,500,000	-	-	-	-
15	WWTF #1 - Generator Replacement & Electrical Upgrades	1,250,000	-	-	-	-	1,250,000	1,250,000	-	-	-	-
16	WWTF #1 - Rehabilitation & Conversion to AWT	1,300,000	-	-	-	-	1,300,000	1,300,000	-	-	-	-
<b>Wastewater Treatment Facility (Plant) #2</b>		-	-	-	-	<b>4,389,000</b>	<b>4,389,000</b>	<b>4,389,000</b>	-	-	-	-
17	WWTF #2 - Minor Upgrades & Improvements	-	-	-	-	4,389,000	4,389,000	4,389,000	-	-	-	-
<b>Force Mains &amp; Gravity Sewer</b>		<b>1,335,000</b>	<b>1,004,000</b>	-	-	-	<b>2,339,000</b>	<b>2,339,000</b>	-	-	-	-
18	(Road) WWTF #1 - Gravity Main Relocates - OKR N. Widening Ph. 2 (Kings Way to Frontier)	1,000,000	1,004,000	-	-	-	2,004,000	2,004,000	-	-	-	-
19	(Road) WWTF #1 - OKR Force Main Relocates - 2A, 2B, 2C	335,000	-	-	-	-	335,000	335,000	-	-	-	-
<b>Reclaimed Water Mains</b>		<b>485,000</b>	<b>151,000</b>	<b>155,000</b>	<b>160,000</b>	<b>165,000</b>	<b>1,116,000</b>	<b>1,116,000</b>	-	-	-	-
20	Reclaimed Water Mains - General Upgrades & Improvements	150,000	151,000	155,000	160,000	165,000	781,000	781,000	-	-	-	-
21	(Road) WWTF #1 - OKR Reuse Main Relocates - 2A, 2B, 2C	335,000	-	-	-	-	335,000	335,000	-	-	-	-
<b>22 PEP System</b>		<b>750,000</b>	<b>1,004,000</b>	<b>1,034,000</b>	<b>1,065,000</b>	<b>1,097,000</b>	<b>4,950,000</b>	<b>4,950,000</b>	-	-	-	-
<b>23 Lift Stations and Pump Stations</b>		<b>2,365,000</b>	<b>1,582,000</b>	<b>1,630,000</b>	<b>1,678,000</b>	<b>1,618,000</b>	<b>8,873,000</b>	<b>8,873,000</b>	-	-	-	-
	Lift Station and Pump Stations - General Repairs & Improvements	1,015,000	1,080,000	1,113,000	1,145,000	1,179,000	5,532,000	5,532,000	-	-	-	-
	WWTF ## - Eductor Stations Conversions AU-3 (Cooper) & AU-5 (Courtney)	750,000	-	-	-	-	750,000	750,000	-	-	-	-
	WWTF ## - Eductor Stations Conversions AA-5 (Carlson) & AA-8 (Carol)	500,000	-	-	-	-	500,000	500,000	-	-	-	-
	WWTP ## - Eductor Stations Conversions AA-12 ( Cardinal) & AA-18 (Palm Coast Condos)	100,000	402,000	-	-	-	502,000	502,000	-	-	-	-
	WWTF ## - Eductor Stations Conversions XX & XX	-	100,000	414,000	-	-	514,000	514,000	-	-	-	-
	WWTF ## - Eductor Stations Conversions XX & XX	-	-	103,000	426,000	-	529,000	529,000	-	-	-	-
	WWTF ## - Eductor Stations Conversions XX & XX	-	-	-	107,000	439,000	546,000	546,000	-	-	-	-
<b>24 Wastewater - R&amp;R</b>		<b>2,525,000</b>	<b>8,514,000</b>	<b>5,374,000</b>	<b>4,835,000</b>	<b>4,950,000</b>	<b>26,198,000</b>	<b>20,398,000</b>	-	-	<b>5,800,000</b>	-
	Wastewater - General Rehabilitation & Renewal	1,300,000	2,611,000	2,690,000	2,770,000	2,853,000	12,224,000	12,224,000	-	-	-	-
	Manhole Lining	250,000	2,575,000	825,000	500,000	500,000	4,650,000	1,750,000	-	-	2,900,000	-
	Gravity Pipeline Lining	250,000	2,575,000	825,000	500,000	500,000	4,650,000	1,750,000	-	-	2,900,000	-
	Plant R&R - WWTP#1 & #2	725,000	753,000	1,034,000	1,065,000	1,097,000	4,674,000	4,674,000	-	-	-	-
<b>Total Expenditures</b>		<b>17,771,950</b>	<b>25,277,000</b>	<b>29,549,000</b>	<b>31,970,088</b>	<b>17,706,000</b>	<b>122,274,038</b>	<b>81,725,950</b>	<b>0</b>	<b>0</b>	<b>40,548,088</b>	<b>0</b>
<b>CPI</b>								<b>66.84%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>33.16%</b>	<b>0.00%</b>

## **R&R Fund: Reduced Expenditures by \$110,009,291**

- Project Delays or Reductions:
  - Removed Construction of Rehabilitation and Conversion of Wastewater Facility #1 to AWT
  - Reduced Gravity Sewer and Manhole Lining
- Potential Impacts and Concerns:
  - Wastewater Facility #1 will Function as a Site with 2 Wastewater Plants in Lieu of a Single Facility
  - Reduced Gravity Sewer and Manhole Lining Will Result in More I&I thus More Flow into the Plants During Rain Events, thus More Sanitary Sewer Overflows into the Streets, thus more PEP tank issues and Potential FDEP Violations with Overflows & Plant Overflows
  - Cost of Construction Will Most Likely Increase
  - Future Bond Will Still be Necessary as R&R Funding Cannot Support a Project of this Cost
  - Limited Lining will Minimize Reduction of I&I Having to be Treated at WWTP#1; Grants will be Sought, and any Fund Balance will be Added to R&R
  - Reduced Lining will Result in More Emergency Repairs that Impact Residents Service and Can be Costly to Repair





# UTILITY RATE ADJUSTMENT - OPTIONS

Description	Current Rates	FY25 04/01/2025	FY26 10/01/2025	FY27 10/01/2026	FY28 10/01/2027	FY29 10/01/2028
<b>Recommended Plan</b>						
Percent Rate Increase		8.0%	8.0%	8.0%	8.0%	CPI - 4.0% <sup>[1]</sup>
<b>Projected Residential Monthly Bill (2,500 Gallons)</b>	<b>\$73.23</b>	<b>\$79.08</b>	<b>\$85.42</b>	<b>\$92.25</b>	<b>\$99.64</b>	<b>\$103.64</b>
<b>Projected Residential Monthly Bill (4,000 Gallons)</b>	<b>\$90.73</b>	<b>\$97.98</b>	<b>\$105.83</b>	<b>\$114.30</b>	<b>\$123.46</b>	<b>\$128.42</b>
Unrestricted Funds – Days of Gross Revenues		223	166	155	141	144
Description	Current Rates	FY25 04/01/2025	FY26 10/01/2025	FY27 10/01/2026	FY28 10/01/2027	FY29 10/01/2028
<b>Modified Plan – Option A</b>						
Percent Rate Increase		8.0%	8.0%	CPI - 4.0% <sup>[1]</sup>	CPI - 4.0% <sup>[1]</sup>	CPI - 4.0% <sup>[1]</sup>
<b>Projected Residential Monthly Bill (2,500 Gallons)</b>	<b>\$73.23</b>	<b>\$79.08</b>	<b>\$85.42</b>	<b>\$88.83</b>	<b>\$92.37</b>	<b>\$96.04</b>
<b>Projected Residential Monthly Bill (4,000 Gallons)</b>	<b>\$90.73</b>	<b>\$97.98</b>	<b>\$105.83</b>	<b>\$110.05</b>	<b>\$114.43</b>	<b>\$118.97</b>
Unrestricted Funds – Days of Gross Revenues		239	168	143	140	146
Description	Current Rates	FY25 04/01/2025	FY26 10/01/2025	FY27 10/01/2026	FY28 10/01/2027	FY29 10/01/2028
<b>Modified Plan – Option B</b>						
Percent Rate Increase		7.0%	7.0%	5.0%	5.0%	CPI - 4.0% <sup>[1]</sup>
<b>Projected Residential Monthly Bill (2,500 Gallons)</b>	<b>\$73.23</b>	<b>\$78.37</b>	<b>\$83.84</b>	<b>\$88.01</b>	<b>\$92.41</b>	<b>\$96.11</b>
<b>Projected Residential Monthly Bill (4,000 Gallons)</b>	<b>\$90.73</b>	<b>\$97.10</b>	<b>\$103.88</b>	<b>\$109.04</b>	<b>\$114.49</b>	<b>\$119.07</b>
Unrestricted Funds – Days of Gross Revenues		239	163	134	130	137

[1] An annual index is proposed based on the annual change in the US-CPI Water and Sewerage Maintenance Services Index or 4.0%, which ever is greater.

# Council Action

**ADOPT ORDINANCE XX – 2<sup>nd</sup> READING WITH:**

**REVISED EXHIBIT ‘A’ – MODIFIED PLAN OPTION ‘A’ or MODIFIED PLAN OPTION ‘B’  
&**

**REVISED EXHIBIT ‘B’ - CHARGES (REVISIONS AS PRESENTED)**

# Next Steps

## **OBTAIN BOND**

### **Financing Team:**

- Bond Counsel - Bryant, Miller and Oliver PA
- Disclosure Counsel - Nabors, Giblin & Nickerson
- Consulting Engineer - CPH Engineers
- Financial Advisor - Hilltop Securities
- Feasibility Consultant – Raftelis

### **Preliminary Schedule to Provide Bond Proceeds by October 2025:**

- May / June 2025: Financing Team Begins Drafting Financing Documents
- August 2025: Bond Resolution Presented for Approval
- August 2025: Posting of 2025 Bonds Preliminary Official Statement
- September 2025: Sale of 2025 Bonds
- October 2025: Closing of 2025 Bonds

ORDINANCE 2025-\_\_\_\_  
UTILITY RATE AMENDMENT

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALM COAST, FLAGLER COUNTY, FLORIDA, REVISING THE RATES AND CHARGES OF THE CITY'S UTILITY SYSTEMS; PROVIDING FOR ANNUAL ADJUSTMENTS OF ALL UTILITY RATES AND CHARGES TO ACCOUNT FOR INFLATION; PROVIDING FOR ADMINISTRATIVE AND LEGISLATIVE FINDINGS AND INTENT; PROVIDING FOR THE OPERATION OF THE CITY OF PALM COAST UTILITY SYSTEMS; PROVIDING FOR THE ADOPTION OF ADMINISTRATIVE RULES AND IMPLEMENTING ACTIONS; PROVIDING FOR EXHIBITS; PROVIDING FOR SEVERABILITY, CONFLICTS AND AN EFFECTIVE DATE.

WHEREAS, the City of Palm Coast is the owner and operator of the City of Palm Coast Water, Reclaimed Water and Wastewater Systems (Systems); and

WHEREAS, the City Council of the City of Palm Coast has previously established the rates, fees and charges pertaining to the Systems; and

WHEREAS, pursuant to the provisions of applicable law, it is incumbent upon, and fiscally responsible for, the City Council to set rates, fees and charges for services furnished by the Systems that are just and equitable to all classes of consumers served and properties benefited by the Systems; and

WHEREAS, numerous studies have been performed for the City of Palm Coast and said reports have been evaluated and analyzed resulting in a determination of the rates, fees and charges that will be necessary to assess in order for the City reasonably recover the costs of the City associated with serving the various classes of consumers and properties benefited by the Systems as well as to meet the maintenance, regulatory and fiscal obligations of the City; and

WHEREAS, included in the studies evaluated and considered by the City Council is the "Water and Wastewater Revenue Sufficiency and Capital Facilities Fees Study," promulgated by the firm of Stantec Consulting Services, Inc., which includes a study of the Capital Facilities (Connection), which are impact fees, and which forms the basis of the proposed rate amendments in this Ordinance, and is hereby adopted by the Council; and

WHEREAS, the Stantec Study and revised fee schedules relied upon the best available technical data at the time the study was prepared and the use of sophisticated methodology to establish an appropriate level of utility fees and charges based on the most recent localized data; and

WHEREAS, Raftelis was hired to update the utility financial forecast and to work with the City's financial advisor to examine financing strategies and to perform an evaluation of

revenue sufficiency & adequacy of rates as well as to review the proposed changes to utility charges, and

WHEREAS, to ensure revenues are sufficient to support the operation, maintenance and expansion of the water and sewer utility, on March 4, 2025 and March 18, 2025, Raftelis presented to City Council its Water & Wastewater Revenue Sufficiency and GAP Analysis, which was accepted by Council. After a discussion on the history of rate adjustments and the calculations needed to assess the rates necessary operate the utility system, to maintain the infrastructure of the water and sewer system, and to enhance and expand the utility system, Stantec recommended adjustments to various rates, including monthly base charges and per gallon charges, as well as adjustments utility charges; and

WHEREAS, adequately maintaining and improving the Systems results in the ability for the City to economically develop and engage in sound growth management activities, programs and projects; and

WHEREAS, at the Council Meeting on March 4, 2025, during the First Reading of this Ordinance, the City Council decided to move forward with the adoption of the proposed increase in utility rates as well as utility charges, and

WHEREAS, the City Council has enacted Ordinance Number 2003-23 (the “City of Palm Coast Water System, Reclaimed Water System and Wastewater System Utilities Ordinance”, as codified in the *Code of Ordinances of the City of Palm Coast* in Chapter 49, Article II, Sections 49-51 through 49-78) which Ordinance provides that the City Council may, from time-to-time, establish such rates, fees and charges pertaining to the Systems as shall be necessary to meet the City’s obligations relating to the operation of the Systems as well as to comply with the regulatory agencies’ requirements relating to the operation of the Systems in addition to all other obligations of the City relating to the Systems; and

WHEREAS, the City Council has maintained its commitments to its citizens and the purchasers of bonds since the acquisition of the Systems; and

WHEREAS, the City Council shall continue to maintain its commitments to its citizens and the covenants undertaken for the benefit of the purchasers of bonds relating to the Systems; and

WHEREAS, the City Council desires to continue to maintain fair, just, equitable and appropriate rates, fees and charges including, but not limited to, an effort involving the consideration of the types and methods of services to customers; and

WHEREAS, the City Council finds that it is necessary, desirable and fiscally prudent for the Systems to adopt this Ordinance to amend the rates, fees and charges established in Resolution Number 2013-10, to include all rates and charges imposed, at this time, pursuant to the City of Palm Coast Water System, Reclaimed Water System and Wastewater System Utilities Ordinance as codified in Article II, Chapter 49 of the *Code of Ordinances of the City of Palm Coast*; and

WHEREAS, the City Council finds that the Capital Facilities (Connection) Fees, which are impact fees will be increased and adjusted as codified in Ordinance 2024-10, and

WHEREAS, the City Council hereby ratifies and affirms all prior actions taken by the City with regard to the acquisition of the Systems and the implementation and management of the Systems since acquisition.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PALM COAST THAT:

SECTION 1. ADMINISTRATIVE AND LEGISLATIVE FINDINGS/INTENT. The provisions set forth in the recitals to this Ordinance (whereas clauses) are hereby adopted by the City Council of the City of Palm Coast as the administrative and legislative findings and intent pertaining to this Ordinance. The prior and current reports, evaluations and studies relating to the fees, rates and charges pertaining to the Systems are hereby ratified, adopted and approved. The recommendations made by the City Manager in the City Council agenda item pertaining to this Ordinance are hereby approved and adopted.

SECTION 2. UTILITY SERVICE RATES. Rates for the provision of water, reclaimed water, and wastewater services are hereby established in accordance with the provisions of this Ordinance. As set forth in Chapter 49, *Code of Ordinances of the City of Palm Coast*, water, reclaimed water, or wastewater services shall not be furnished or rendered free of charge to any person, firm or corporation whatsoever; and the City, including each of its agencies, departments or instrumentalities which uses water service, reclaimed water service or wastewater service, shall pay the applicable rates for such services.

SECTION 3. UTILITY SERVICE RATES. for the provision of water, reclaimed water, and wastewater services are as set forth in Exhibit “A” to this Ordinance. Increases are shown in bold.

SECTION 4. CHARGES. The charges for violations and the provision of utility services by the City are as set forth in Exhibit “B” to this Ordinance. Increases are shown in bold.

SECTION 5. OTHER REIMBURSED EXPENSES. In cases where customers request City utility personnel to perform specific utility services which are not the obligation of the City to perform, a fee shall be charged to recover those costs incurred by the City in performing such services when the City deems it appropriate to perform such services in order to protect the Systems or otherwise ensure the proper maintenance and control of the Systems. The fees for such services shall be assessed on a case-by-case basis and, in no event, shall be more or less than the costs to or incurred by the City (to include any and all administrative costs reasonably associated with the service). Such matters may be addressed as set forth in a revised ordinance amending the provisions of this Ordinance or on an *ad hoc* basis as determined by the City Manager or designee.



SECTION 6. ADMINISTRATIVE RULES/IMPLEMENTING ACTIONS. The City Manager or designee is hereby authorized to adopt administrative rules that are deemed necessary and appropriate to implement the provisions of this Ordinance to include, but not be limited to, rules relating to administrative and contractual issues that do not relate to rates, but may relate to administrative charges and procedures. The City Manager is authorized and directed to take any and all necessary actions, as deemed reasonably necessary, in order to implement the provisions of this Ordinance.

SECTION 7. ADJUSTMENT IN UTILITY SERVICE RATES FOR 2025 THRU 2027, AND METHOD OF ANNUAL ADJUSTMENTS THEREAFTER.

(a). The rates involving monthly base and usage charges and bulk rates relating to the Systems of the City, as set forth herein, shall be adjusted effective April 1, 2025, October 1, 2025, October 1, 2026, October 1, 2027, with annual automatic adjustments beginning effective October 1, 2028, as shown in bold in Exhibit A.

(b). The rates involving monthly base and usage charges and bulk rates relating to the Systems of the City as set forth herein shall be adjusted annually on October 1<sup>st</sup> of each year, commencing on October 1, 2028, and thereafter, by the higher rate of 4.0% or the June US-CPI Water and Sewerage Maintenance Services Index.

(c). The City Manager is hereby authorized and directed to calculate and implement said revised rates on an annual basis, based on the rate study. Notwithstanding the foregoing, at any time that it elects to do so, the City Council may adopt a resolution establishing rates, and such resolution shall take precedence over the previously established rates then in effect.

SECTION 8. INITIAL ADJUSTMENT IN CHARGES & OTHER REIMBURSED EXPENSES FOR 2025, AND METHOD OF ANNUAL ADJUSTMENTS THEREAFTER.

(a). The charges for violations and the provision of utility services relating to the Systems of the City, as set forth herein, shall be adjusted effective April 1, 2025 with automatic adjustments effective October 1, 2025, as shown in bold in Exhibits B.

(b). The charges for violations and the provision of utility services relating to the Systems of the City as set forth herein shall be adjusted annually on October 1<sup>st</sup> of each year, commencing on October 1, 2025, and thereafter, by the higher rate of 4.0% or the June US-CPI Water and Sewerage Maintenance Services Index.

(c.) The increase will only be implemented if the City Manager or designee determines that an increase in fees is necessary based on the cost increase to the City for materials, equipment, and services.

(d). Fees shall be reviewed periodically but no less than every 5-years to determine if any changes are necessary.

(e). The City Manager is hereby authorized and directed to calculate and implement said revised charges on an annual basis. Notwithstanding the foregoing, at any time that it elects to do so, the City Council may adopt a resolution establishing charges, and such resolution shall take precedence over the previously established charges then in effect.

SECTION 9. CAPACITY FACILITY (CONNECTION) FEE (aka IMPACT FEES).  
The City Council finds that the Capital Facility (Connection) Fees, which are impact fees will be increased and adjusted as codified in Ordinance 2024-10.

SECTION 10. EXHIBITS. The exhibits (A & B) to this are hereby adopted and attached to the text of this Ordinance as if fully set forth herein verbatim.

SECTION 11. SEVERABILITY. If any section, sentence, phrase, word or portion of this Ordinance is determined to be invalid, unlawful or unconstitutional, said determination shall not be held to invalidate or impair the validity, force or effect of any other section, sentence, phrase, word or portion of this Ordinance not otherwise determined to be invalid, unlawful or unconstitutional.

SECTION 12. CONFLICTS. All resolutions and ordinances or part of resolutions or ordinances in conflict with this Ordinance are hereby repealed.

SECTION 13. EFFECTIVE DATE/DATES OF IMPLEMENTATION. This Ordinance shall take effect immediately upon adoption; provided, however, the utility rate adjustments adopted in this Ordinance shall take effect as expressly provided in schedule set forth in Section 7(a) & 8(a) of this Ordinance.

APPROVED on first reading after due public notice and hearing this 4<sup>th</sup> day of March 2025.

ADOPTED on the second reading after due public notice and hearing this 18<sup>th</sup> day of March 2025.

ATTEST:

CITY OF PALM COAST

\_\_\_\_\_  
Kaley Cook, City Clerk

\_\_\_\_\_  
Michael Norris, Mayor

APPROVED AS TO FORM  
AND LEGALITY:

\_\_\_\_\_  
Marcus Duffy, City Attorney

**EXHIBIT A  
UTILITY SERVICE RATES – MOD A**

	<b>Current Rates</b>	<b>Effective 04.01.25</b>	<b>Effective 10.01.25</b>
<b>Increase</b>		<b>8.00%</b>	<b>8.00%</b>
<b><u>WATER SYSTEM</u></b>			
<b>Monthly Private Fire Protection Service:</b>			
Meter Size 5/8"	\$ 1.85	\$ 2.00	\$ 2.16
3/4"	\$ 1.85	\$ 2.00	\$ 2.16
1"	\$ 4.60	\$ 4.97	\$ 5.37
1-1/2"	\$ 9.27	\$ 10.01	\$ 10.81
2"	\$ 14.78	\$ 15.96	\$ 17.24
3"	\$ 29.63	\$ 32.00	\$ 34.56
4"	\$ 46.34	\$ 50.05	\$ 54.05
6"	\$ 92.64	\$ 100.05	\$ 108.06
8"	\$ 148.21	\$ 160.07	\$ 172.87
10"	\$ 213.06	\$ 230.10	\$ 248.51
12"	\$ 398.33	\$ 430.20	\$ 464.61
<b>Monthly Base Charge:</b>			
<b>Residential, Commercial and Multi-Family Service</b>			
Meter Size 5/8", 3/4", 3/4"	\$ 22.22	\$ 24.00	\$ 25.92
1"	\$ 55.54	\$ 59.98	\$ 64.78
1-1/2"	\$ 111.08	\$ 119.97	\$ 129.56
2"	\$ 177.74	\$ 191.96	\$ 207.32
3"	\$ 355.42	\$ 383.85	\$ 414.56
4"	\$ 555.33	\$ 599.76	\$ 647.74
6"	\$ 1,110.71	\$ 1,199.57	\$ 1,295.53
8"	\$ 1,777.16	\$ 1,919.33	\$ 2,072.88
10"	\$ 2,554.65	\$ 2,759.02	\$ 2,979.74
<b>Irrigation Service</b>			
Meter Size 5/8", 3/4", 3/4"	\$ 11.09	\$ 11.98	\$ 12.94
1"	\$ 55.54	\$ 59.98	\$ 64.78
1-1/2"	\$ 111.08	\$ 119.97	\$ 129.56
2"	\$ 177.74	\$ 191.96	\$ 207.32
3"	\$ 355.42	\$ 383.85	\$ 414.56
4"	\$ 555.33	\$ 599.76	\$ 647.74
6"	\$ 1,110.71	\$ 1,199.57	\$ 1,295.53
<b>Monthly Usage per 1,000 Gallons:</b>			
<b>Single-Family and Duplex</b>			
0 - 5,000 gallons	\$ 6.02	\$ 6.50	\$ 7.02
5,001-10,000 gallons	\$ 6.62	\$ 7.15	\$ 7.72
10,001-20,000 gallons	\$ 8.44	\$ 9.12	\$ 9.84
Above 20,000 gallons	\$ 10.83	\$ 11.70	\$ 12.63
<b>General and Multi-Family</b>	\$ 6.90	\$ 7.45	\$ 8.05
<b>Irrigation</b>			
0 - 5,000 gallons	\$ 6.62	\$ 7.15	\$ 7.72
5,001-10,000 gallons	\$ 6.62	\$ 7.15	\$ 7.72
10,001-20,000 gallons	\$ 8.44	\$ 9.12	\$ 9.84
Above 20,000 gallons	\$ 10.83	\$ 11.70	\$ 12.63
		\$ -	
<b>Bulk Water:</b>	\$ 6.24	\$ 6.74	\$ 7.28

**EXHIBIT A  
UTILITY SERVICE RATES – MOD A**

	<b>Current Rates</b>	<b>Effective 04.01.25</b>	<b>Effective 10.01.25</b>
<b>Increase</b>		<b>8.00%</b>	<b>8.00%</b>
<b><u>WASTEWATER SYSTEM</u></b>			
<b>Monthly Base Charge:</b>			
<b>Residential, Commercial and Multi-Family Service:</b>			
Meter Size 5/8 x 3/4", 3/4"	\$ 21.83	\$ 23.58	\$ 25.46
1"	\$ 54.51	\$ 58.87	\$ 63.58
1-1/2"	\$ 108.99	\$ 117.71	\$ 127.13
2"	\$ 174.39	\$ 188.34	\$ 203.41
3"	\$ 348.83	\$ 376.74	\$ 406.88
4"	\$ 544.99	\$ 588.59	\$ 635.68
6"	\$ 1,090.03	\$ 1,177.23	\$ 1,271.41
8"	\$ 1,744.08	\$ 1,883.61	\$ 2,034.29
10"	\$ 2,507.09	\$ 2,707.66	\$ 2,924.27
<b>Monthly Usage per 1,000 Gallons:</b>			
<b>Single-Family and Duplex</b>	\$ 5.65	\$ 6.10	\$ 6.59
<b>General and Multi-Family</b>	\$ 6.79	\$ 7.33	\$ 7.92
<b>Bulk Wastewater</b>	\$ 5.44	\$ 5.88	\$ 6.35
<b><u>RECLAIMED WATER SYSTEM</u></b>			
<b>Monthly Base Charge:</b>			
<b>Wholesale (Secondary Treatment Only)</b>	N/A	N/A	N/A
<b>Retail</b>			
Monthly base charge	\$ 8.70	\$ 9.40	\$ 10.15
<b>Monthly Usage per 1,000 Gallons:</b>			
<b>Wholesale (Secondary Treatment Only)</b>			
Dunes CDD per 1,000 gallons (Low Pressure)	\$ 0.36	\$ 0.39	\$ 0.42
Grand Haven CDD per 1,000 gallons (Low Pressure)	\$ 0.50	\$ 0.54	\$ 0.58
All Other Wholesale per 1,000 gallons (Low Pressure)	\$ 0.84	\$ 0.91	\$ 0.98
<b>Retail</b>			
0-10,000 gallons	\$ 1.31	\$ 1.41	\$ 1.53
10,001-20,000 gallons:	\$ 1.93	\$ 2.08	\$ 2.25
over 20,000 gallons	\$ 2.62	\$ 2.83	\$ 3.06
<b><u>SURCHARGE FOR OUTSIDE CITY LIMITS</u></b>			
<b>(Excluding Wholesale Customers)</b>			
<b>All Rates:</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>
<b><u>NOTES:</u></b>			
<b>1. All rates shall be adjusted annually on October 1<sup>st</sup> of each year, commencing on October 1, 2026, and thereafter, by the higher rate of 4.0% or the June US-CPI Water and Sewerage Maintenance Services Index.</b>			

**EXHIBIT A  
UTILITY SERVICE RATES – MOD B**

	<b>Current Rates</b>	<b>Effective 04.01.25</b>	<b>Effective 10.01.25</b>	<b>Effective 10-1-2026</b>	<b>Effective 10-1-2027</b>
<b>Increase</b>		<b>7.00%</b>	<b>7.00%</b>	<b>5.00%</b>	<b>5.00%</b>
<b><u>WATER SYSTEM</u></b>					
<b>Monthly Private Fire Protection Service:</b>					
Meter Size 5/8"	\$ 1.85	\$ 1.98	\$ 2.12	\$ 2.22	\$ 2.34
3/4"	\$ 1.85	\$ 1.98	\$ 2.12	\$ 2.22	\$ 2.34
1"	\$ 4.60	\$ 4.92	\$ 5.27	\$ 5.53	\$ 5.81
1-1/2"	\$ 9.27	\$ 9.92	\$ 10.61	\$ 11.14	\$ 11.70
2"	\$ 14.78	\$ 15.81	\$ 16.92	\$ 17.77	\$ 18.66
3"	\$ 29.63	\$ 31.70	\$ 33.92	\$ 35.62	\$ 37.40
4"	\$ 46.34	\$ 49.58	\$ 53.05	\$ 55.71	\$ 58.49
6"	\$ 92.64	\$ 99.12	\$ 106.06	\$ 111.37	\$ 116.94
8"	\$ 148.21	\$ 158.58	\$ 169.69	\$ 178.17	\$ 187.08
10"	\$ 213.06	\$ 227.97	\$ 243.93	\$ 256.13	\$ 268.94
12"	\$ 398.33	\$ 426.21	\$ 456.05	\$ 478.85	\$ 502.79
<b>Monthly Base Charge:</b>					
<b>Residential, Commercial and Multi-Family Service</b>					
Meter Size 5/8", 3/4", 3/4"	\$ 22.22	\$ 23.78	\$ 25.44	\$ 26.71	\$ 28.05
1"	\$ 55.54	\$ 59.43	\$ 63.59	\$ 66.77	\$ 70.11
1-1/2"	\$ 111.08	\$ 118.86	\$ 127.18	\$ 133.53	\$ 140.21
2"	\$ 177.74	\$ 190.18	\$ 203.49	\$ 213.67	\$ 224.35
3"	\$ 355.42	\$ 380.30	\$ 406.92	\$ 427.27	\$ 448.63
4"	\$ 555.33	\$ 594.20	\$ 635.80	\$ 667.59	\$ 700.97
6"	\$ 1,110.71	\$ 1,188.46	\$ 1,271.65	\$ 1,335.23	\$ 1,402.00
8"	\$ 1,777.16	\$ 1,901.56	\$ 2,034.67	\$ 2,136.40	\$ 2,243.22
10"	\$ 2,554.65	\$ 2,733.48	\$ 2,924.82	\$ 3,071.06	\$ 3,224.61
<b>Irrigation Service</b>					
Meter Size 5/8", 3/4", 3/4"	\$ 11.09	\$ 11.87	\$ 12.70	\$ 13.33	\$ 14.00
1"	\$ 55.54	\$ 59.43	\$ 63.59	\$ 66.77	\$ 70.11
1-1/2"	\$ 111.08	\$ 118.86	\$ 127.18	\$ 133.53	\$ 140.21
2"	\$ 177.74	\$ 190.18	\$ 203.49	\$ 213.67	\$ 224.35
3"	\$ 355.42	\$ 380.30	\$ 406.92	\$ 427.27	\$ 448.63
4"	\$ 555.33	\$ 594.20	\$ 635.80	\$ 667.59	\$ 700.97
6"	\$ 1,110.71	\$ 1,188.46	\$ 1,271.65	\$ 1,335.23	\$ 1,402.00
<b>Monthly Usage per 1,000 Gallons:</b>					
<b>Single-Family and Duplex</b>					
0 - 5,000 gallons	\$ 6.02	\$ 6.44	\$ 6.89	\$ 7.24	\$ 7.60
5,001-10,000 gallons	\$ 6.62	\$ 7.08	\$ 7.58	\$ 7.96	\$ 8.36
10,001-20,000 gallons	\$ 8.44	\$ 9.03	\$ 9.66	\$ 10.15	\$ 10.65
Above 20,000 gallons	\$ 10.83	\$ 11.59	\$ 12.40	\$ 13.02	\$ 13.67
<b>General and Multi-Family</b>	\$ 6.90	\$ 7.38	\$ 7.90	\$ 8.29	\$ 8.71
<b>Irrigation</b>					
0 - 5,000 gallons	\$ 6.62	\$ 7.08	\$ 7.58	\$ 7.96	\$ 8.36
5,001-10,000 gallons	\$ 6.62	\$ 7.08	\$ 7.58	\$ 7.96	\$ 8.36
10,001-20,000 gallons	\$ 8.44	\$ 9.03	\$ 9.66	\$ 10.15	\$ 10.65
Above 20,000 gallons	\$ 10.83	\$ 11.59	\$ 12.40	\$ 13.02	\$ 13.67
<b>Bulk Water:</b>	\$ 6.24	\$ 6.68	\$ 7.14	\$ 7.50	\$ 7.88

**EXHIBIT A  
UTILITY SERVICE RATES – MOD B**

	<b>Current Rates</b>	<b>Effective 04.01.25</b>	<b>Effective 10.01.25</b>	<b>Effective 10-1-2026</b>	<b>Effective 10-1-2027</b>
<b>Increase</b>		<b>7.00%</b>	<b>7.00%</b>	<b>5.00%</b>	<b>5.00%</b>
<b><u>WASTEWATER SYSTEM</u></b>					
<b>Monthly Base Charge:</b>					
<b>Residential, Commercial and Multi-Family Service:</b>					
Meter Size 5/8 x 3/4", 3/4"	\$ 21.83	\$ 23.36	\$ 24.99	\$ 26.24	\$ 27.55
1"	\$ 54.51	\$ 58.33	\$ 62.41	\$ 65.53	\$ 68.81
1-1/2"	\$ 108.99	\$ 116.62	\$ 124.78	\$ 131.02	\$ 137.57
2"	\$ 174.39	\$ 186.60	\$ 199.66	\$ 209.64	\$ 220.12
3"	\$ 348.83	\$ 373.25	\$ 399.38	\$ 419.34	\$ 440.31
4"	\$ 544.99	\$ 583.14	\$ 623.96	\$ 655.16	\$ 687.91
6"	\$ 1,090.03	\$ 1,166.33	\$ 1,247.98	\$ 1,310.37	\$ 1,375.89
8"	\$ 1,744.08	\$ 1,866.17	\$ 1,996.80	\$ 2,096.64	\$ 2,201.47
10"	\$ 2,507.09	\$ 2,682.59	\$ 2,870.37	\$ 3,013.89	\$ 3,164.58
<b>Monthly Usage per 1,000 Gallons:</b>					
<b>Single-Family and Duplex</b>	\$ 5.65	\$ 6.05	\$ 6.47	\$ 6.79	\$ 7.13
<b>General and Multi-Family</b>	\$ 6.79	\$ 7.27	\$ 7.77	\$ 8.16	\$ 8.57
<b>Bulk Wastewater</b>	\$ 5.44	\$ 5.82	\$ 6.23	\$ 6.54	\$ 6.87
<b><u>RECLAIMED WATER SYSTEM</u></b>					
<b>Monthly Base Charge:</b>					
<b>Wholesale (Secondary Treatment Only)</b>	N/A	N/A	N/A	N/a	N/A
<b>Retail</b>					
Monthly base charge	\$ 8.70	\$ 9.31	\$ 9.96	\$ 10.46	\$ 10.98
<b>Monthly Usage per 1,000 Gallons:</b>					
<b>Wholesale (Secondary Treatment Only)</b>					
Dunes CDD per 1,000 gallons (Low Pressure)	\$ 0.36	\$ 0.39	\$ 0.41	\$ 0.43	\$ 0.45
Grand Haven CDD per 1,000 gallons (Low Pressure)	\$ 0.50	\$ 0.54	\$ 0.57	\$ 0.60	\$ 0.63
All Other Wholesale per 1,000 gallons (Low Pressure)	\$ 0.84	\$ 0.90	\$ 0.96	\$ 1.01	\$ 1.06
<b>Retail</b>					
0-10,000 gallons	\$ 1.31	\$ 1.40	\$ 1.50	\$ 1.57	\$ 1.65
10,001-20,000 gallons:	\$ 1.93	\$ 2.07	\$ 2.21	\$ 2.32	\$ 2.44
over 20,000 gallons	\$ 2.62	\$ 2.80	\$ 3.00	\$ 3.15	\$ 3.31
<b><u>SURCHARGE FOR OUTSIDE CITY LIMITS</u></b> (Excluding Wholesale Customers)					
<b>All Rates:</b>	25%	25%	25%	25%	25%
<b><u>NOTES:</u></b>					
1. All rates shall be adjusted annually on October 1 <sup>st</sup> of each year, commencing on October 1, 2028, and thereafter, by the higher rate of 4.0% or the June US-CPI Water and Sewerage Maintenance Services Index.					

## EXHIBIT B CHARGES

WATER SYSTEM	Current Rates		Effective 04.01.25
<b>Customer Deposit, Domestic:</b>			
5/8" & 3/4" Meter (Owner)	\$	60.00	\$ 60.00
5/8" & 3/4" Meter (Renter)	\$	110.00	\$ 110.00
1"	\$	150.00	\$ 150.00
1-1/2"	\$	300.00	\$ 300.00
2"	\$	480.00	\$ 480.00
3"	\$	900.00	\$ 900.00
4"	\$	1,500.00	\$ 1,500.00
6"	\$	3,000.00	\$ 3,000.00
8"	\$	4,800.00	\$ 4,800.00
10"	\$	6,900.00	\$ 6,900.00
<b>Customer Deposit, Irrigation:</b>			
5/8" & 3/4" Meter	\$	60.00	\$ 60.00
1"	\$	150.00	\$ 150.00
1-1/2"	\$	300.00	\$ 300.00
2"	\$	480.00	\$ 480.00
3"	\$	900.00	\$ 900.00
4"	\$	1,500.00	\$ 1,500.00
6"	\$	3,000.00	\$ 3,000.00
8"	\$	4,800.00	\$ 4,800.00
10"	\$	6,900.00	\$ 6,900.00
<b>Hydrant Meter:</b>			
Customer Deposit	\$	560.00	\$ 2,150.00
Installation Fee	\$	-	\$ 130.00
<b>Meter Test:</b>			
5/8", 3/4", 1" Meter	\$	40.00	\$ 225.00
Over Compound and Over 1 1/2"	Full City Costs		Full City Costs
<b>Turn On or Reconnect:</b>			
	\$	25.00	\$ 50.00
<b>Turn Off or Disconnect:</b>			
	\$	25.00	\$ 50.00
<b>Transfer Service:</b>			
	\$	25.00	\$ 25.00
<b>Premise Visit (per visit):</b>			
	\$	25.00	\$ 50.00
<b>Reconnect or Premise Visit (after hours):</b>			
	\$	35.00	\$ 100.00
<b>Violation Connection:</b>			
	\$	-	\$ 1,000.00
<b>Meter Tampering:</b>			
First Occurrence	\$	125.00	\$ 250.00
Second Occurrence	\$	-	\$ 500.00
Third and Subsequent Occurrences	\$	-	\$ 750.00
<b>Late Payment:</b>			
		1.5% of bill with \$5.00 Minimum	1.5% of bill with \$10.00 Minimum
<b>Returned Check:</b>			
		Maximum Amount Allowed by Law	Maximum Amount Allowed by Law
<b>Collection Fee:</b>			
		Maximum Amount Allowed by Law	Maximum Amount Allowed by Law
<b>Account Suspension:</b>			
	\$	25.00	\$ 25.00
<b>Fire Flow Test:</b>			
	\$	85.00	\$ 250.00

## EXHIBIT B CHARGES

WATER SYSTEM (continued)	Current Rates		Effective 04.01.25
<b>Back-flow Preventer Annual Inspection:</b>			
Residential	\$	50.00	\$ 50.00
Commercial/Industrial	\$	-	\$ 100.00
<b>Fire System Maintenance (annual):</b>	\$	145.00	\$ 145.00
<b>Meter Installation With Tap:</b>			
5/8" & 3/4" Meter	\$	672.77	\$ 2,326.93
Any Other Size Meter		Full City Cost	Full City Cost
<b>Meter Installation With No Tap:</b>			
5/8" & 3/4" Meter	\$	514.49	\$ 965.03
Any Other Size Meter		Full City Cost	Full City Cost
<b>Irrigation Meter Installation:</b>	\$	514.49	\$ 965.03
<b>Permit Review</b>	\$	-	\$ 25.00
<b>Permit Inspection/Reinspection</b>	\$	25.00	\$ 40.00
<b>Any and All Other Work:</b>		Full City Costs	Full City Costs
WASTEWATER SYSTEM	Current Rates		Effective 04.01.25
<b>Customer Deposit, Wastewater:</b>			
5/8" & 3/4" Meter (Owner)	\$	50.00	\$ 50.00
5/8" & 3/4" Meter (Renter)	\$	80.00	\$ 80.00
1"	\$	125.00	\$ 125.00
1-1/2"	\$	250.00	\$ 250.00
2"	\$	400.00	\$ 400.00
3"	\$	750.00	\$ 750.00
4"	\$	1,250.00	\$ 1,250.00
6"	\$	2,500.00	\$ 2,500.00
8"	\$	4,000.00	\$ 4,000.00
10"	\$	5,750.00	\$ 5,750.00
<b>Premise Visit:</b>	\$	25.00	\$ 50.00
<b>After Hour Premise Visit:</b>	\$	25.00	\$ 100.00
<b>Late Payment:</b>		1.5% of bill with \$5.00 Minimum	1.5% of bill with \$10.00 Minimum
<b>Returned Check:</b>		Maximum Amount Allowed by Law	Maximum Amount Allowed by Law
<b>Collection Fee:</b>		Maximum Amount Allowed by Law	Maximum Amount Allowed by Law
<b>Account Suspension:</b>	\$	25.00	\$ 25.00
<b>Wastewater Pressure Test:</b>	\$	60.00	\$ 250.00
<b>PEP Tank Connection:</b>	\$	-	\$ 756.74
<b>Permit Review:</b>	\$	-	\$ 25.00
<b>Permit Inspection/Reinspection:</b>	\$	25.00	\$ 40.00
<b>Any and All Other Work:</b>		Full City Costs	Full City Costs



## EXHIBIT B CHARGES

RECLAIMED WATER SYSTEM	Current Rates	Effective 04.01.25
<b>Turn on/Reconnect:</b>	\$ 25.00	\$ 50.00
<b>Turn off/Disconnect:</b>	\$ 25.00	\$ 50.00
<b>Transfer Service</b>	\$ 25.00	\$ 25.00
<b>Reconnect/Premise Visit (after hours):</b>	\$ 25.00	\$ 100.00
<b>Violation Connection (Plus Full City Cost):</b>	\$ 125.00	\$ 250.00
<b>Premise Visit:</b>	\$ 25.00	\$ 50.00
<b>Late Payment:</b>	1.5% of bill with \$5.00 Minimum	<b>1.5% of bill with \$10.00 Minimum</b>
<b>Returned Check:</b>	Maximum Amount Allowed by Law	Maximum Amount Allowed by Law
<b>Collection Fee:</b>	Maximum Amount Allowed by Law	Maximum Amount Allowed by Law
<b>Account Suspension:</b>	\$ 25.00	\$ 25.00
<b>Meter Installation:</b>		
5/8" & 3/4" Meter	\$ 427.42	\$ 874.47
Any Other Size Meter	Full City Costs	Full City Costs
<b>Permit Reviews:</b>	\$ -	\$ 25.00
<b>Permit Inspections/Reinspections:</b>	\$ 25.00	\$ 40.00
<b>Any and All Other Work:</b>	Full City Costs	Full City Costs
<b>INDUSTRIAL WASTEWATER PRETREATMENT</b>	<b>Current Rates</b>	<b>Effective 04.01.25</b>
<b>Annual Surveillance Fee:</b>		
Inspection, Administrative Fees and Equipment	\$ 70.00	\$ 200.00
<b>Inspection for Noncompliance:</b>		
Inspection, Administrative Fees, Sampling and Equipment	\$ 80.00	\$ 250.00
<b>Lab Fees for Sample Analysis Due to Noncompliance:</b>	Full City Costs	Full City Costs
<b>Jet/Vac Truck Service for Cleaning Due to Noncompliance:</b>	Full City Costs	Full City Costs
<b>Administrative Penalty for Continued Noncompliance:</b>	\$ 125.00	\$ 250.00
<b>UTILITY SERVICE AGREEMENT</b> (minimum charge of (\$3,500.00))	<b>Current Rates</b>	<b>Effective 04.01.25</b>
<b>Water: Charge per ERU</b>	Varies	\$ 75.00
<b>Wastewater: Charge per ERU</b>	Varies	\$ 75.00
<b><u>SURCHARGE FOR OUTSIDE CITY LIMITS</u></b>		
<b>All Charges:</b>	25%	25%
<b>NOTES:</b>		
1. All charges may be adjusted annually on October 1 <sup>st</sup> of each year, commencing on October 1, 2025, and thereafter, by the higher rate of 4.0% or the June US-CPI Water and Sewerage Maintenance Services Index. The increase will only be implemented if the City Manager or designee determines that an increase in fees is necessary based on the cost increase to the City for materials, equipment, and services.		



**THE CITY OF PALM COAST  
160 LAKE AVENUE  
PALM COAST, FL 32164**

**BUSINESS IMPACT ESTIMATE  
PURSUANT TO F.S. 166.041(4)**

**Meeting Date: March 18, 2025  
Ordinance Number: 2025-XX  
Posted To Webpage: February 28, 2025**

This Business Impact Estimate is given as it relates to the proposed ordinance titled:

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALM COAST, FLAGLER COUNTY, FLORIDA, REVISING THE RATES AND CHARGES OF THE CITY'S UTILITY SYSTEMS; PROVIDING FOR ANNUAL ADJUSTMENTS OF ALL UTILITY RATES AND CHARGES TO ACCOUNT FOR INFLATION; PROVIDING FOR ADMINISTRATIVE AND LEGISLATIVE FINDINGS AND INTENT; PROVIDING FOR THE OPERATION OF THE CITY OF PALM COAST UTILITY SYSTEMS; PROVIDING FOR THE ADOPTION OF ADMINISTRATIVE RULES AND IMPLEMENTING ACTIONS; PROVIDING FOR EXHIBITS; PROVIDING FOR SEVERABILITY, CONFLICTS AND AN EFFECTIVE DATE.**

The sections below are not required to be completed if the ordinance involves any one of the following types of regulations. Please check if applicable:

- 1. Ordinances required for compliance with federal or state law or regulation;
- 2. Ordinances relating to the issuance or refinancing of debt;
- 3. Ordinances relating to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- 4. Ordinances required to implement a contract or an agreement, including, but not limited to, any federal, state, local, or private grant, or other financial assistance accepted by a municipal government;
- 5. Emergency ordinances;
- 6. Ordinances relating to procurement; or
- 7. Ordinances enacted to implement the following:
  - a. Part II of chapter 163, relating to growth policy, county and municipal planning, and land development regulation, including zoning, development orders, development agreements, and development permits;
  - b. Sections 190.005 and 190.046;

\_\_ c. Section 553.73, relating to the Florida Building Code; or

\_\_ d. Section 633.202, relating to the Florida Fire Prevention Code.

**Part I. Summary of the proposed ordinance and statement of public purpose:**

This ordinance adopts a new utility rate schedule for water, wastewater, and reclaimed water services provided by the City effective beginning on and after April 1, 2025 and for the next three (3) City fiscal years. The four-year rate and fee schedules were developed in accordance with a rate study prepared by Raftelis Financial Consultants, Inc. (Raftelis). The new rate and fee schedules are specifically set forth in the ordinance.

The monthly base and consumption charges for water, wastewater, and reclaimed water services provided by the City will be increased for all customers beginning with bills rendered on or after April 1, 2025 and each October 1st thereafter, through and including October 1, 2027 based on the services received by the customers and the new applicable rate schedule. The new four-year rate schedule as specifically set forth in the ordinance will provide additional revenue for operations and capital improvements. The City is engaging in a significant capital upgrades and reinvestment program which will require a focus on obtaining funding for the projects and setting the rates to support the capital improvement program and potential new debt service payments. On October 1, 2028, and on each October 1 thereafter, unless or until a new rate study is prepared and a new rate schedule adopted, rates for water, wastewater, and reclaimed water services provided by the City will automatically increase by the greater of the annual change in US Consumer Price (US-CPI) Water and Sewerage Maintenance Services Index as published June 30 of each year or 4.0% as specifically set forth in the ordinance.

**Part II. Estimate of the direct economic impact of the proposed ordinance on private, for-profit businesses in the City of Palm Coast:** (fill out subsections a-c as applicable, if not applicable write “not applicable”)

- (a) Estimate of direct compliance costs that businesses may reasonably incur if the proposed ordinance is enacted:

The proposed ordinance increases the monthly base and consumption charges billed by the City for water, wastewater, and reclaimed water services uniformly whereby the annual percent adjustment is applied consistently to all charges. Businesses are required to pay for these services on a monthly basis. The direct costs incurred by each business will vary depending on monthly usage and the cost will be calculated by applying the customer’s applicable base charge and volume/usage rate for such services rendered. Generally, for bills rendered on or after April 1, 2025, water rates will be increased 8.0% and a cumulative total of 36.06% by the end of the four-year rate schedule; sewer rates will be increased 8.00% and a cumulative total of 36.06% by the end of the four-year rate schedule; and reclaimed rates will be increased 8.00% and a cumulative total of 36.06% by the end of the four-year rate schedule.

- (b) Identification of any new charges or fee on businesses subject to the proposed ordinance, or for which businesses will be financially responsible:

The direct costs incurred by each business will vary depending on monthly usage and the cost will be calculated by applying the customer’s applicable base rate and volume/usage rate for such services rendered. No new charges or fees are proposed, but the base rates and volume/usage charges will increase as set forth in the Ordinance.

- (c) An estimate of the City of Palm Coast’s regulatory costs, including an estimate of revenues from any new charges or fees that will be imposed on businesses to cover such costs.

N/A

**Part III. Good faith estimates of the number of businesses likely to be impacted by the ordinance:**

The increase to existing rates and charges pursuant to this Ordinance impacts all customers of the City's water, sewer and reclaimed utilities system. There are currently 917 commercial accounts that will be impacted by the Ordinance, and type of services may vary by customer. However, additional vacant land exists within the City that may support additional businesses in the future when the land is developed.

**Part IV. Additional Information (if any):**

The City retained Raftelis to prepare a Utility Rate Study and GAP Analysis. The Study was presented to the City Council at a public meeting and is the basis under which the City Council is considering the adoption of the Ordinance. A public hearing notice for the adoption of proposed utility rate increases was sent to utility customers within the utility billing process in accordance with Chapter 180, Florida Statutes. The Ordinance will be advertised in a newspaper of general circulation prior to adoption in accordance with Section 166.041, Fla. Stat.