City of Palm Coast, Florida
Agenda Item

Agenda Date: March 4, 2025

Department	CONSTRUCTION MANAGEMENT & ENGINEERING	**Amount**	
Division	ENGINEERING	**Account #**	

Subject: ORDINANCE 2025-XX UTILITY RATE AMENDMENT

Presenter: Carl Cote, Director of Stormwater & Engineering

Attachments:
1. Presentation (2)
2. Ordinance
3. Business Impact

Background:
Council Priority:
D. Sustainable Environment and Infrastructure

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 *Water and Wastewater Revenue Sufficiency and Capital Facilities Fees Study.* 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 2nd 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

City of Palm Coast

Water & Wastewater Revenue Sufficiency and GAP Analysis

Executive Summary: March 4, 2025

RAFTELIS

City Workshop held on February 11, 2025

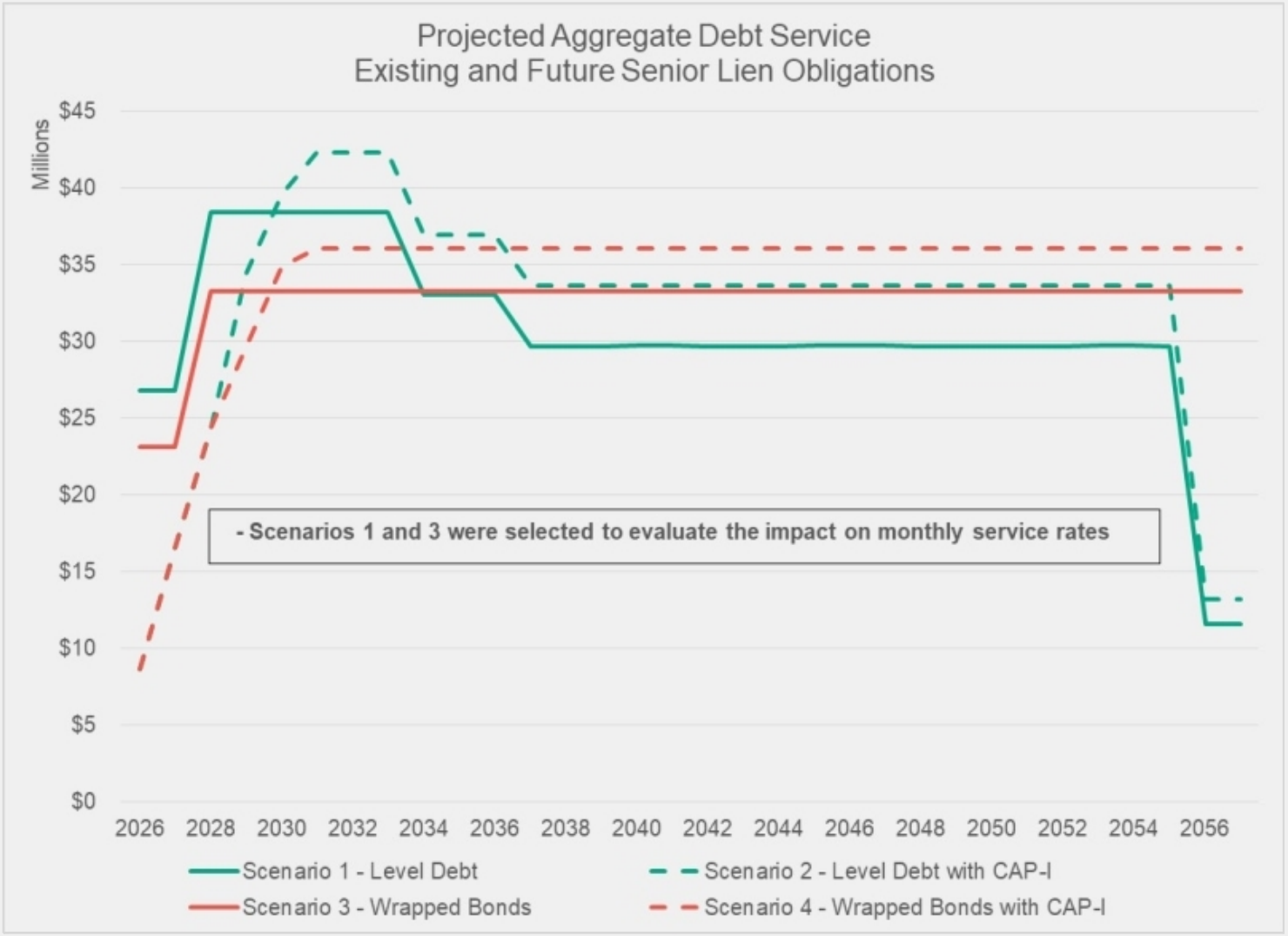
Discussion Topics included:

- Existing Conditions / Major Capital Needs
- Summary of Major Assumptions (Revenues & Expenditures)
- Proposed Capital Funding Plan & Financing Alternatives
- Adequacy of Existing Monthly Service Rates
- Recommended Rate Adjustments / Sample Customer Bills
- Next Steps to Implement Rates / Issue Proposed Revenue Bonds

Critical Projects Identified by City Staff

- Include but not limited to:
  - WWTF#1 Expansion and Rehabilitation - $265.0 million
  - WTF#1 and WTF#3 Plant Expansion - $57.9 million
  - WTF#2 and WTF#3 Wellfield Expansion - $26.9 million
  - PEP System Upgrades and Improvements - $25.6 million
  - WTF#1 Basin and Lime Sludge Thickener - $15.2 million
  - WWTF#1 and WWTF#2 Reclaimed Water Storage Tanks - $8.2 million
  - Reclaimed Water Wet Weather Discharge Study - $5.5 million
  - Reclaimed Water Extension to Future WWTF#3 - $4.6 million
  - WTF#2 and WTF#3 Electrical Upgrades and Replacements - $4.2 million
  - WTF#3 Ground Storage Tank - $2.6 million

Comparison of Financing Scenarios



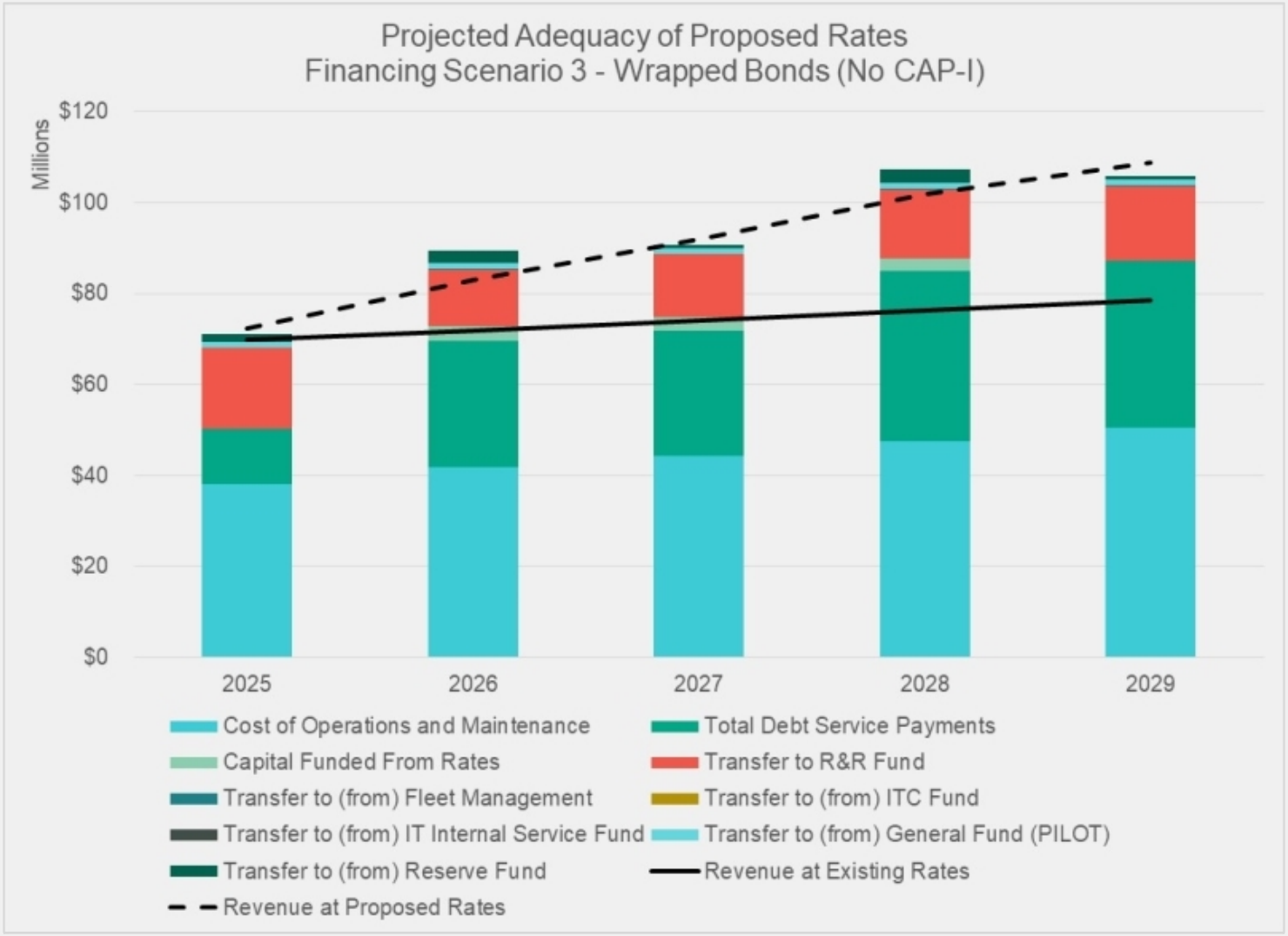
Summary of Scenario Results

Description	Interim 10/01/2024	FY25 04/01/2025	FY26 10/01/2025	FY27 10/01/2026	FY28 10/01/2027	FY29 10/01/2028
Scenario 1 – Level Debt Service (No CAP-I)						
Percent Rate Increase		9.5%	9.5%	9.5%	9.5%	CPI - 4.0% [1]
Projected Residential Monthly Bill (2,500 Gallons)	**$73.23**	**$80.19**	**$87.81**	**$96.15**	**$105.28**	**$109.49**
Projected Residential Monthly Bill (4,000 Gallons)	**$90.73**	**$99.35**	**$108.79**	**$119.13**	**$130.45**	**$135.67**
Unrestricted Funds – Days of Gross Revenues		224	158	146	132	138
Test A – Net Revenue Test (110%)		402%	162%	192%	156%	167%
Test C – All-in Required Transfers (100%)		220%	122%	143%	125%	135%

Description	Interim 10/01/2024	FY25 04/01/2025	FY26 10/01/2025	FY27 10/01/2026	FY28 10/01/2027	FY29 10/01/2028
Scenario 3 – Wrapped Bonds (No CAP-I) [2]						
Percent Rate Increase		8.0%	8.0%	8.0%	8.0%	CPI - 4.0% [1]
Projected Residential Monthly Bill (2,500 Gallons)	**$73.23**	**$79.08**	**$85.42**	**$92.25**	**$99.64**	**$103.64**
Projected Residential Monthly Bill (4,000 Gallons)	**$90.73**	**$97.98**	**$105.83**	**$114.30**	**$123.46**	**$128.42**
Unrestricted Funds – Days of Gross Revenues		223	166	155	141	144
Test A – Net Revenue Test (110%)		397%	178%	206%	163%	175%
Test C – All-in Required Transfers (100%)		217%	129%	149%	127%	138%

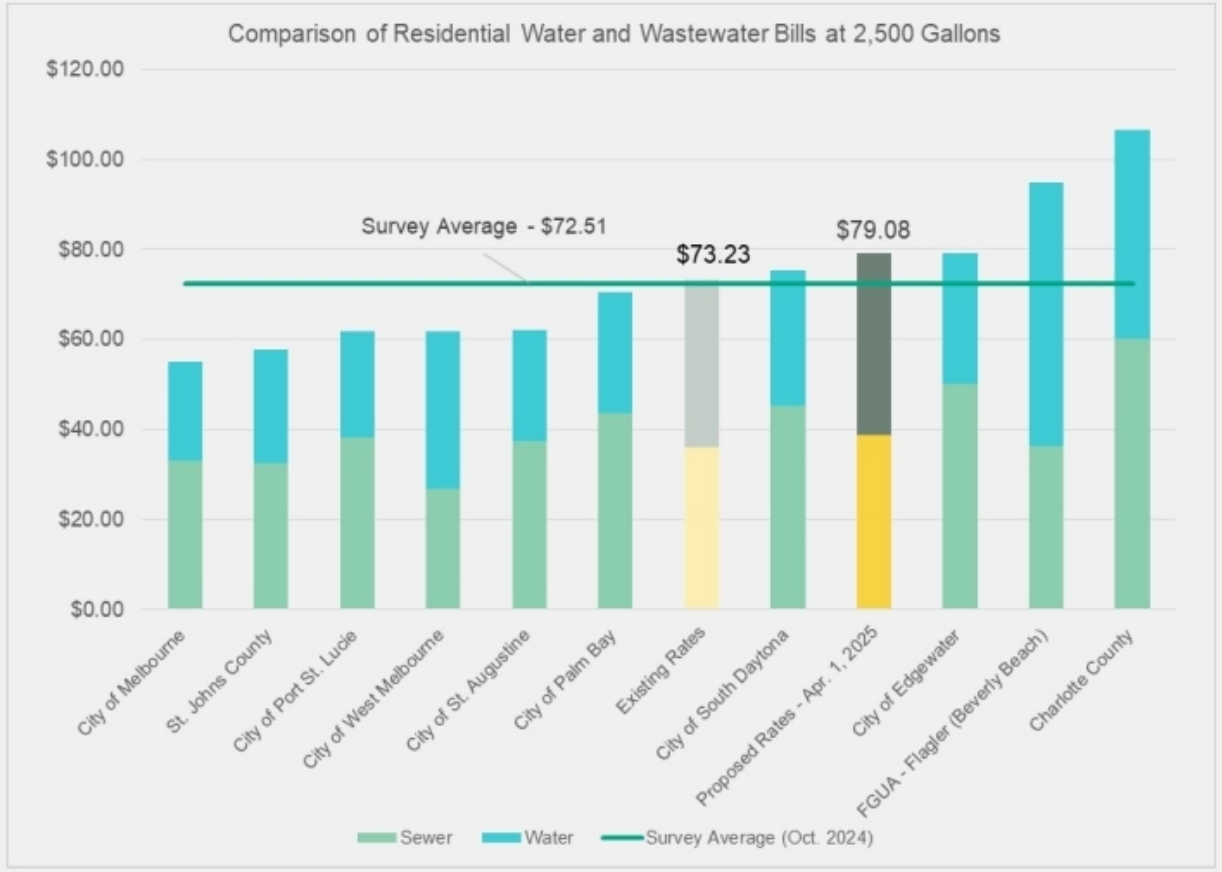
[1] Beginning October 1, 2028, an annual index Is proposed based on the annual change in the US-CPI Water and Sewerage Maintenance Services Index or 4.0%, which ever is greater.
[2] While Scenario 3 has a higher net present value cost of $21.8 million over the repayment of the bonds when compared to Scenario 1, the customer bill impact is about 8% less.

Adequacy of Proposed Rates

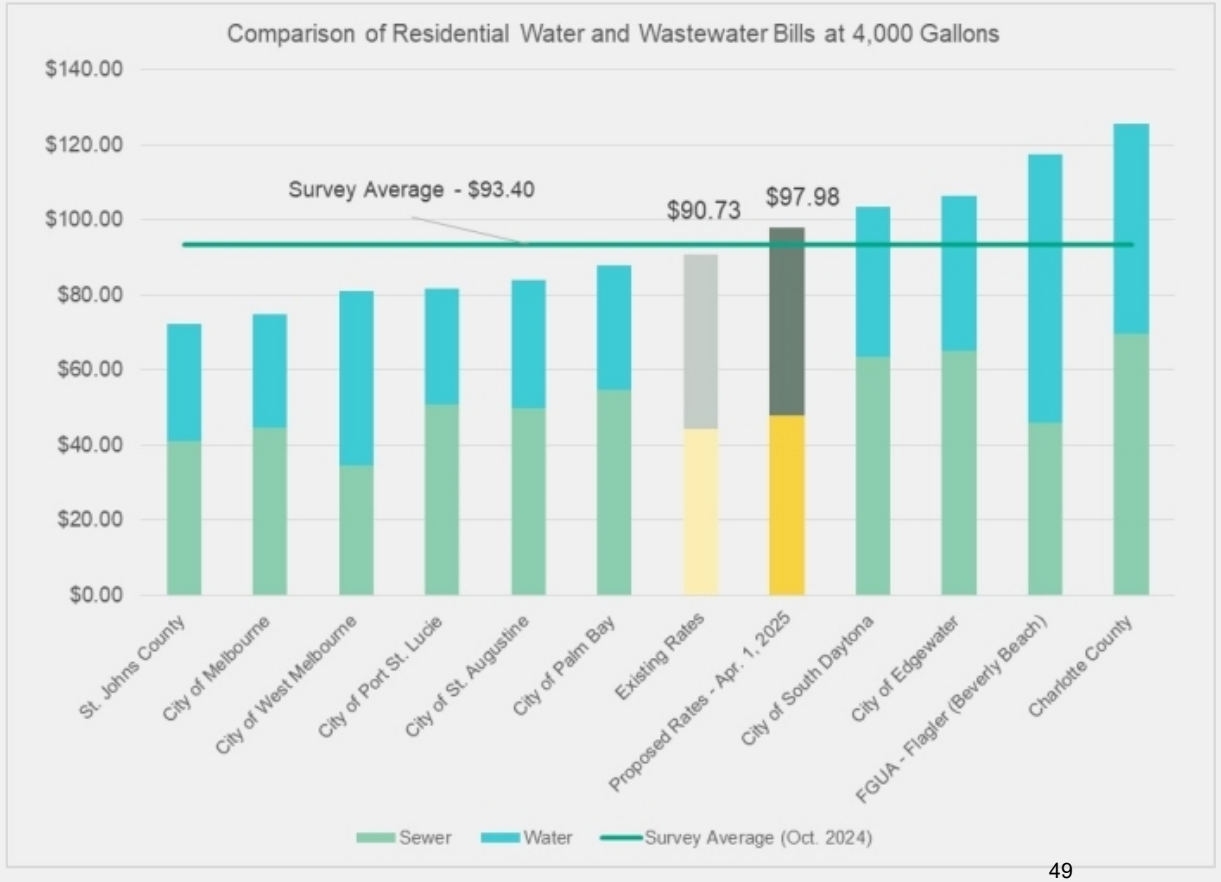


Residential Rate Comparisons

Small Water User



Moderate Water User



Observations / Conclusions

- The City's existing rates are not adequate to fully fund the projected revenue requirements of the System
- The City's financial advisor prepared several financing scenarios that provide strategies to phase-in rate adjustments over time
  - Scenario 3 that is based on a wrapped bonding structure without the use of capitalized interest provides:
    - A balance between the City's phased rate strategy and a level repayment schedule over the financing term
    - A customer bill that is 8% lower when compared to Scenario 1

Observations / Conclusions (cont.)

- Raftelis recommends that the City implement the proposed rate adjustments identified for Scenario 3 beginning with bills rendered on and after April 1, 2025, and each October 1st through and including October 1, 2027
- Beginning on and after October 1, 2028, the City should continue to increase the monthly rates for water, wastewater and reclaimed water service based on the annual change in the US-CPI Water and Sewerage Maintenance Services Index as published on June 30 of each year or 4.0%, which ever is greater

RAFTELIS

Thank you!

Contact: Murray Hamilton, Vice President
mhamilton@raftelis.com

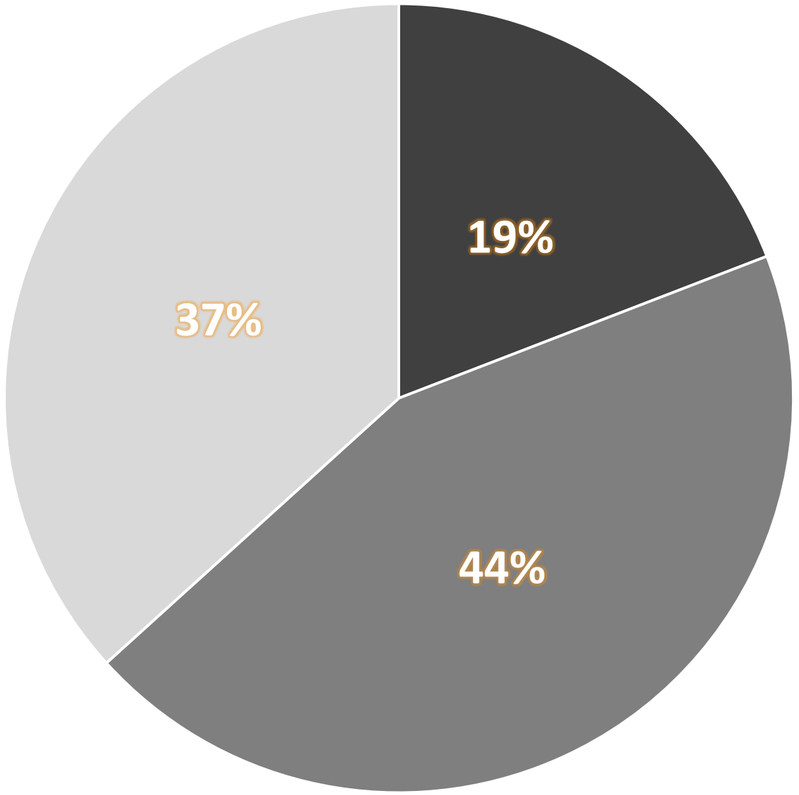
UTILITY 5-YEAR CAPITAL IMPROVEMENT PLAN 'GAP STUDY'

Major Projects & Initiatives

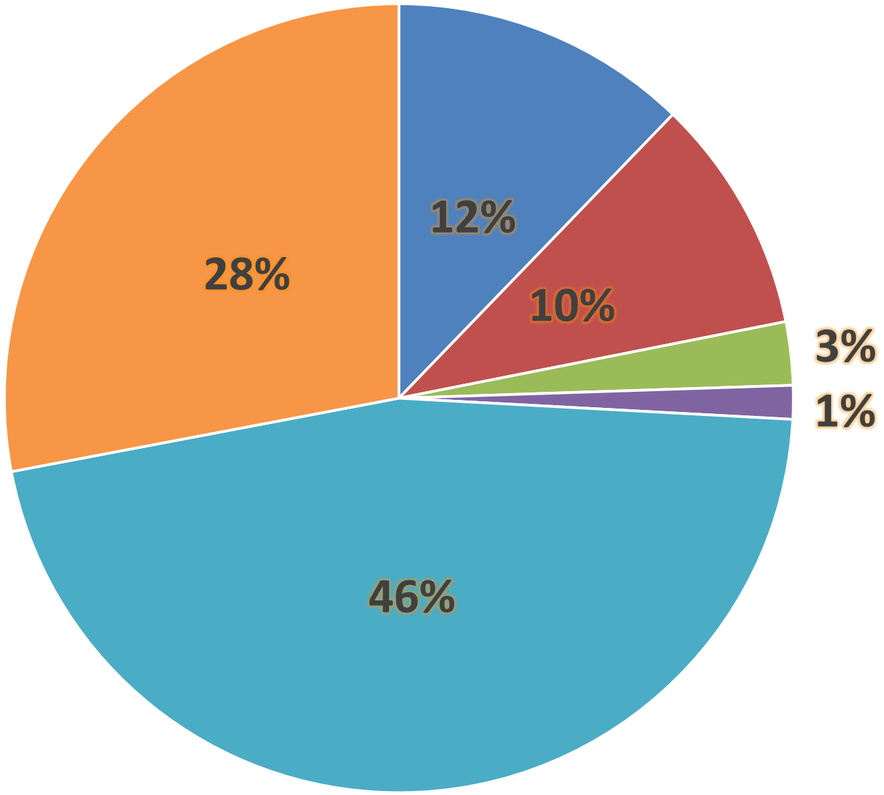
UTILITY 5-YEAR CAPITAL IMPROVEMENT PLAN (FY 25–29)

	Rates	Impact Fees	Grants	SRF Loan	FY26 Bond	FY28 Bond	Grand Total
Water Capacity	$ -	$ 33,927,000	$ -	$ -	$ 47,108,500	$ 36,519,000	$ 117,554,500
Wastewater Capacity	$ -	$ 25,443,523	$ 15,912,113	$ 8,450,000	$ 202,620,000	$ 18,663,000	$ 271,088,636
R&R	$ 75,040,000	$ -	$ -	$ -	$ 33,765,500	$ 116,652,000	$ 225,457,500
TOTAL	$ 75,040,000	$ 59,370,523	$ 15,912,113	$ 8,450,000	$ 283,494,000	$ 171,834,000	$ 614,100,636

PROJECT TYPE



FUNDING



UTILITY INFRASTRUCTURE COMPONENTS

67
Production Wells

6 Water Storage Tanks
Capacity of 7.5 Million Gallons

830+ Miles of Water Main
700+ Miles of Sewer Main
75+ Miles of Reclaimed Main

60,631
Revenue Meters

177 Lift/Pump Stations

17,491
PEP Tanks

4,007
Fire Hydrants

Cigar Lake &
Pump Station

UNDERSTANDING CAPACITY & IT'S IMPORTANCE

What is Capacity?

- The maximum permitted amount of water and wastewater a municipal system can treat, store, and distribute efficiently.
- Includes both physical infrastructure limits (pipes, pumps, plants, and storage) and operational limits (treatment processes, staffing, and regulations).

Why Capacity Matters

- Population Growth – More demand on the systems.
- Regulatory Compliance – Must meet state and federal standards.
- Environmental Protection- For the health and welfare of our residents
- Protect water source from irreversibly damaging it from over-pumping

Factors Affecting Capacity

- Infrastructure Limitations – Systems must be designed to handle peak demand.
- Stormwater & Infiltration – Heavy rainfall or leaks can overwhelm wastewater systems.
- Regulatory Permitting

Planning for Capacity Needs

- Expanding Treatment Facilities
- Secure Water Source Accessibility
- Investing in Advanced Technology
- Securing State & Federal Funding

The Impact of Not Addressing Capacity

- Service Disruptions – Overloaded systems can lead to boil water notices, sewer backups, and water restrictions.
- Higher Costs – Emergency repairs, chemicals, labor, and regulatory fines increase financial burdens.
- Economic & Environmental Consequences – Insufficient capacity can harm ecosystems.

Palm Coast's Approach

- Proactively assessing capacity to support growth while maintaining water quality.
- Seeking funding for expansion projects.

WASTEWATER TREATMENT FACILITIES

Wastewater Treatment Facility No. 1 & 2
Areas of Service Based on December 1, 2023

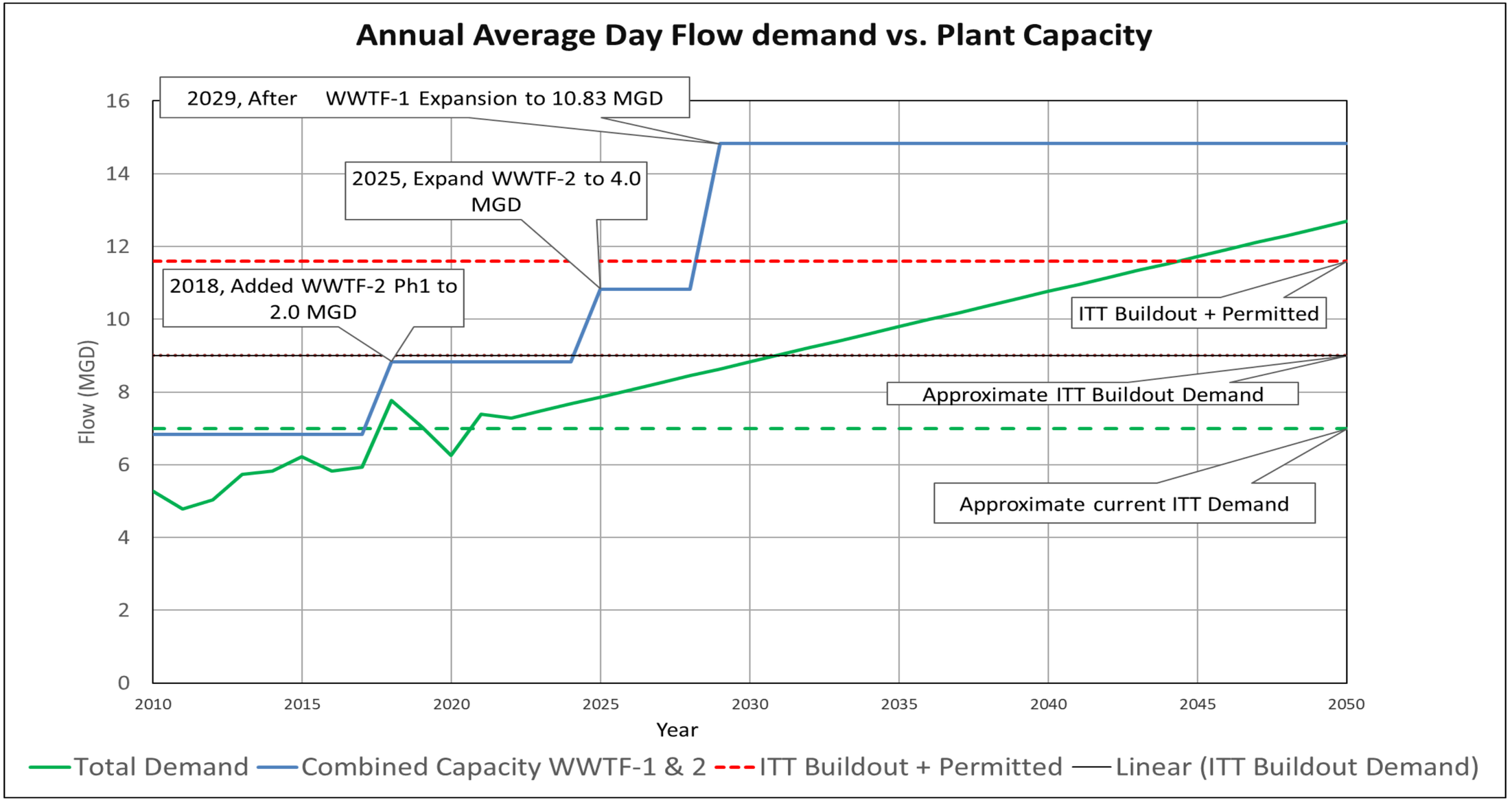
WWTF No. 2 (beige highlighted area)

- Capacity: 2.00 MGD; Current Expansion Adds 2.00 MGD in Spring 2025
- Treatment Type: Membrane Bio-Reactor/ Advanced Wastewater Treatment (AWT)

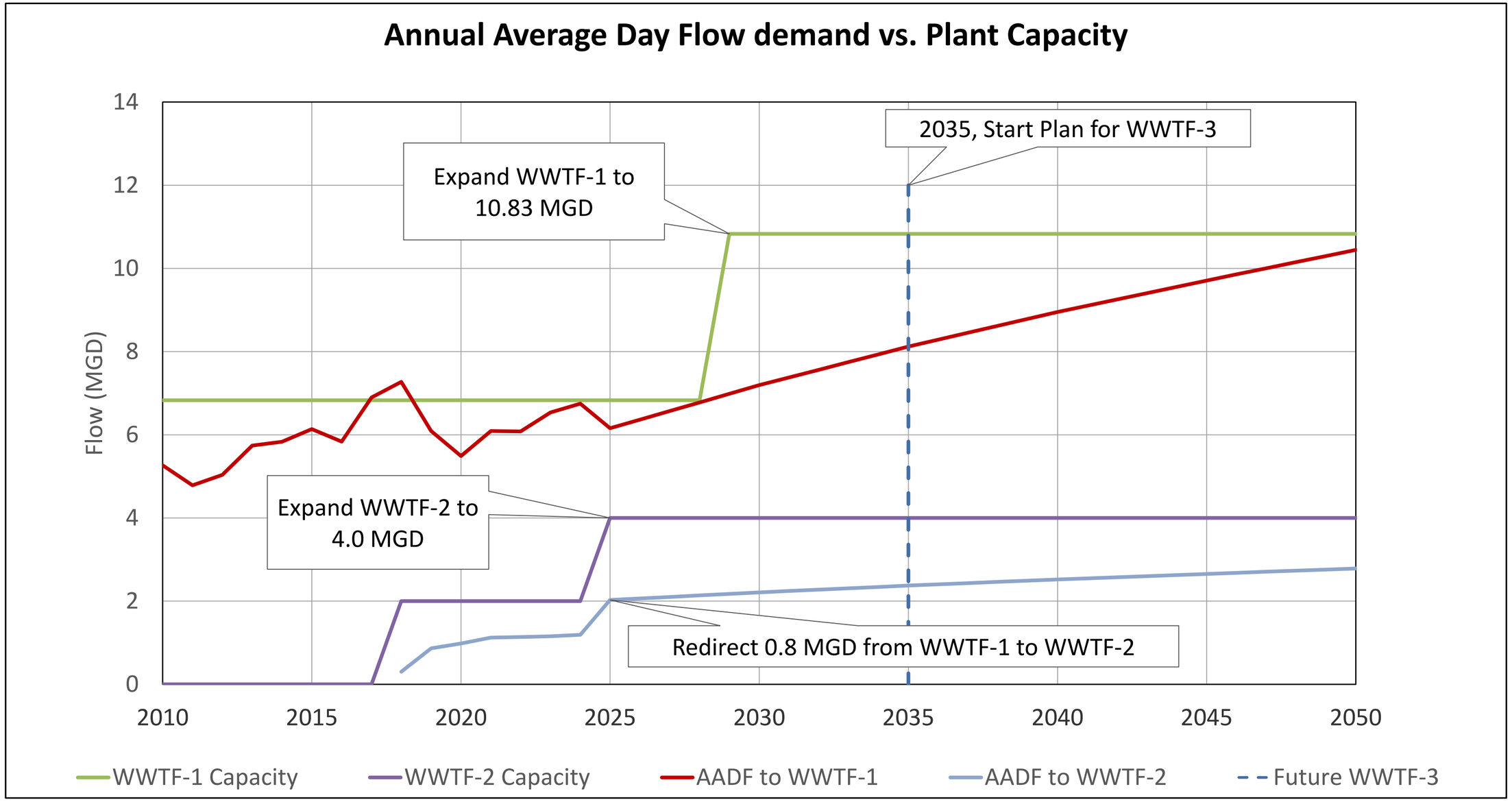
WWTF No. 1 (green highlighted area)

- Capacity: 6.83 MGD
- Treatment Type: Activated Sludge Treatment/Advanced Secondary Treatment

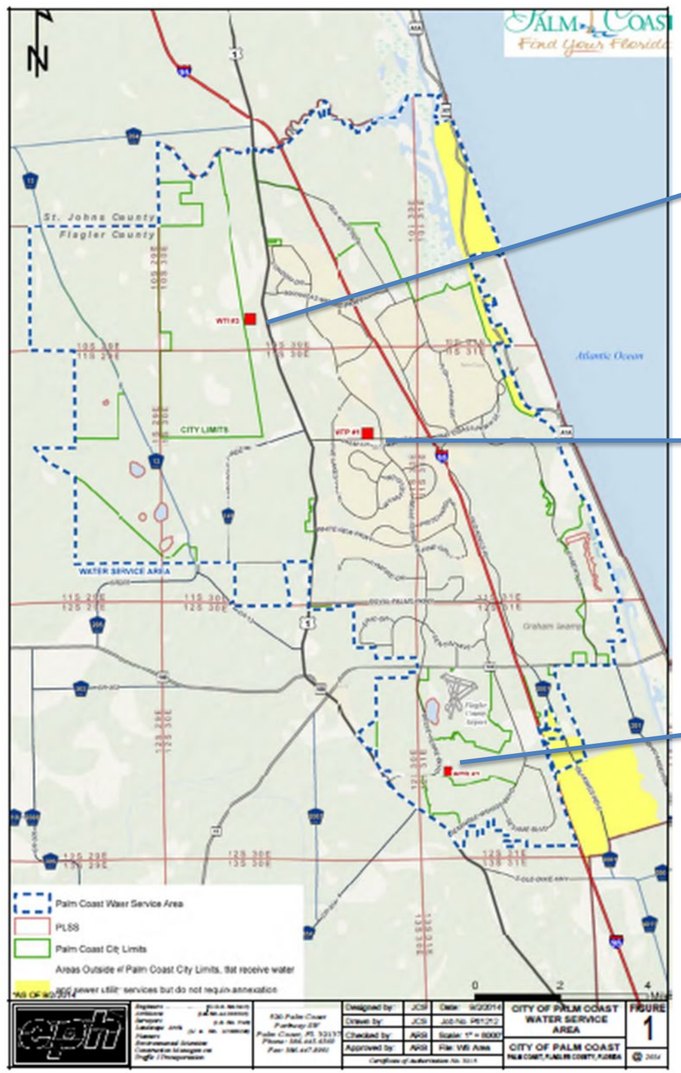
WASTEWATER CAPACITY



WASTEWATER CAPACITY



WATER TREATMENT FACILITIES



Water Treatment Facility No. 1, 2, & 3 Service Area (Marked in blue dotted line)

WTF No. 1

- Capacity: 6.00 MGD
- Treatment Type: Conventional Lime Softening and Filtration Treatment

WTF No. 2

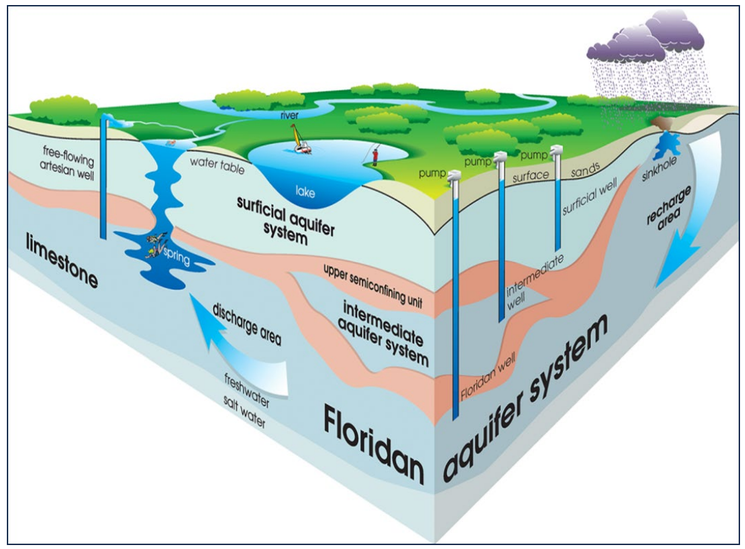
- Capacity: 7.584 MGD
- Treatment Type: Nano-Filtration (Membrane Softening) and Lime/Soda Ash Softening/Ultra-Filtration Treatment

WTF No. 3

- Capacity: 3.0 MGD
- Treatment Type: Low-Pressure Osmosis (LPRO)

**Generalizations can be made that each plant services the immediate area around it but depending on water demand and pressures throughout the distribution system the borders of each constantly change.*

WELL SITES



Confined Surficial Aquifer (CSA)

- 51 Active Wells
- 6 Additional Wells to be added as part of proposed 5-Year CIP

Upper Floridian Aquifer (UFA)

- 16 Active Wells

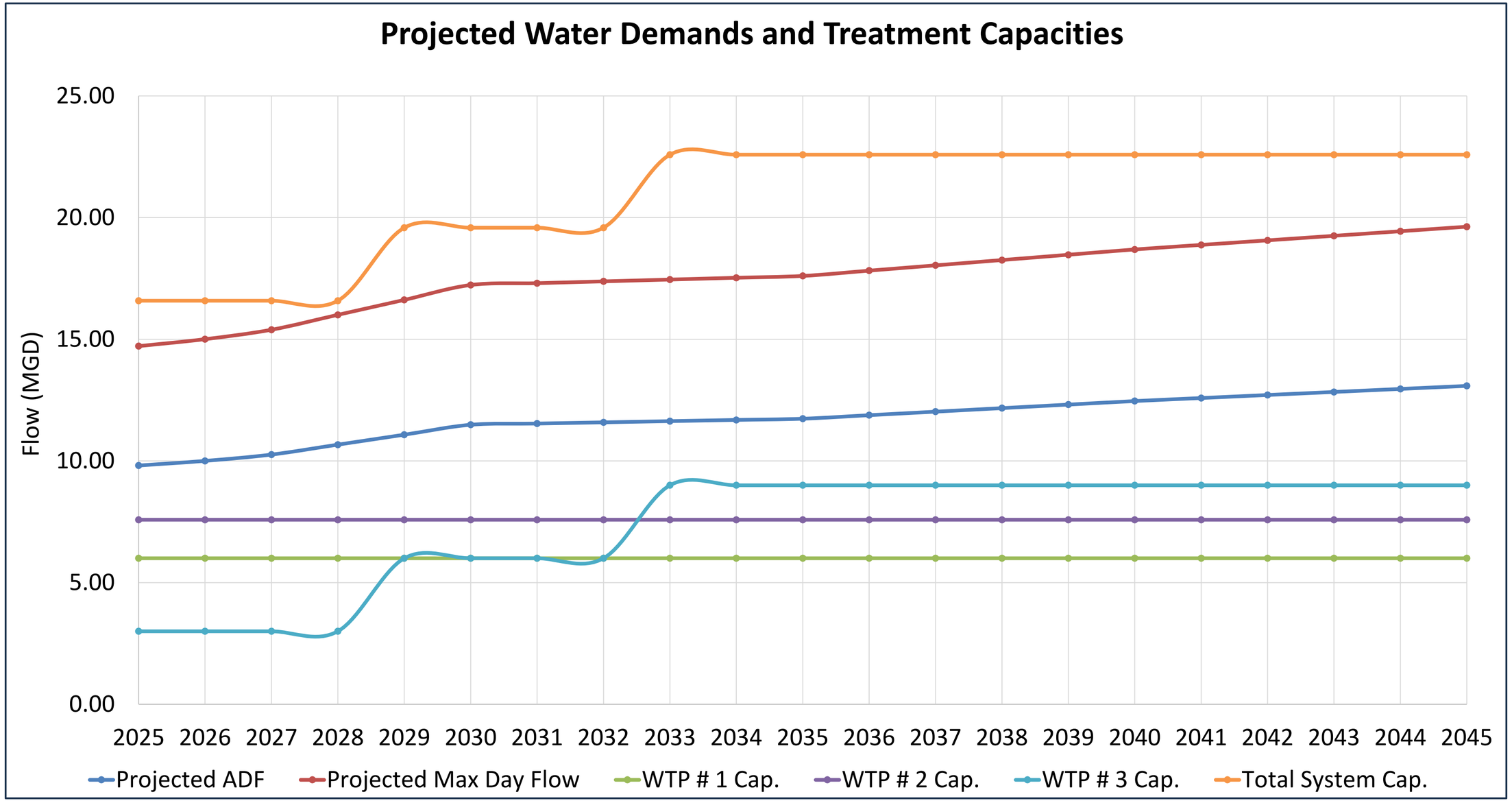
Brackish Upper Floridian Aquifer (BUFA)

- 0 Active Wells
- 5 Wells to be added. Initial phase is to drill monitoring wells as part of regulatory and permitting process for ability to drill the production wells as part of proposed 5-Year CIP.

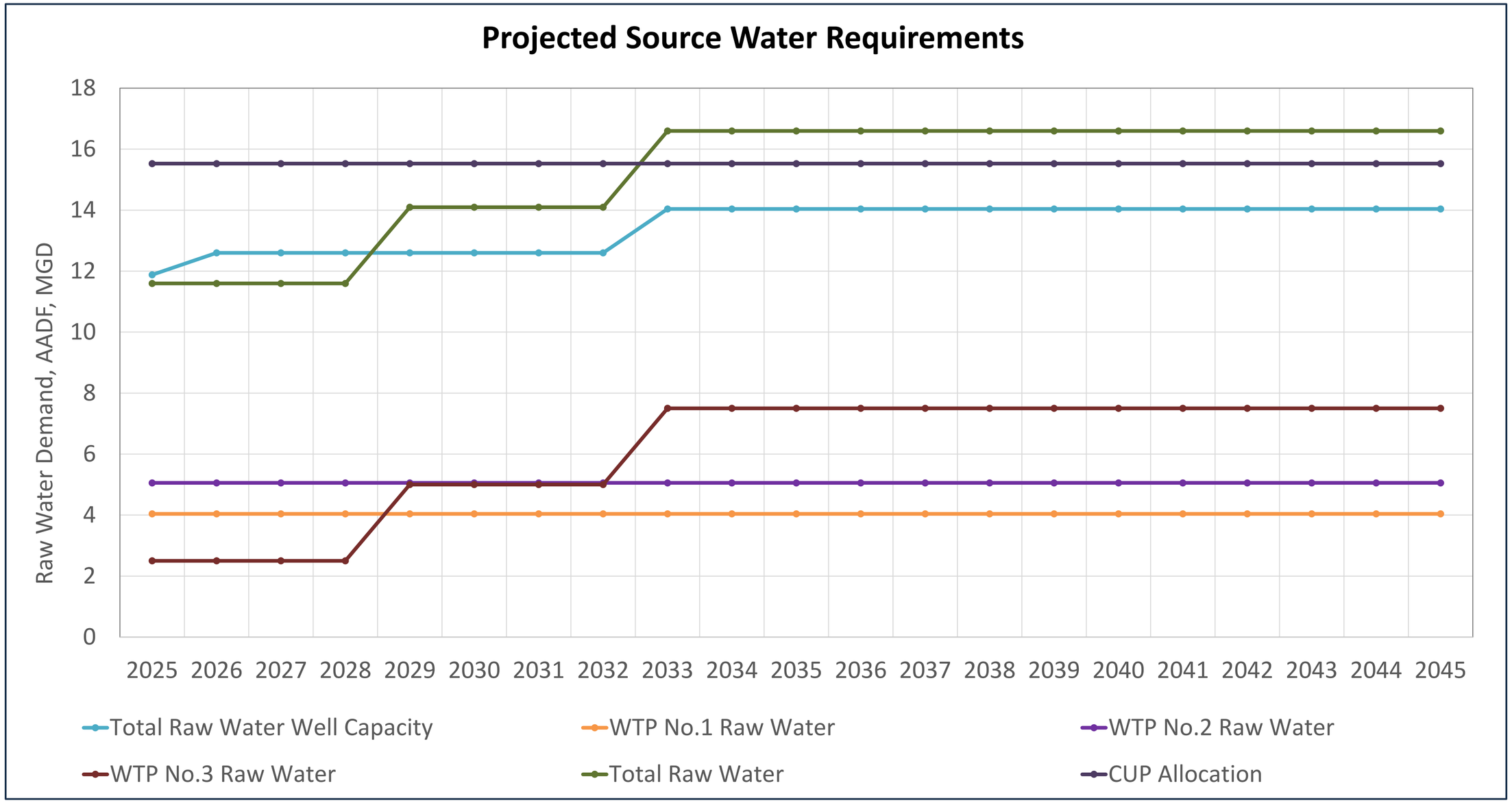
Notes:

- CSA wells lose 5%+/- production annually.
- Adding new wells is the only way to increase wellfield capacity.
- Rehabilitation & Redrilling of wells is necessary in order to maintain current production.

WATER CAPACITY



WATER CAPACITY



*Total Raw Water Well Capacity includes capacity with largest well out of service for each WTP.

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
	Other Expenditures (Operating/Contractual/Allocations/Debt Service/Transfers)	**1,911,364**	**9,398,809**	**3,505,000**	**4,045,209**	**3,017,000**	**21,877,382**	**15,327,364**	**-**	**-**	**5,972,809**	**577,209**
	Wastewater Treatment Facility (Plant) #1	**4,675,000**	**60,500,000**	**60,000,000**	**60,000,000**	**-**	**185,175,000**	**5,175,000**	**-**	**-**	**180,000,000**	**-**
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	-
	Wastewater Treatment Facility (Plant) #2	**10,550,000**	**401,000**	**4,403,000**	**-**	**-**	**15,354,000**	**501,000**	**2,000,000**	**8,450,000**	**4,403,000**	**-**
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	-
	Future Wastewater Treatment Plant #3 (South OKR)	**500,000**	**-**	**-**	**-**	**-**	**500,000**	**500,000**	**-**	**-**	**-**	**-**
11	WWTF #3 - New Wastewater Treatment Facility	500,000	-	-	-	-	500,000	500,000	-	-	-	-
	Force Mains & Gravity Sewer	**14,181,113**	**8,536,000**	**-**	**-**	**296,000**	**23,013,113**	**8,896,000**	**13,412,113**	**-**	**-**	**-**
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	5,345,000	-	-	-	-
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	-	-	-
	Reclaimed Water Mains	**230,000**	**5,775,000**	**2,069,000**	**5,464,000**	**-**	**13,538,000**	**2,299,000**	**-**	**-**	**5,775,000**	**5,464,000**
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	-
	PEP System	**5,650,000**	**6,129,000**	**6,313,000**	**6,502,000**	**6,697,000**	**31,291,000**	**5,650,000**	**-**	**-**	**12,442,000**	**13,199,000**
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
	Lift Station and Pump Station Generators (FEMA)	**500,000**	**-**	**-**	**-**	**-**	**500,000**	**-**	**500,000**	**-**	**-**	**-**
22	HMGP - Emergency Back-up Pumps - Lift Stations (5)	500,000	-	-	-	-	500,000	-	500,000	-	-	-
	Lift Stations and Pump Stations	**1,619,523**	**803,000**	**-**	**-**	**-**	**2,422,523**	**2,422,523**	**-**	**-**	**-**	**-**
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	-	-	-	-
	Total Expenditures	**39,817,000**	**91,542,809**	**76,290,000**	**76,011,209**	**10,010,000**	**$ 293,671,018**	**$ 25,443,523**	**$ 15,912,113**	**$ 8,450,000**	**$ 202,620,000**	**$ 18,663,000**
								8.66%	**5.42%**	**2.88%**	**69.00%**	**6.36%**

PROJECT 4: WASTEWATER TREATMENT FACILITY #1

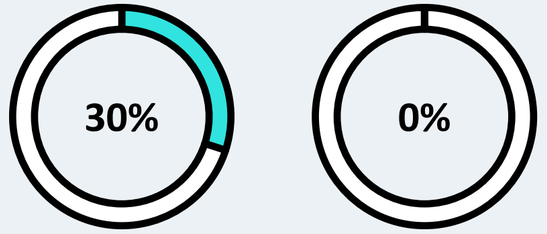
PROJECT OVERVIEW

Wastewater Treatment Facility No. 1 (WWTF-1) has been in continuous operation for more than 40 years. Plant expanded to 6.83 million gallons per day (MGD) in 2006. An engineering analysis studied expansion and treatment modification concepts and determined that WWTF-1 could be expanded to 10.83 MGD adding 4.0 MGD capacity and that the existing facility treatment should be modified and upgraded to advanced wastewater treatment (AWT).

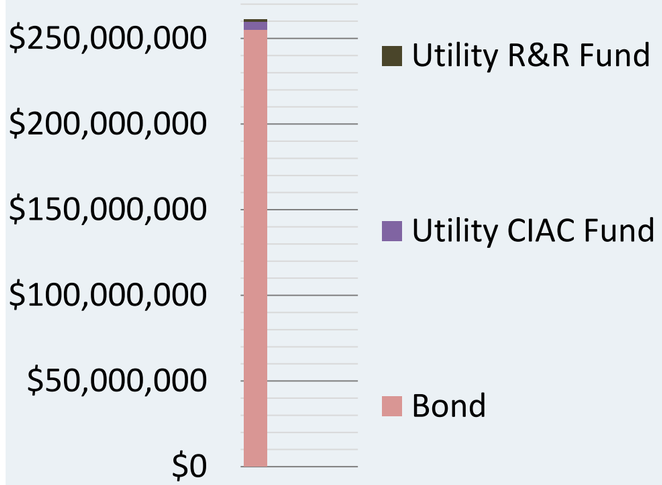
PROJECT BENEFITS

- Plant conversion will meet upcoming regulatory requirements and provides integration with new plant expansion.
- The plant expansion maximizes the use of the existing site, utilizes AWT for treatment process, and provides anticipated needed capacity until 2035+/-.

PROJECT STATUS



PROJECT BUDGET



May 2023	Oct. 2024	Oct. 2024	Nov. 2024	Oct. 2025	Oct. 2025	Oct. 2026	Oct. 2028	Dec. 2028	Oct. 2028	Apr. 2030
Begin Study & Initial Design	Complete Study & 30% Design	Continue Design	Bid Construction Manager	Obtain Bond Expansion	Begin Exp. Construction	Complete Design	Obtain Bond Conversion	Complete Expansion	Begin Conv. Construction	Complete Conversion

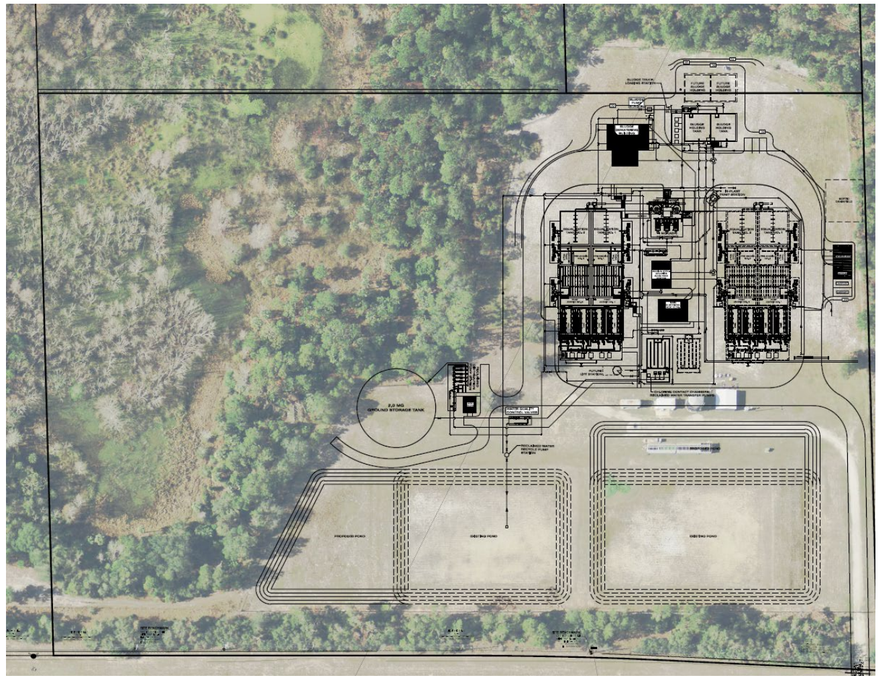
PROJECT 11: WASTEWATER TREATMENT PLANT #3

PROJECT OVERVIEW

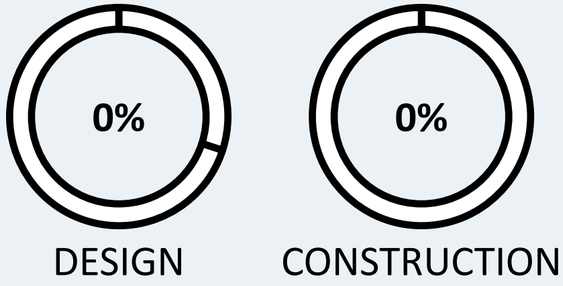
The City needs to perform a study to determine regarding future Wastewater Treatment Plant #3 to complete some predesign phase services of items such as survey work, analysis of system flows to determine the ability and amount of flows to be shifted to this new facility, as well as effluent discharge options.

PROJECT BENEFITS

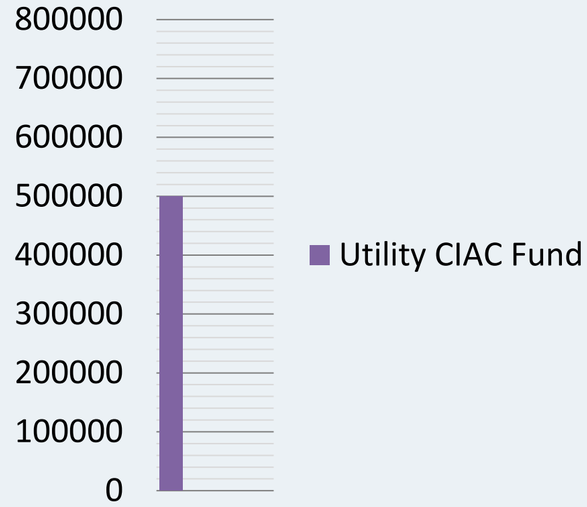
- Flexibility to distribute flows to the WWTP's.
- More efficient treatment.
- Additional wastewater treatment capacity.



PROJECT STATUS



PROJECT BUDGET



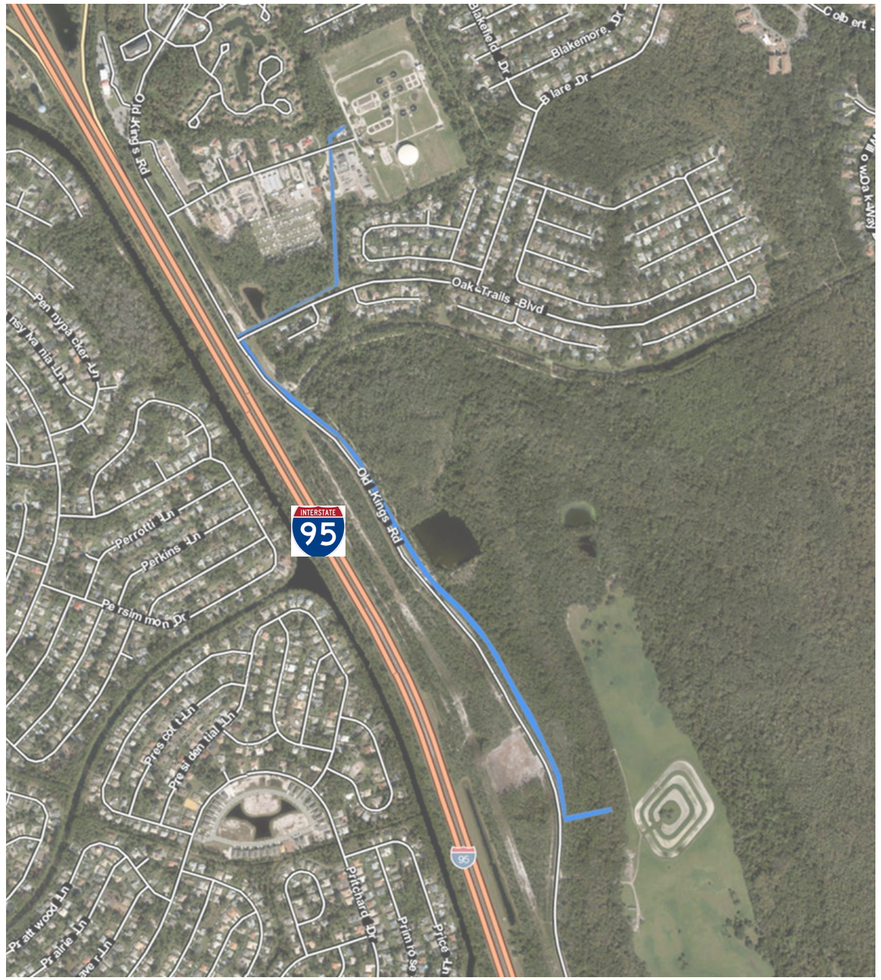
PROJECT 14: OLD KINGS ROAD FORCE MAIN ADDITION

PROJECT OVERVIEW

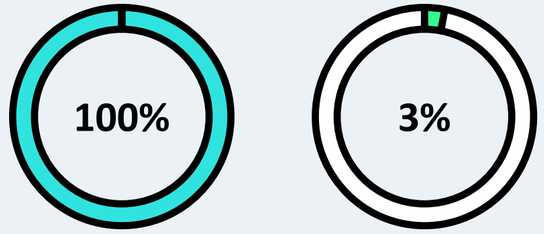
The study recommended the installation of a 24” diameter force main approximately 1.5 miles along Old Kings Road to Wastewater Treatment Plant #1 to accommodate increased flow demand from planned smart growth.

PROJECT BENEFITS

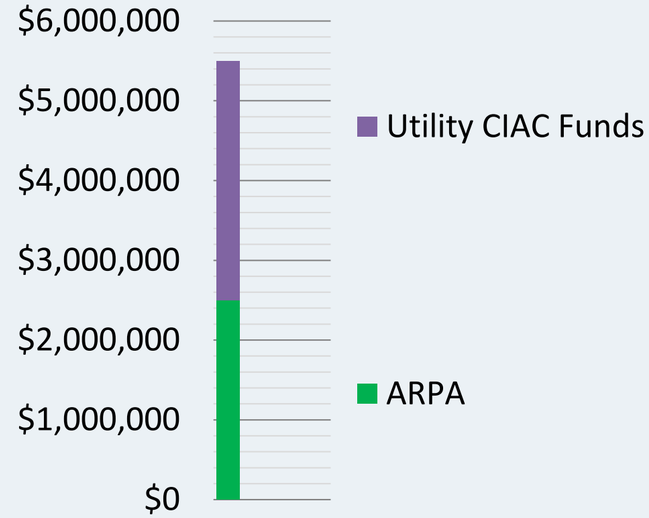
- Addresses existing capacity issues due to rapid rate of ITT infill lot construction; particularly within the ‘R’ and ‘P’ sections.
- Provides enough flow capacity for buildout demand.



PROJECT STATUS



PROJECT BUDGET



Nov. 2022	May 2023	June 2024	Nov. 2024	Sept. 2025
Begin Design	Complete Design	Bid Construction	Begin Construction	Complete Construction

PROJECT 20 & 21 : PEP UPGRADES AND IMPROVEMENTS

PROJECT OVERVIEW

The PEP (Pretreatment Effluent Pumping) system is set to undergo significant improvements aimed at modernizing wastewater management infrastructure while enhancing public safety and operational efficiency. An annual budget allocation of $5,250,000 supports the complete lifecycle of each new tank installation—from initial site preparation and equipment procurement to final installation and system integration.

Planned Initiatives:

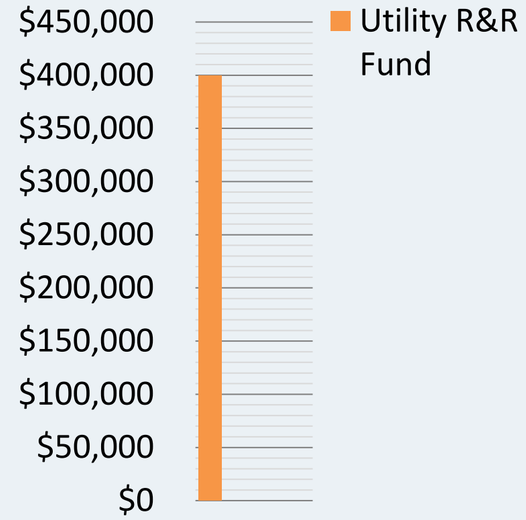
- **Air Release Valve (ARV) Maintenance and Replacement Program:**
  A forthcoming initiative focused on ensuring ongoing maintenance and timely replacement of ARV components to secure long-term reliability.
- **Main Expansion at the South End of Town:**
  A planned expansion that will further extend system capacity and enhance service delivery in the southern region.
- **Reduce Inflow & Infiltration (I&I):**

  Improve PEP tank design to provide a tighter seal to reduce ground water infiltration and to add an inline check valve to reduce back-ups into homes.

PROJECT STATUS

Comprehensive upgrades and installations through out the year

PROJECT BUDGET



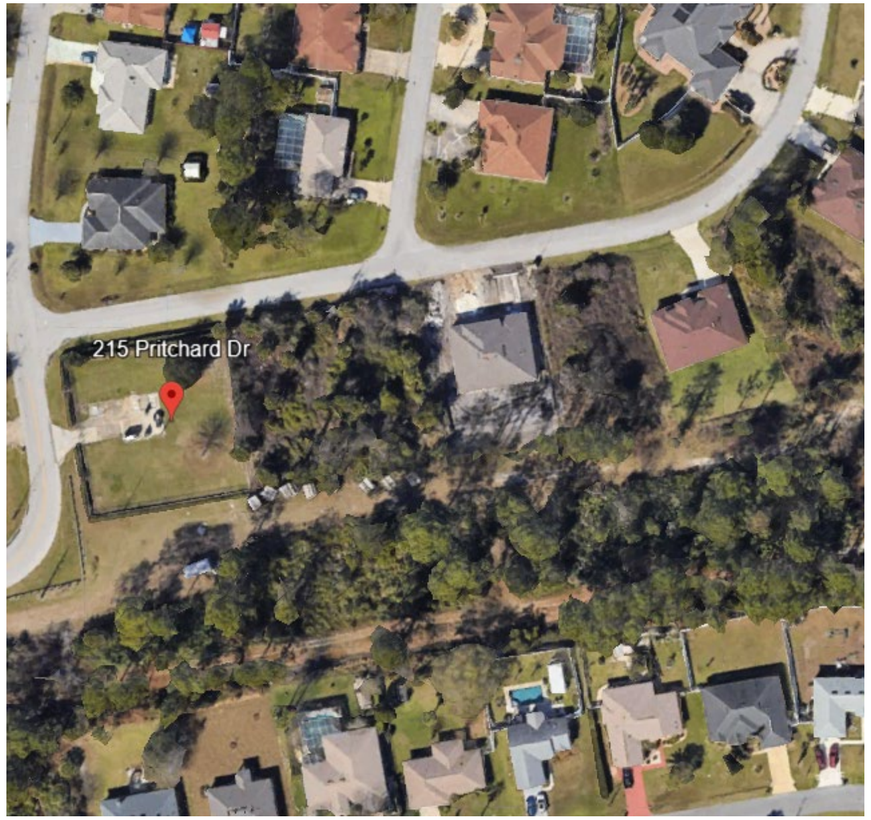
PROJECT BENEFITS

- More robust, efficient, and reliable PEP system with less I&I.

PROJECT 24: PUMP STATION 24-2 UPGRADE (WHITEVIEW)

PROJECT OVERVIEW

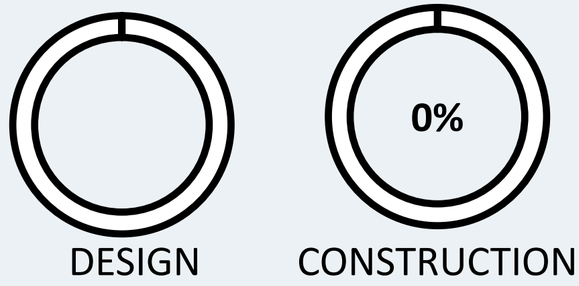
Pump Station 24-2, located on Pritchard, is one of the critical pump stations in the City. PS 24-2 will receive more flow once the force main on Old Kings Road is complete. The PS will need miscellaneous upgrades; to the pump control panel, decreasing the time needed to communicate with WWTP; upsized pumps, a new generator or a new bypass pump system, and a new flow meter. In addition, the pump station has intermittent vibrations in the piping, and the cause needs to be located and resolved.



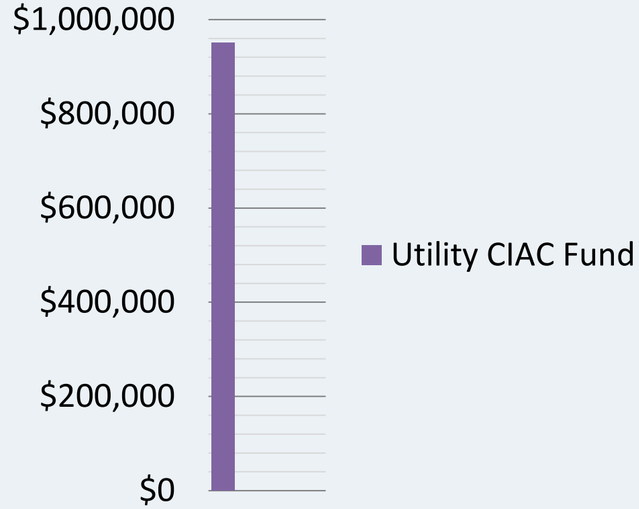
PROJECT BENEFITS

- Higher performance pumping.
- Updated telemetry and communication.
- More accurate tracking of flows.

PROJECT STATUS



PROJECT BUDGET



Mar. 2025	Apr. 2025	Jun. 2025	Aug. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	May 2026	Jan. 2027
Negotiate Scope with Engineering Firm	City Council	30% Design	Continue Design	60% Design	Continue Design	90% Design	Out to Bid	Receive Bids	Begin Construction	Complete Construction

PROJECT 25: PUMP STATION 57-4 UPGRADE

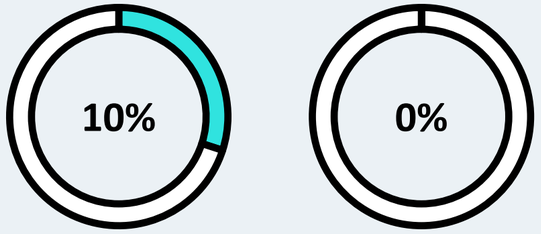
PROJECT OVERVIEW

Pump Station 57-4 handles flows from the Seminole Woods and Grand Landings area. It will also receive additional flows from upcoming developments from the Seminole Woods area and along its corridor. The pump station needs to be converted to a triplex, (three pumps), to efficiently handle the additional flows.

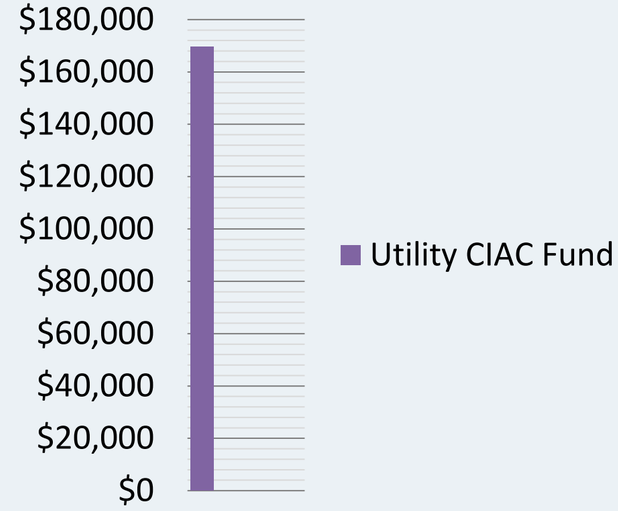
PROJECT BENEFITS

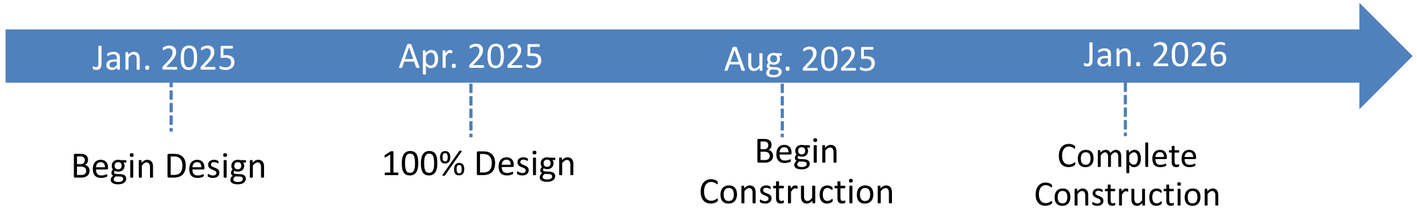
- Higher performance pumping.
- More flexibility to pumps during flow fluctuations in flows.

PROJECT STATUS



PROJECT BUDGET





WATER CAPACITY PROJECTS

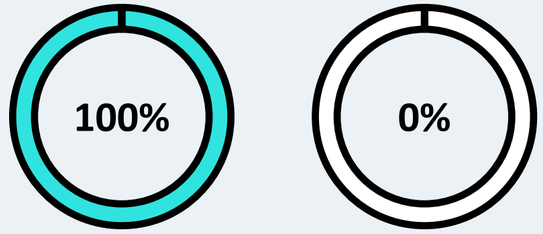
#	Projects	FY 25 (Gap Study)	FY 26 (Gap Study)	FY 27 (Gap Study)	FY 28 (Gap Study)	FY 29 (Gap Study)	FY25 - FY29 Total	Impact Fees	Grant	SRF Loan	FY26 Bond	FY28 Bond
	Other Expenditures (Operating/Contractual/Allocations/Debt Service/Transfers)	**2,108,301**	**4,368,877**	**2,889,000**	**4,184,520**	**3,457,000**	**17,007,698**	**14,421,299**	**-**	**-**	**1,453,878**	**1,132,521**
	Water Treatment Facility (Plant) #1	**1,000,000**	**3,348,000**	**7,426,000**	**3,824,500**	**-**	**15,598,500**	**1,000,000**	**-**	**-**	**14,598,500**	**-**
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	-
							-					
	Water Treatment Facility (Plant) #2	**8,550,000**	**602,000**	**-**	**-**	**-**	**9,152,000**	**9,152,000**	**-**	**-**	**-**	**-**
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	-	-	-	-
							-					
	Water Treatment Facility (Plant) #3	**900,000**	**10,789,000**	**10,052,000**	**11,487,000**	**12,381,000**	**45,609,000**	**3,498,000**	**-**	**-**	**18,803,000**	**23,308,000**
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	-
							-					
	Wellfield and Wells	**5,595,000**	**10,421,000**	**10,841,000**	**7,090,000**	**7,204,000**	**41,151,000**	**14,145,000**	**-**	**-**	**13,707,000**	**13,211,000**
7	Wellfield and Wells - General Upgrades & Improvements *(Utility Managed Projects)*	-	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	2,254,000	-	-	9,463,000	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	-	-	-	-
							-					
	Water Mains	**4,650,000**	**-**	**-**	**-**	**-**	**4,650,000**	**4,650,000**	**-**	**-**	**-**	**-**
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	-	-	-	-
							-					
	Distribution System Improvements *(Managed by Utility)*	**550,000**	**452,000**	**155,000**	**160,000**	**165,000**	**1,482,000**	**1,482,000**	**-**	**-**	**-**	**-**
16	Water Distribution - Radio Read Metering Transmitters	550,000	452,000	155,000	160,000	165,000	1,482,000	1,482,000	-	-	-	-
	Total Expenditures	**23,353,301**	**29,980,877**	**31,363,000**	**26,746,020**	**23,207,000**	**$117,642,500**	**$33,927,000**	**$-**	**$-**	**$47,108,500**	**$36,519,000**
								28.84%	**0.00%**	**0.00%**	**40.04%**	**31.04%**

PROJECT 1: WATER TREATMENT FACILITY #1

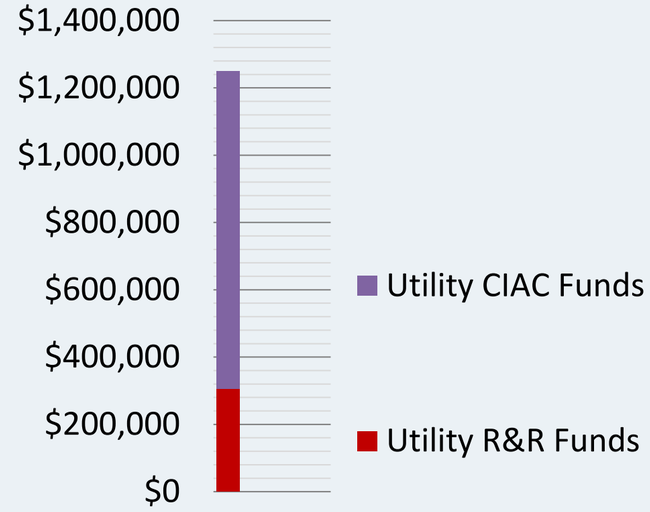
PROJECT OVERVIEW

Water Treatment Facility No.1 (WTF#1) was built in 1977, which has been expanded to a current capacity of 6.0 MGD. A sustainability study was completed in 2024 to assess the facility and its operations. The study concluded that the infrastructure is in good condition, but upon review of the operations, it was determined that 2 pilot studies should be completed. The current treatment process includes six dual media rapid sand gravity filters to maintain proper water quality in the finished water. A pilot study will be completed on ceramic filters. A second pilot study to test an alternative bypass treatment system that can lead to additional flow and removal of organics and iron from ground water; consisting of ozone treatment followed by granular activated carbon (GAC) filtration. Implementation and Funding of Improvements to be considered upon completion of Pilot Studies.

PROJECT STATUS

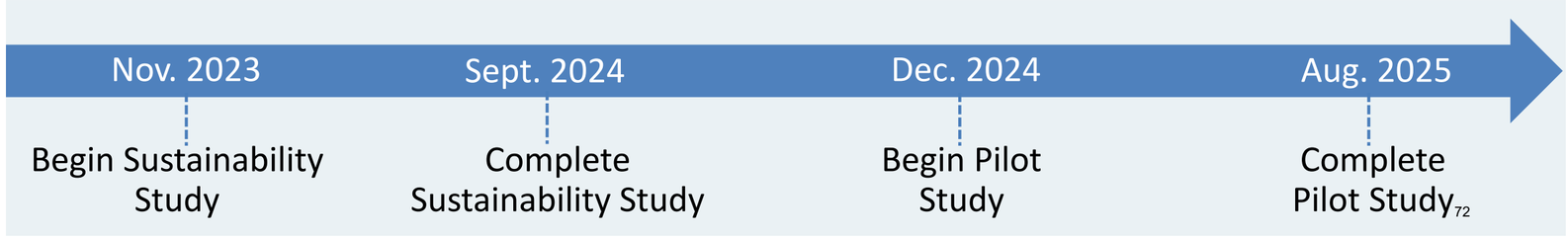


PROJECT BUDGET



PROJECT BENEFITS

- Increase Operational Efficiency.
- Improve Water Quality.
- Potential to Increase Plant Capacity up to an additional 1.8 MGD.



PROJECT 2: LIME SLUDGE THICKENER & 2MG TANK

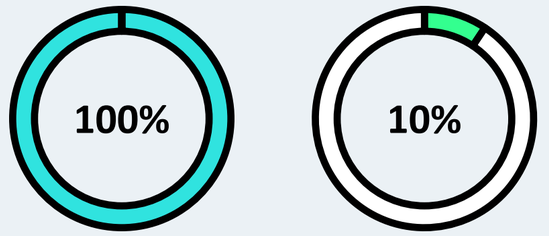
PROJECT OVERVIEW

Water Treatment Facility No. 2 uses a Zero- liquid discharge process with mechanized lime sludge thickening basin. The sludge thickening basin is critical to proper operation of the plant. A second sludge thickening basin is needed to handle additional flows and to allow the flexibility to perform maintenance on each basin without disrupting plant operations. Additional potable water storage is also needed with a 2 MG GST being added with the lime sludge thickener.

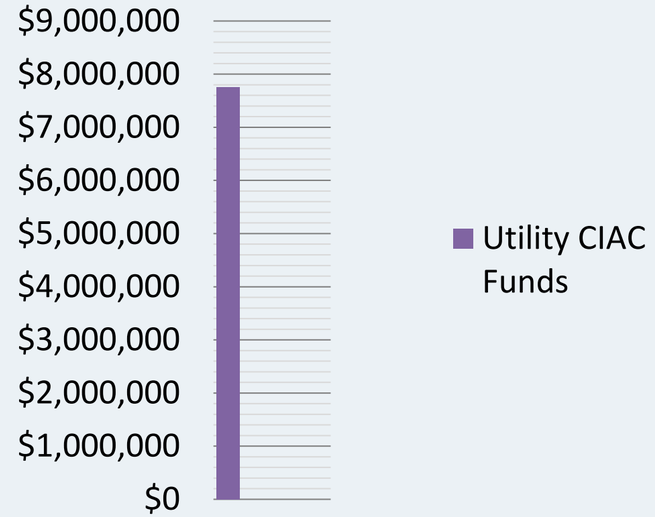
PROJECT BENEFITS

- Additional potable storage
- Flexibility to perform plant maintenance without disruption plant

PROJECT STATUS



PROJECT BUDGET



PROJECT 5: WATER TREATMENT FACILITY #3 EXPANSION

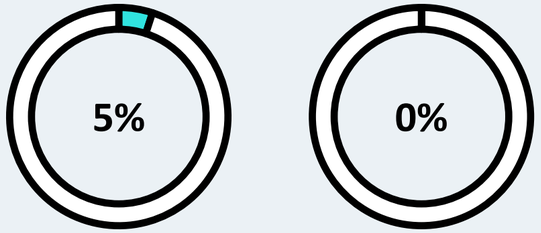
PROJECT OVERVIEW

The goal of this expansion project is to provide additional water treatment capacity and improve redundancy. The project includes one treatment train for an increase of 1.5 MGD, and the installation of an additional skid of low-pressure reverse osmosis (LRPO) membranes (to support another 1.5 MGD) for redundancy. Note that expansion to add another 3.0 MGD would require design and construction of additional treatment structures. The existing WTF-3 can be expanded to increase treatment with an additional 1.5 MGD without additional treatment structures, thus the 1.5 MGD increase is being pursued to reduce time required to add to treatment capacity while planning for 3.0 MGD expansion. The WTF-3 is currently permitted to treat 3.0 MGD

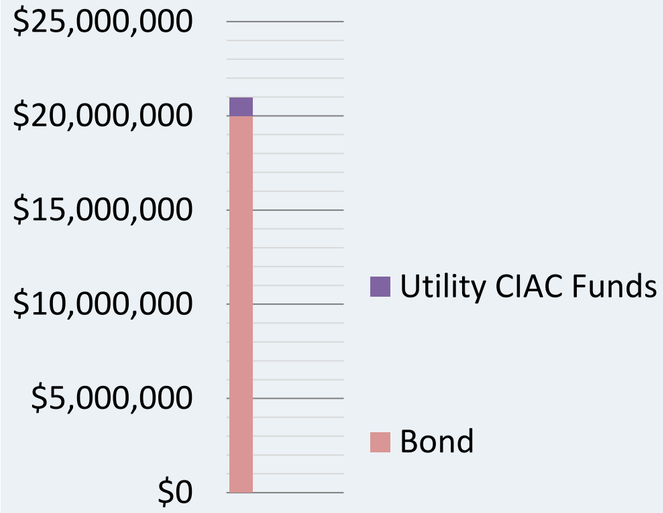
PROJECT BENEFITS

- Expand plant by 1.5 MGD.
- Add redundancy.

PROJECT STATUS



PROJECT BUDGET



Aug. 2024	Jan. 2025	July 2025	Oct. 2025	Jan. 2026	Sept. 2027
Begin Design	Bid Construction Manager	Complete Design	Obtain Bond Expansion	Begin Construction	Complete Construction

PROJECT 9: WELLFIELD EXPANSION – SW-1R & SW-2R

PROJECT OVERVIEW

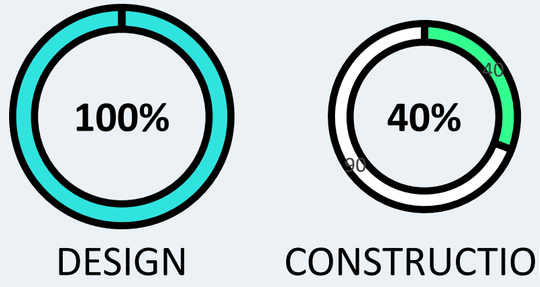
Two (2) new raw water production wells, which will provide additional raw water to Water Treatment Facility 1 (WTF 1). A previous project drilled the new wells, SW-1, is located on the site of WTF 1, the other well, SW-2R, is located North of WTF 1 at 13 Brewster Ln.

The current construction is to equip the wells and connect to the WTF 1.In the case of the offsite SW-2R, a raw watermain will need to be extended from the site to WTF 1 to connect the well.

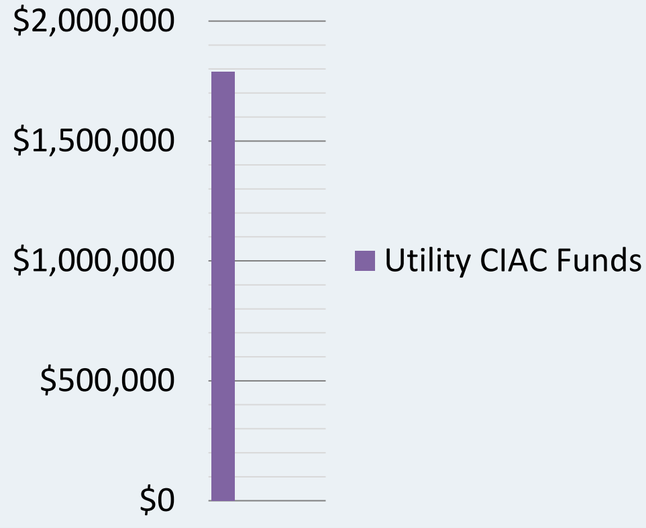
PROJECT BENEFITS

- Will increase raw water supply to Water Treatment Facility No. 1, by approximately 230K gallons/day.
- Additional flow will provide potable water to meet domestic water demands of approximately 900 residences

PROJECT STATUS



PROJECT BUDGET



June 2022	Sept. 2023	Sept. 2024	Sept. 2024	Feb. 2025	Nov. 2025
Begin Design	Begin Test Wells	Complete Design & Well Drilling	Bid Construction	Begin Construction	Complete Construction

PROJECT 10: WELLFIELD EXPANSION – SW-147 & SW-148

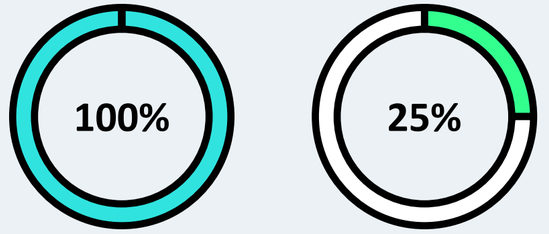
PROJECT OVERVIEW

Water Treatment Facility (WTF) #1 needs new wells. The additional wells will be added to the current well rotation, increasing production, allowing extra time to rest existing wells, and increasing well recovery. SW-147 and SW-148 are proposed as newly developed and constructed production raw water wells that will supply water for treatment into the potable water system to Water Treatment Plant #1. Test wells were constructed, and it was determined that these sites were viable site locations for the construction of new Confined Surficial Aquifer (CSA) Public Water Supply (PWS) wells. SW-147 is drilled and under development by a City approved consultant, SW-148 should begin in the Spring.

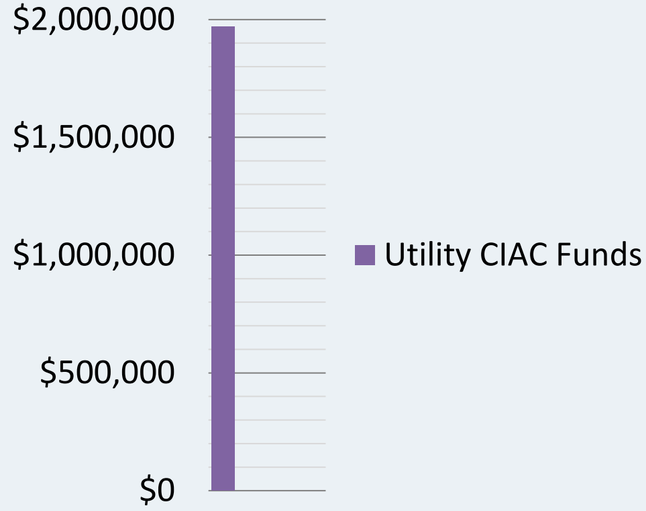
PROJECT BENEFITS

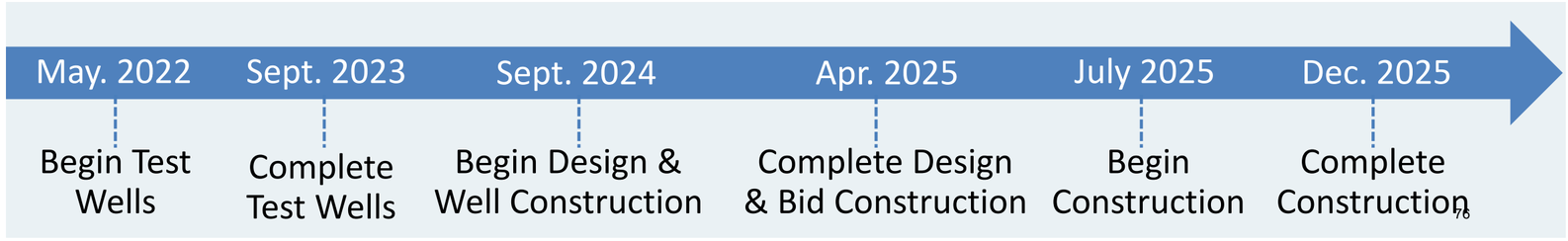
- Adds Capacity of approximately 500,000 gallons per day which will be able to serve about 2,300 homes.

PROJECT STATUS



PROJECT BUDGET





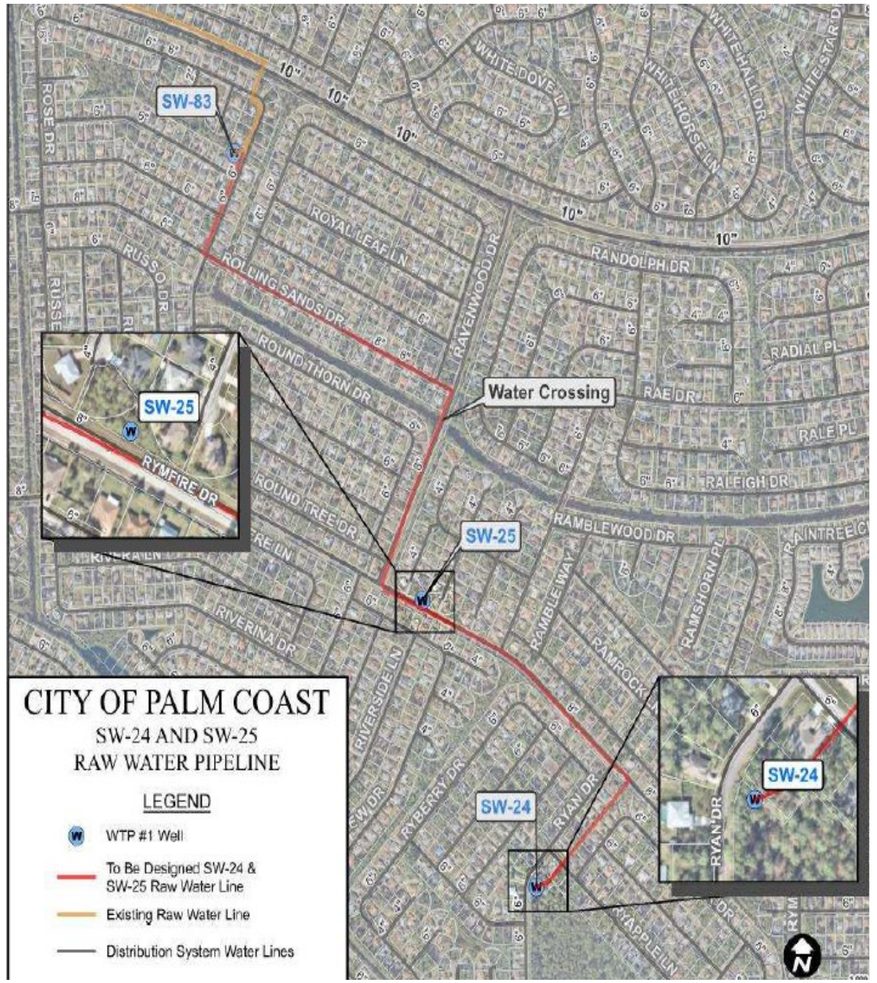
PROJECT 11: WELLFIELD EXPANSION – SW-24 & SW-25

PROJECT OVERVIEW

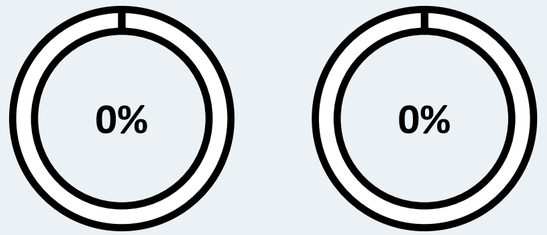
Wells SW-24 and SW-25 were drilled prior to the formation of the City of Palm Coast and were not equipped or connected to the wellfield system for Water Treatment Plant (WTP) #1. SW-24 is located off Ryan Drive near Ryapple Lane. SW-25 is located off Rymfire Drive west of Rae Drive. Both existing wells were recently reevaluated and determined to be in decent condition with high yield capacities, thus recommended for equipping and connection to the existing wellfield for use by WTF-1. The additional wells will provide the needed increase of raw water supply, and the ability to add the wells into the existing well rotation for increased longevity. A raw watermain extension, of approximately 11,000 ft, will be needed to connect the wells to the existing raw watermain system.

PROJECT BENEFITS

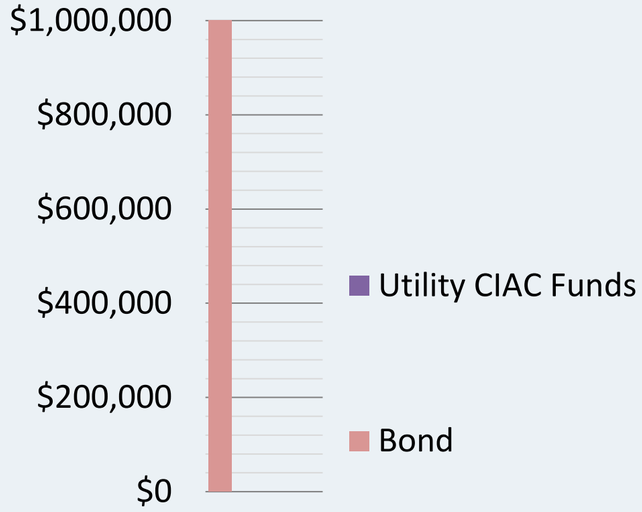
- Adds Capacity of approximately 900,000 gallons per day which will be able to serve about 4,140 homes.



PROJECT STATUS



PROJECT BUDGET



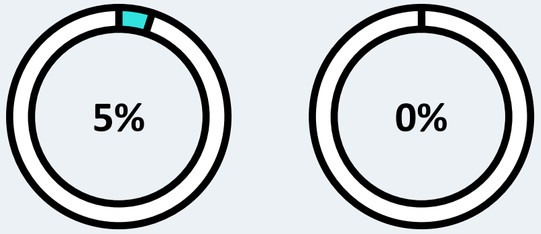
Jan. 2025	Oct. 2025	Jan. 2026	Feb. 2026	2026-2027	Oct. 2027	Nov. 2027	Sept. 2028
Begin Design	Obtain Bond	Complete Design	Bid WM Construction	Water Main Construction	Obtain Bond	Begin Construction	Complete Construction

PROJECT 12: WELLFIELD EXPANSION - BRACKISH

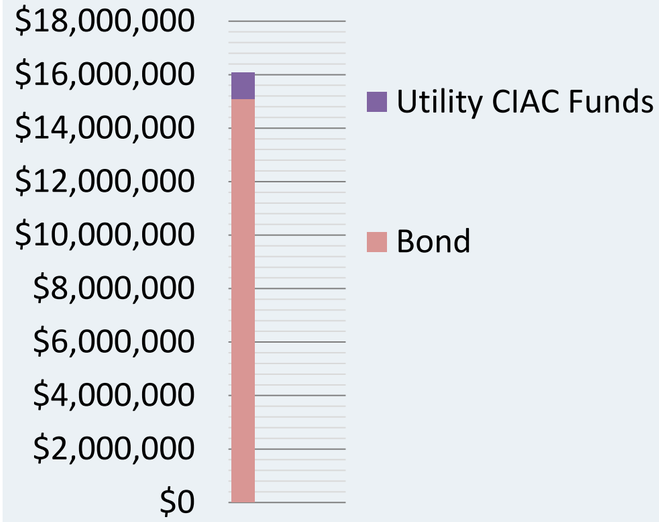
PROJECT OVERVIEW

As part of the Utility's long range water supply plan, it will be necessary in the future to augment the fresh water supply with an alternative source. One of those potential sources could be the brackish Upper Floridan Aquifer located in the vicinity of Water Treatment Plant #3 (WTP #3). However, in order to get approval from the St. Johns River Water Management District (SJRWMD) to utilize this potential source, the City must show that such proposed withdrawals would not have negative impacts on the existing freshwater aquifers and/or surface waters and wetlands. WTP #3 was designed and built so that it could treat both fresh Confined Surficial Aquifer (CSA) water, and with some modifications, brackish Upper Floridan Aquifer (UFA) ground water should that source be approved by the SJRWMD.

PROJECT STATUS



PROJECT BUDGET



Oct. 2024	Oct. 2025	Oct. 2025	May 2026	May 2026	June 2026	Oct. 2026	Jan. 2027	Jan. 2027	Jan. 2027	Mar. 2027	Sept. 2027
Begin Test Wells (1-3)	Obtain Bond	Begin Test Wells (4-6)	Begin Design	Complete Test Wells (1-3)	Begin Well Drilling	Complete Test Wells (4-6)	Complete Well Drilling	Complete Design	Bid Construction	Begin Construction	Complete Construction

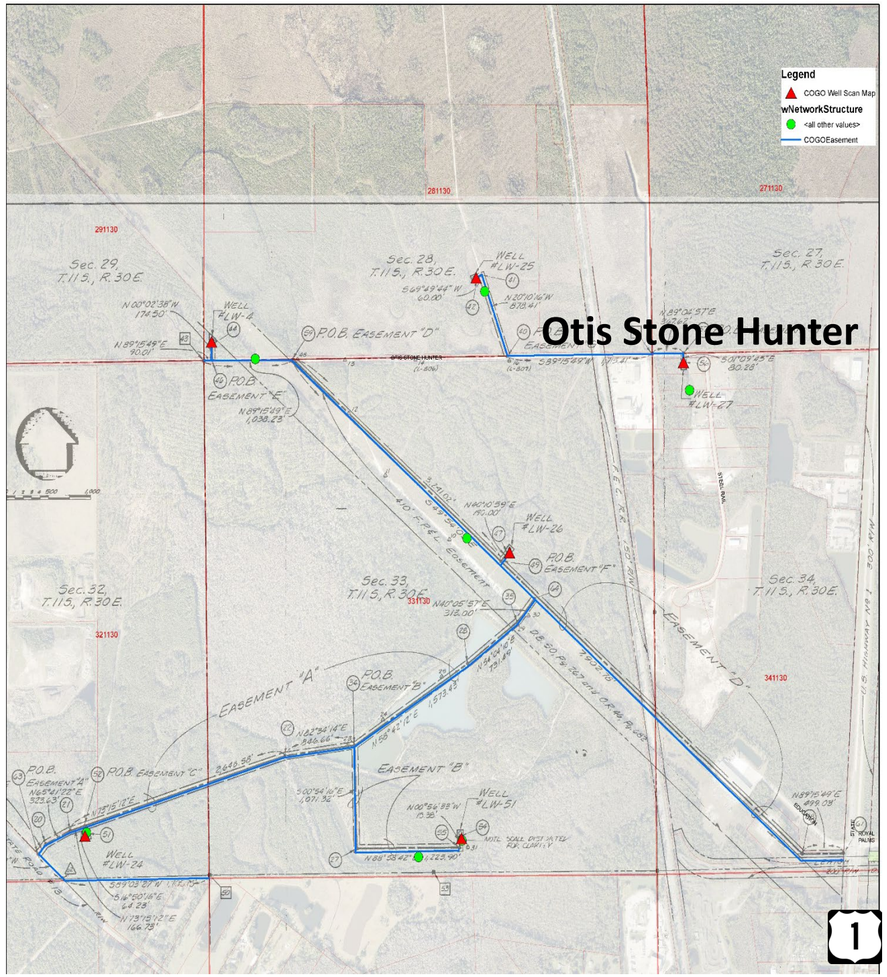
PROJECT 13: WELLFIELD EXPANSION – OTIS STONE

PROJECT OVERVIEW

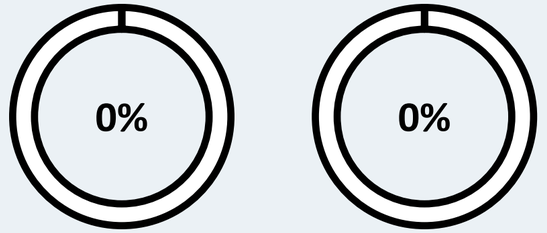
The Otis Stone Hunter Wells are located within an area generally located west of US Hwy 1, around various areas off Otis Stone Hunter Rd. This area was explored for potential raw water production wells prior to the formation of the City of Palm Coast. There are potentially six (6) well sites which are viable for development. The wells are Upper Floridan Aquifer type (approximately 300 ft depth, also referred to as “lime wells”, LW) and will likely produce between 300 gpm to 500 gpm of raw water each. The total average probable output from the well field is approximately 2,400 gpm, or about 3.5 MGD (million gallons per day), after being processed as potable water, this amount would provide water demands for around 13,000 homes. Each of the six (6) sites had wells drilled with casings installed (late 1970’s to early 1980’s), which will likely require casing refurbishment. None of the wells are equipped with submersible pumps or controls, and no raw water transmission mains exist. Approximately four (4) miles of raw water transmission main would need to be constructed to connect to the existing system. Easements will be required for the raw watermains in the well field.

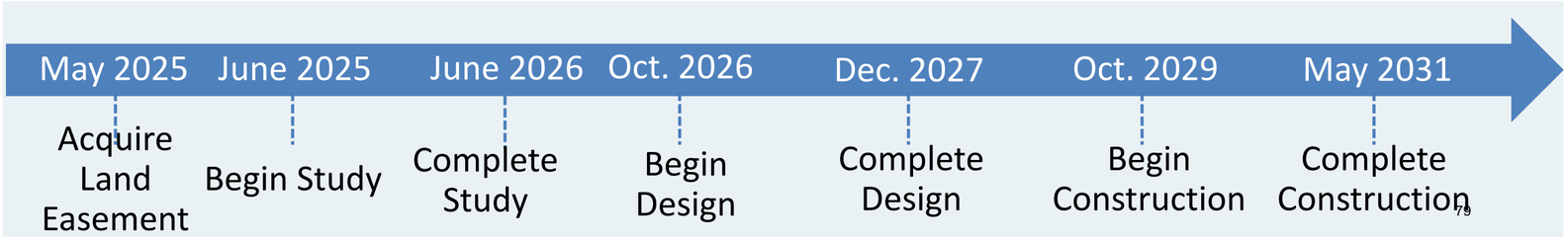
PROJECT BENEFITS

- The project has high yield potential of raw water to benefit increased output of potable water production.



PROJECT STATUS





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
	Other Expenditures (Operating/Contractual/Allocations/Debt Service/Transfers)	**511,950**	**1,523,855**	**217,000**	**3,868,809**	**495,000**	**6,616,614**	**1,963,950**	**-**	**-**	**1,044,855**	**3,607,809**
	Water Treatment Facility (Plant) #1	**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
							-					
	Water Treatment Facility (Plant) #2	**-**	**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	-	-	-	-	-	-	-	-	-	-	-
							-					
	Water Treatment Facility (Plant) #3	**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	**Water Facilities - R & R**	**850,000**	**879,000**	**931,000**	**986,000**	**1,043,000**	**4,689,000**	**4,689,000**	**-**	**-**	**-**	**-**
10	**Wellfield and Wells**	**1,200,000**	**2,310,000**	**2,095,000**	**1,864,000**	**1,618,000**	**9,087,000**	**9,087,000**	**-**	**-**	**-**	**-**
	Water Mains	**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	-	-	-	-
	Distribution System Improvements	**725,000**	**1,406,000**	**1,526,000**	**1,652,000**	**1,783,000**	**7,092,000**	**7,092,000**	**-**	**-**	**-**	**-**
12	- Water Distribution - Residential Meter Change Outs	400,000	552,000	621,000	693,000	768,000	3,034,000	3,034,000				
13	- Water Distribution - Commercial Meter Changeouts	100,000	126,000	155,000	186,000	219,000	786,000	786,000				
14	- Water Distribution - Meter Transmitter Battery Replacements	-	502,000	517,000	533,000	549,000	2,101,000	2,101,000				
15	- Water Distribution - Large Backflow Preventor Replacements	75,000	75,000	78,000	80,000	82,000	390,000	390,000				
16	- 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	Impact Fees	Grant	SRF Loan	FY26 Bond	FY28 Bond
	Wastewater Treatment Facility (Plant) #1	**4,050,000**	**1,506,000**	**-**	**45,000,000**	**45,000,000**	**95,556,000**	**5,556,000**	**-**	**-**	**-**	**90,000,000**
17	WWTF #1 - Minor Upgrades & Improvements	-	1,506,000	-	-	-	1,506,000	1,506,000	-	-	-	-
18	WWTF #1 - Headworks Bypass System & Coating Rehab and Aeration Upgrades	1,500,000	-	-	-	-	1,500,000	1,500,000	-	-	-	-
19	WWTF #1 - Generator Replacement & Electrical Upgrades	1,250,000	-	-	-	-	1,250,000	1,250,000	-	-	-	-
20	WWTF #1 - Rehabilitation & Conversion to AWT	1,300,000	-	-	45,000,000	45,000,000	91,300,000	1,300,000	-	-	-	90,000,000
	Wastewater Treatment Facility (Plant) #2	**-**	**-**	**-**	**-**	**4,389,000**	**4,389,000**	**4,389,000**	**-**	**-**	**-**	**-**
21	WWTF #2 - Minor Upgrades & Improvements	-	-	-	-	4,389,000	4,389,000	4,389,000	-	-	-	-
	Force Mains & Gravity Sewer	**1,335,000**	**1,004,000**	**-**	**-**	**-**	**2,339,000**	**2,339,000**	**-**	**-**	**-**	**-**
22	(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	-	-	-	-
23	(Road) WWTF #1 - OKR Force Main Relocates - 2A, 2B, 2C	335,000	-	-	-	-	335,000	335,000	-	-	-	-
	Reclaimed Water Mains	**485,000**	**151,000**	**155,000**	**160,000**	**165,000**	**1,116,000**	**1,116,000**	**-**	**-**	**-**	**-**
24	Reclaimed Water Mains - General Upgrades & Improvements	150,000	151,000	155,000	160,000	165,000	781,000	781,000	-	-	-	-
25	(Road) WWTF #1 - OKR Reuse Main Relocates - 2A, 2B, 2C	335,000	-	-	-	-	335,000	335,000	-	-	-	-
26	**PEP System**	**750,000**	**1,004,000**	**1,034,000**	**1,065,000**	**1,097,000**	**4,950,000**	**4,950,000**	**-**	**-**	**-**	**-**
	Lift Stations and Pump Stations	**2,365,000**	**1,582,000**	**1,630,000**	**1,678,000**	**1,618,000**	**8,873,000**	**8,873,000**	**-**	**-**	**-**	**-**
27	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	-	-	-	-
28	WWTF ## - Eductor Stations Conversions AU-3 (Cooper) & AU-5 (Courtney)	750,000	-	-	-	-	750,000	750,000	-	-	-	-
29	WWTF ## - Eductor Stations Conversions AA-5 (Carlson) & AA-8 (Carol)	500,000	-	-	-	-	500,000	500,000	-	-	-	-
30	WWTP ## - Eductor Stations Conversions AA-12 (Cardinal) & AA-18 (Palm Coast Condos)	100,000	402,000	-	-	-	502,000	502,000	-	-	-	-
31	WWTF ## - Eductor Stations Conversions XX & XX	-	100,000	414,000	-	-	514,000	514,000	-	-	-	-
32	WWTF ## - Eductor Stations Conversions XX & XX	-	-	103,000	426,000	-	529,000	529,000	-	-	-	-
33	WWTF ## - Eductor Stations Conversions XX & XX	-	-	-	107,000	439,000	546,000	546,000	-	-	-	-
	Wastewater - R&R	**2,525,000**	**8,514,000**	**9,028,000**	**9,299,000**	**9,578,000**	**38,944,000**	**17,398,000**	**-**	**-**	**10,454,000**	**11,092,000**
34	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	-	-	-	-
35	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
36	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
37	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	-	-	-	-
	Total Expenditures	**17,771,950**	**26,321,855**	**34,623,000**	**77,019,309**	**76,338,000**	**225,457,500**	**75,040,000**	**0**	**0**	**33,765,500**	**116,652,000**
								33.28%	**0.00%**	**0.00%**	**14.98%**	**51.74%**

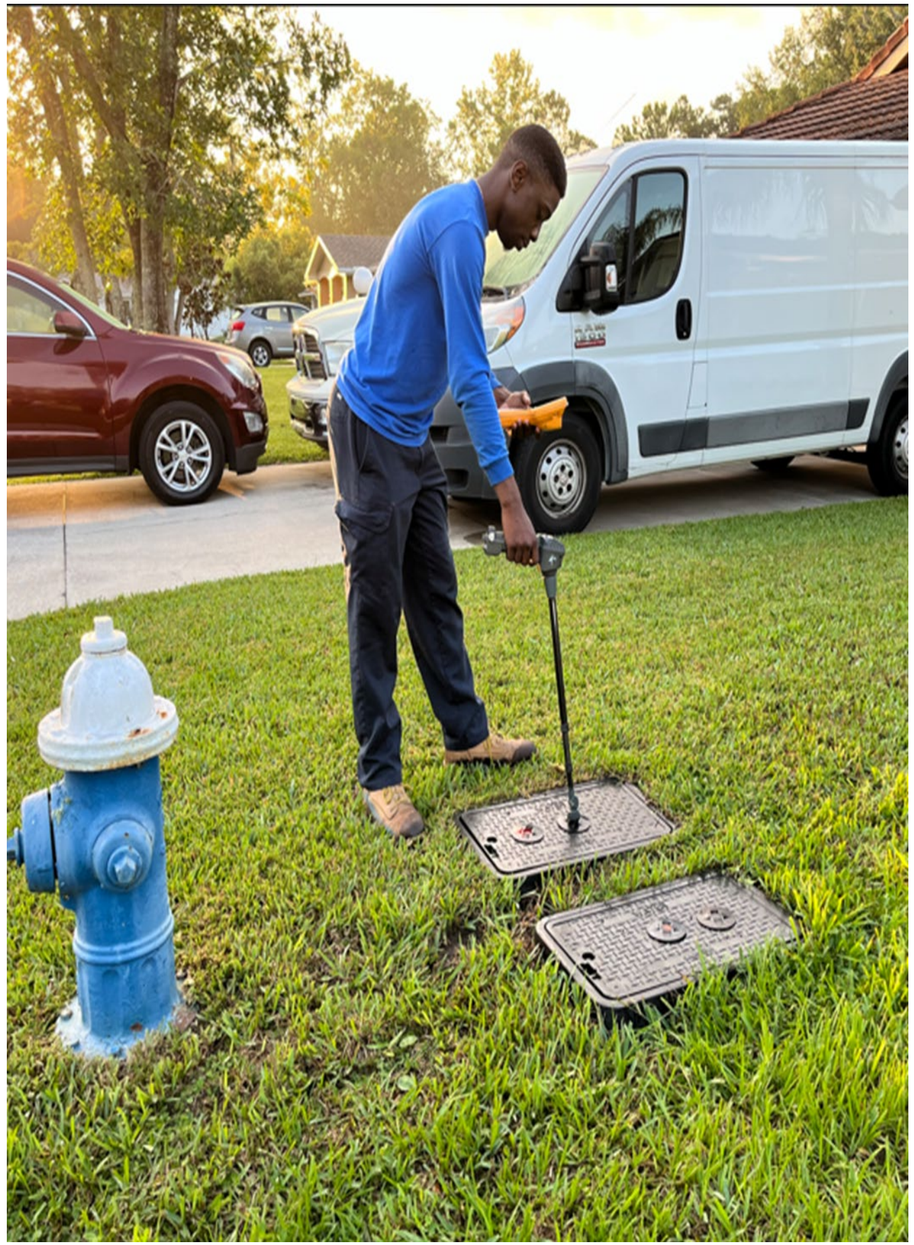
RADIO READ METERING TRANSMITTERS

PROJECT OVERVIEW

Currently, 4,435 meters remain to be converted to radio transmitters. Staff is also currently maintaining transmitters that get broken or damaged, and they are replacing anywhere from 1,100 to 1,600 per year.

PROJECT BENEFITS

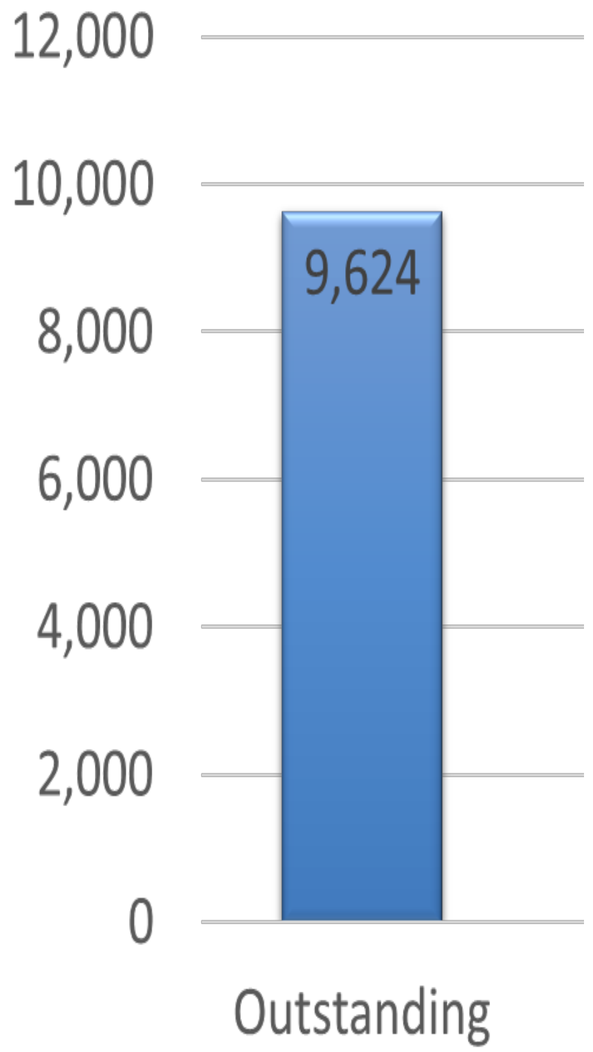
- **Real-time Data Collections**: Enables immediate meter reading via tower transmission, ensuring accuracy and efficiency.
- **Enhances Monitoring & Alerts**: Allows proactive detection of potential issues before billing and improves service reliability.
- **Shift to Meter Maintenance**: Reduces the need for manual reads, focusing resources on system maintenance and optimization.
- **Improves Resident Access**: Provides residents with real-time meter data, empowering them to monitor usage and set leak alerts.
- **Enhances Customer Support**: Equips customer service representatives with detailed usage insights, leading to better assistance and issue resolution.



METER REPLACEMENT PROGRAM

PROJECT OVERVIEW

The Meter Change-Out Program is designed to replace meters that are over 15 years old, aligning with industry standards. As meters age, their accuracy declines, often leading to slower readings and potential revenue loss for utilities.
In the 2024 budget, we allocated resources to hire two additional staff members dedicated to this program. Currently, we are replacing approximately 400 meters per month. However, there are 9,624 outstanding meters that require immediate replacement, with additional meters reaching the replacement threshold in the coming years.



PROJECT BENEFITS

- Minimize Loss of Revenue.

GRAVITY SEWER & MANHOLE LINING

PROJECT OVERVIEW

The **lining of gravity sewer mains and manholes** is a critical initiative designed to **systematically and cost-effectively** reduce inflow and infiltration within the wastewater system. Currently, **233,000 feet of gravity sewer mains** and **6,800 manholes** still require lining to maintain system integrity.

However, **funding for rehabilitation and replacement (R&R) continues to decline**, making it increasingly difficult for staff to implement necessary improvements. This reduction in funding has placed additional strain on the wastewater treatment plant due to excessive water infiltration.

To ensure proactive maintenance, staff have established key performance indicators (KPIs) aiming to line **2.48% of gravity sewer mains and 62 manholes annually**.

Unfortunately, **budget reductions of $1.3 million last year and $500,000 this year**, resulting from the failure to pass the rate study, have severely impacted the ability to meet these targets.

Currently, only **emergency repairs are being addressed**, forcing a **reactive rather than proactive** approach. Without adequate funding, **system failures will continue to escalate**, leading to **higher long-term costs and potential service disruptions**.

PROJECT BENEFITS

- Reduction in Emergency Repairs
- Reduces I&I
- Costs Savings by reducing Amount of Wastewater Treatment
- Assists in Reducing Peak Flows

WHY DO WE NEED THE RATE INCREASE

- 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

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.

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 1st 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 1st 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 4th day of March 2025.

ADOPTED on the second reading after due public notice and hearing this 18th 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
UTILILTY SERVICE RATES

	Current Rates	Effective 04.01.25	Effective 10.01.25	Effective 10-1-2026	Effective 10-1-2027
		8.00%	8.00%	8.00%	8.00%
WATER SYSTEM					
Monthly Private Fire Protection Service:					
Meter Size 5/8"	$ 1.85	$ 2.00	$ 2.16	$ 2.33	$ 2.52
3/4"	$ 1.85	$ 2.00	$ 2.16	$ 2.33	$ 2.52
1"	$ 4.60	$ 4.97	$ 5.37	$ 5.79	$ 6.26
1-1/2"	$ 9.27	$ 10.01	$ 10.81	$ 11.68	$ 12.61
2"	$ 14.78	$ 15.96	$ 17.24	$ 18.62	$ 20.11
3"	$ 29.63	$ 32.00	$ 34.56	$ 37.33	$ 40.31
4"	$ 46.34	$ 50.05	$ 54.05	$ 58.38	$ 63.05
6"	$ 92.64	$ 100.05	$ 108.06	$ 116.70	$ 126.04
8"	$ 148.21	$ 160.07	$ 172.87	$ 186.70	$ 201.64
10"	$ 213.06	$ 230.10	$ 248.51	$ 268.39	$ 289.87
12"	$ 398.33	$ 430.20	$ 464.61	$ 501.78	$ 541.92
Monthly Base Charge:					
Residential, Commercial and Multi-Family Service					
Meter Size 5/8", 3/4", 3/4"	$ 22.22	$ 24.00	$ 25.92	$ 27.99	$ 30.23
1"	$ 55.54	$ 59.98	$ 64.78	$ 69.96	$ 75.56
1-1/2"	$ 111.08	$ 119.97	$ 129.56	$ 139.93	$ 151.12
2"	$ 177.74	$ 191.96	$ 207.32	$ 223.90	$ 241.81
3"	$ 355.42	$ 383.85	$ 414.56	$ 447.73	$ 483.54
4"	$ 555.33	$ 599.76	$ 647.74	$ 699.56	$ 755.52
6"	$ 1,110.71	$ 1,199.57	$ 1,295.53	$ 1,399.17	$ 1,511.11
8"	$ 1,777.16	$ 1,919.33	$ 2,072.88	$ 2,238.71	$ 2,417.81
10"	$ 2,554.65	$ 2,759.02	$ 2,979.74	$ 3,218.12	$ 3,475.57
Irrigation Service					
Meter Size 5/8", 3/4", 3/4"	$ 11.09	$ 11.98	$ 12.94	$ 13.97	$ 15.09
1"	$ 55.54	$ 59.98	$ 64.78	$ 69.96	$ 75.56
1-1/2"	$ 111.08	$ 119.97	$ 129.56	$ 139.93	$ 151.12
2"	$ 177.74	$ 191.96	$ 207.32	$ 223.90	$ 241.81
3"	$ 355.42	$ 383.85	$ 414.56	$ 447.73	$ 483.54
4"	$ 555.33	$ 599.76	$ 647.74	$ 699.56	$ 755.52
6"	$ 1,110.71	$ 1,199.57	$ 1,295.53	$ 1,399.17	$ 1,511.11
Monthly Usage per 1,000 Gallons:					
Single-Family and Duplex					
0 - 5,000 gallons	$ 6.02	$ 6.50	$ 7.02	$ 7.58	$ 8.19
5,001-10,000 gallons	$ 6.62	$ 7.15	$ 7.72	$ 8.34	$ 9.01
10,001-20,000 gallons	$ 8.44	$ 9.12	$ 9.84	$ 10.63	$ 11.48
Above 20,000 gallons	$ 10.83	$ 11.70	$ 12.63	$ 13.64	$ 14.73
General and Multi-Family	$ 6.90	$ 7.45	$ 8.05	$ 8.69	$ 9.39
Irrigation					
0 - 5,000 gallons	$ 6.62	$ 7.15	$ 7.72	$ 8.34	$ 9.01
5,001-10,000 gallons	$ 6.62	$ 7.15	$ 7.72	$ 8.34	$ 9.01
10,001-20,000 gallons	$ 8.44	$ 9.12	$ 9.84	$ 10.63	$ 11.48
Above 20,000 gallons	$ 10.83	$ 11.70	$ 12.63	$ 13.64	$ 14.73
		$ -			
Bulk Water:	$ 6.24	$ 6.74	$ 7.28	$ 7.86	$ 8.49

EXHIBIT A
UTILITY SERVICE RATES

	Current Rates	Effective 04.01.25	Effective 10.01.25	Effective 10-1-2026	Effective 10-1-2027
WASTEWATER SYSTEM					
Monthly Base Charge:					
Residential, Commercial and Multi-Family Service:					
Meter Size 5/8 x 3/4", 3/4"	$ 21.83	**$ 23.58**	**$ 25.46**	**$ 27.50**	**$ 29.70**
1"	$ 54.51	**$ 58.87**	**$ 63.58**	**$ 68.67**	**$ 74.16**
1-1/2"	$ 108.99	**$ 117.71**	**$ 127.13**	**$ 137.30**	**$ 148.28**
2"	$ 174.39	**$ 188.34**	**$ 203.41**	**$ 219.68**	**$ 237.26**
3"	$ 348.83	**$ 376.74**	**$ 406.88**	**$ 439.43**	**$ 474.58**
4"	$ 544.99	**$ 588.59**	**$ 635.68**	**$ 686.53**	**$ 741.45**
6"	$ 1,090.03	**$ 1,177.23**	**$ 1,271.41**	**$ 1,373.12**	**$ 1,482.97**
8":	$ 1,744.08	**$ 1,883.61**	**$ 2,034.29**	**$ 2,197.04**	**$ 2,372.80**
10":	$ 2,507.09	**$ 2,707.66**	**$ 2,924.27**	**$ 3,158.21**	**$ 3,410.87**
Monthly Usage per 1,000 Gallons:					
Single-Family and Duplex	$ 5.65	**$ 6.10**	**$ 6.59**	**$ 7.12**	**$ 7.69**
General and Multi-Family	$ 6.79	**$ 7.33**	**$ 7.92**	**$ 8.55**	**$ 9.24**
Bulk Wastewater	$ 5.44	**$ 5.88**	**$ 6.35**	**$ 6.85**	**$ 7.40**
RECLAIMED WATER SYSTEM					
Monthly Base Charge:					
Wholesale (Secondary Treatment Only)	N/A	N/A	N/A	N/a	N/A
Retail					
Monthly base charge	$ 8.70	**$ 9.40**	**$ 10.15**	**$ 10.96**	**$ 11.84**
Monthly Usage per 1,000 Gallons:					
Wholesale (Secondary Treatment Only)					
Dunes CDD per 1,000 gallons (Low Pressure)	$ 0.36	**$ 0.39**	**$ 0.42**	**$ 0.45**	**$ 0.49**
Grand Haven CDD per 1,000 gallons (Low Pressure)	$ 0.50	**$ 0.54**	**$ 0.58**	**$ 0.63**	**$ 0.68**
All Other Wholesale per 1,000 gallons (Low Pressure)	$ 0.84	**$ 0.91**	**$ 0.98**	**$ 1.06**	**$ 1.14**
Retail					
0-10,000 gallons	$ 1.31	**$ 1.41**	**$ 1.53**	**$ 1.65**	**$ 1.78**
10,001-20,000 gallons:	$ 1.93	**$ 2.08**	**$ 2.25**	**$ 2.43**	**$ 2.63**
over 20,000 gallons	$ 2.62	**$ 2.83**	**$ 3.06**	**$ 3.30**	**$ 3.56**
SURCHARGE FOR OUTSIDE CITY LIMITS					
(Excluding Wholesale Customers)					
All Rates:	25%	25%	25%	25%	25%
NOTES:					

1. All rates shall be adjusted annually on October 1st 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
Customer Deposit, Domestic:		
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
Customer Deposit, Irrigation:		
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
Hydrant Meter:		
Customer Deposit	$ 560.00	**$ 2,150.00**
Installation Fee	$ -	**$ 130.00**
Meter Test:		
5/8", 3/4", 1" Meter	$ 40.00	**$ 225.00**
Over Compound and Over 1 1/2"	Full City Costs	Full City Costs
Turn On or Reconnect:	$ 25.00	**$ 50.00**
Turn Off or Disconnect:	$ 25.00	**$ 50.00**
Transfer Service:	$ 25.00	$ 25.00
Premise Visit (per visit):	$ 25.00	**$ 50.00**
Reconnect or Premise Visit (after hours):	$ 35.00	**$ 100.00**
Violation Connection:	$ -	**$ 1,000.00**
Meter Tampering:		
First Occurrence	$ 125.00	**$ 250.00**
Second Occurrence	$ -	**$ 500.00**
Third and Subsequent Occurrences	$ -	**$ 750.00**
Late Payment:	1.5% of bill with $5.00 Minimum	**1.5% of bill with $10.00 Minimum**
Returned Check:	Maximum Amount Allowed by Law	Maximum Amount Allowed by Law
Collection Fee:	Maximum Amount Allowed by Law	Maximum Amount Allowed by Law
Account Suspension:	$ 25.00	$ 25.00
Fire Flow Test:	$ 85.00	**$ 250.00**

EXHIBIT B
CHARGES

WATER SYSTEM (continued)	Current Rates	Effective 04.01.25
Back-flow Preventer Annual Inspection:		
Residential	$ 50.00	$ 50.00
Commercial/Industrial	$ -	**$ 100.00**
Fire System Maintenance (annual):	$ 145.00	$ 145.00
Water Tap Charge:		
5/8" & 3/4" Meter	$ 672.77	**$ 1,601.93**
Any Other Size Meter	Full City Cost	Full City Cost
Meter Installation:		
5/8" & 3/4" Meter	$ 514.49	**$ 927.18**
Any Other Size Meter	Full City Cost	Full City Cost
Irrigation Meter Installation:	$ 514.49	**$ 927.18**
Permit Review	$ -	**$ 25.00**
Permit Inspection/Reinspection	$ 25.00	**$ 40.00**
Any and All Other Work:	Full City Costs	Full City Costs
WASTEWATER SYSTEM	**Current Rates**	**Effective 04.01.25**
Customer Deposit, Wastewater:		
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
Premise Visit:	$ 25.00	**$ 50.00**
After Hour Premise Visit:	$ 25.00	**$ 100.00**
Late Payment:	1.5% of bill with $5.00 Minimum	**1.5% of bill with $10.00 Minimum**
Returned Check:	Maximum Amount Allowed by Law	Maximum Amount Allowed by Law
Collection Fee:	Maximum Amount Allowed by Law	Maximum Amount Allowed by Law
Account Suspension:	$ 25.00	$ 25.00
Wastewater Pressure Test:	$ 60.00	**$ 250.00**
PEP Tank Connection:	$ -	**$ 756.74**
Permit Review:	$ -	**$ 25.00**
Permit Inspection/Reinspection:	$ 25.00	**$ 40.00**
Any and All Other Work:	Full City Costs	Full City Costs

EXHIBIT B
CHARGES

RECLAIMED WATER SYSTEM	Current Rates	Effective 04.01.25
Turn on/Reconnect:	$ 25.00	**$ 50.00**
Turn off/Disconnect:	$ 25.00	**$ 50.00**
Transfer Service	$ 25.00	$ 25.00
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 $5.00 Minimum	**1.5% of bill with $10.00 Minimum**
Returned Check:	Maximum Amount Allowed by Law	Maximum Amount Allowed by Law
Collection Fee:	Maximum Amount Allowed by Law	Maximum Amount Allowed by Law
Account Suspension:	$ 25.00	$ 25.00
Meter Installation:		
5/8" & 3/4" Meter	$ 427.42	**$ 874.47**
Any Other Size Meter	Full City Costs	Full City Costs
Permit Reviews:	$ -	**$ 25.00**
Permit Inspections/Reinspections:	$ 25.00	**$ 40.00**
Any and All Other Work:	Full City Costs	Full City Costs
INDUSTRIAL WASTEWATER PRETREATMENT	**Current Rates**	**Effective 04.01.25**
Annual Surveillance Fee:		
Inspection, Administrative Fees and Equipment	$ 70.00	**$ 200.00**
Inspection for Noncompliance:		
Inspection, Administrative Fees, Sampling and Equipment	$ 80.00	**$ 250.00**
Lab Fees for Sample Analysis Due to Noncompliance:	Full City Costs	Full City Costs
Jet/Vac Truck Service for Cleaning Due to Noncompliance:	Full City Costs	Full City Costs
Administrative Penalty for Continued Noncompliance:	$ 125.00	**$ 250.00**
SURCHARGE FOR OUTSIDE CITY LIMITS		
All Charges:	25%	25%

NOTES:

1. All charges may be adjusted annually on October 1st 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.