



DEPARTMENT: FINANCIAL SERVICES	Reading No.	2
	Public Hearing	Yes
	Quasi-judicial Item (Disclosure Required)	No
	Item No.	11

SUBJECT:
ORDINANCE NO. 2017-45 UTILITY RATES: An ordinance deferring the increase to utility rates scheduled for October 1, 2017 until October 1, 2018; amending the City Code, Chapter 58, Utilities; amending Section 58-133, Water Service Rates; amending Section 58-243, Sewer Service Rates; amending section 58-364, Reclaimed Water Service Fees.

BACKGROUND/CONSIDERATION:

During the preparation of the 2018 proposed budget an analysis of Water & Sewer System Fund reserves indicated the current level of working capital reserves will continue to exceed the minimum level of reserves as established in policy. The policy requires a 25% working capital reserve. Current estimates indicate the reserve will be in excess of 50% at September 20, 2017.

The current five-year rate structure was adopted in 2012 as a result of an independent rate study. The actual operating expenses have been significantly lower than predicted in the rate study, and have remained steady for the last two years. Additionally, the City has refunded multiple bond issues, resulting in lower debt service payments.

In light of the positive fiscal position in the Water & Sewer System, staff recommends deferring the increase in utility rates.

FISCAL IMPACT (IF APPLICABLE):
 Approximately \$2.8 million in additional revenues in the Water & Sewer System Fund will be deferred from fiscal year 2018 to 2019.

REQUESTED ACTION:
 Recommend approval of Ordinance No. 2017-45.

ORDINANCE NO. 2017-45

AN ORDINANCE OF THE CITY OF MELBOURNE, BREVARD COUNTY, FLORIDA, RELATING TO WATER, SEWER AND RECLAIMED WATER RATES; DEFERRING THE INCREASE IN SUCH RATES SCHEDULED FOR OCTOBER 1, 2017 UNTIL OCTOBER 1, 2018; AMENDING THE CITY CODE OF MELBOURNE FLORIDA, CHAPTER 58, UTILITIES; AMENDING SECTION 58-133, WATER SERVICE RATES; AMENDING SECTION 58-243, SEWER SERVICE RATES; AMENDING SECTION 58-364, RECLAIMED WATER SERVICE FEES; PROVIDING AN INTERPRETATION CLAUSE; PROVIDING AN EFFECTIVE DATE; AND PROVIDING AN ADOPTION SCHEDULE.

BE IT ENACTED BY THE CITY OF MELBOURNE, FLORIDA:

SECTION 1. That Section 58-133 of the City Code of Melbourne, Florida, is hereby amended to read as follows:

Sec. 58-133. Water service rates.

* * * *

- (b) Monthly service charge.
- (1) Each customer connected to the city's potable water system shall pay a monthly service charge based on the number of equivalent residential connections (ERCs) and the effective rate per ERC being served at such connection as determined by the city for each potable water customer as defined in the following table:

Effective Date	Rate per ERC - All Customers	
	Inside City	Outside the City
October 1, 2013	\$7.58	\$8.34
October 1, 2014	\$8.00	\$8.80
October 1, 2017 <u>2018</u>	\$8.44	\$9.28
October 1, 2018 <u>2019</u>	\$8.90	\$9.79

* * * *

- (c) Gallonage charge. In addition to the above established service charge, each customer shall pay a monthly gallonage charge per unit for each 1,000 gallons, or portion thereof, of water as metered at the customer's premises in accordance with the schedule set forth below:

Effective Date	Inside City	Outside City
October 1, 2013	\$4.33	\$4.76
October 1, 2014	\$4.57	\$5.02
October 1, 2017 <u>2018</u>	\$4.82	\$5.30
October 1, 2018 <u>2019</u>	\$5.08	\$5.59

SECTION 2. That Section 58-243 of the City Code of Melbourne, Florida, is hereby amended to read as follows:

Sec. 58-243. Sewer service rates.

* * * *

(b) Monthly service charge.

(1) Each customer connected to the city's sewer system shall pay a monthly service charge based on the number of equivalent residential connections (ERCs) and the effective rate per ERC determined by the city for each sewer customer defined in the following table:

Effective Date	Rate per ERC - All Customers	
	Inside City	Outside the City
October 1, 2013	\$11.21	\$14.01
October 1, 2014	\$11.83	\$14.78
October 1, 2017 <u>2018</u>	\$12.48	\$15.59
October 1, 2018 <u>2019</u>	\$13.16	\$16.45

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(c) Gallonage charge. Each customer connected to the city's sewer system to whom a monthly bill shall be rendered for water furnished by the city's water system shall pay a charge per 1,000 gallons, or portion thereof, of water passed through the water meter for sewer services in accordance with the schedule set forth below:

Effective Date	Inside City	Outside the City

October 1, 2013	\$6.49	\$8.11
October 1, 2014	\$6.85	\$8.56
October 1, 2017 <u>2018</u>	\$7.22	\$9.03
October 1, 2018 <u>2019</u>	\$7.62	\$9.52

* * * *

SECTION 3. That Section 58-364 of the City Code of Melbourne, Florida, is hereby amended to read as follows:

Sec. 58-364. Reclaimed water service fees.

(a) All existing customers of reclaimed water who have active accounts on May 1, 2008, shall be charged a monthly service charge for operational and maintenance costs related to producing and distributing reclaimed water as follows:

Reclaimed Water Service Fees for Customers Active on May 1, 2008		
Effective Date	Rate for first ½ acre	Rate per acre of pervious area (after first ½ acre)
October 1, 2011	\$12.00	\$48.00
October 1, 2013	\$13.00	\$52.00
October 1, 2014	\$13.70	\$54.80
October 1, 2017 <u>2018</u>	\$14.50	\$58.00
October 1, 2018 <u>2019</u>	\$15.30	\$61.20

(b) The rate charged for all new customers of reclaimed water after May 1, 2008, shall consist of a monthly service charge and a monthly gallonage charge.

(1) Monthly service charge. Each customer connected to the city's reclaimed water system shall pay the following listed monthly service charge based on the meter size. The monthly service charge shall include a gallonage allocation for each meter size as shown below:

Reclaimed Water System Rates for New Customers					
Monthly Service Charge by Meter Size (inches)	Gallonge Allocation included with Monthly Service Charge	Rates Effective October 1, 2013	Rates Effective October 1, 2014	Rates Effective October 1, 2017 <u>2018</u>	Rates Effective October 1, 2018 <u>2019</u>
¾	15,000	\$8.10	\$8.55	\$9.00	\$9.60
1	37,500	\$20.25	\$21.38	\$22.50	\$24.00
1½	75,000	\$40.50	\$42.75	\$45.00	\$48.00
2	120,000	\$64.80	\$68.40	\$72.00	\$76.80
3	225,000	\$121.50	\$128.25	\$135.00	\$144.00
4	375,000	\$202.50	\$213.75	\$225.00	\$240.00
6	750,000	\$405.00	\$427.50	\$450.00	\$480.00
8	1,200,000	\$648.00	\$684.00	\$720.00	\$768.00
10	1,725,000	\$931.50	\$983.25	\$1,035.00	\$1,104.00

- (2) Gallonge charge. In addition to the above-established service charge, each customer shall pay a monthly gallonge charge for each 1,000 gallons, or portion thereof, of reclaimed water passed through the customer's service meter that is over and above the gallonge allocation as follows:

Gallonge Charges	
Effective Date	Monthly Gallonge Charge
October 1, 2011	\$0.50
October 1, 2013	\$0.54
October 1, 2014	\$0.57
October 1, 2017 <u>2018</u>	\$0.60
October 1, 2018 <u>2019</u>	\$0.64

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SECTION 4. Interpretation Clause. That in interpreting this ordinance, underlined words indicate additions to existing text and ~~stricken words~~ indicate deletions from existing text.

Asterisks (* * * *) indicate an omission from the ordinance of text, which exists in the Code of Ordinances. It is intended that the text in the Code of Ordinances denoted by the asterisks and not set forth in this ordinance shall remain unchanged from the language existing prior to adoption of this ordinance.

SECTION 5. That this ordinance shall become effective immediately upon its adoption in accordance with the Charter of the City of Melbourne.

SECTION 6. That this ordinance was passed on the first reading at a regular meeting of the City Council on the 20th day of September, 2017, and adopted on second/final reading at a regular meeting of the City Council on the ___ day of _____, 2017.

BY: _____
Kathleen H. Meehan, Mayor

ATTEST:

Cathleen A. Wysor, City Clerk

Ordinance No. 2017-45