
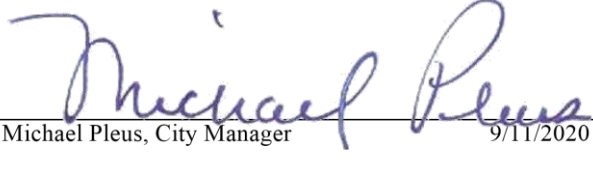


**CITY OF DELAND, FLORIDA  
REQUEST FOR COMMISSION ACTION  
September 21, 2020**

<b>Department: City Manager</b>	<b>Attachments:</b>
<b>Subject: First Reading of Ordinance Adjusting Stormwater Rates Based on Rate Study</b>	<ol style="list-style-type: none"> <li>1. Ordinance</li> <li>2. 2020 Stormwater Rate Study Presentation</li> </ol>
<b>Prepared by:</b>	<b>Approved by:</b>
 <hr/> Mike Grebosz, Assistant City Manager 9/11/2020	 <hr/> Michael Pleus, City Manager 9/11/2020

**SUMMARY/HIGHLIGHT:** The FY 2019-2020 budget included funding for a stormwater rate study. The last stormwater rate study was conducted in FY 2014-2015 resulting in scheduled rate increases from FY 2015-2016 through FY 2019-2020. The findings from the study and recommendations for rate changes were presented to the City Commission at a workshop held on August 17, 2020.

Based on direction given by the City Commission at that workshop, revisions to the funding requirements, capital listing and renewal and replacement reserves were incorporated resulting in a modified proposed 0% increase for FY 2020-2021 and 4% annual increase for the following four years.

The rate study consultant has presented the proposed recommendation to the City Commission. The attached ordinance incorporates that recommendation at a 4% annual increase that would take place for fiscal years 2022 through 2026 (4 years).

**STRATEGIC PLAN FOCUS AREA/ACTION STEP:** High Value Government

**SUSTAINABILITY:**

**FISCAL IMPACT:** The proposed adjustments to stormwater rates are intended to help provide needed revenue for operations and capital improvements over the next five years.

**RECOMMENDATION:** It is recommended that the Commission adopt the ordinance to keep the current stormwater rate of \$111.65 for FY 2020-2021 and increasing stormwater rates annually by 4% for Fiscal Year 2022 through Fiscal Year 2026 in order to provide sufficient revenues for operation of the Stormwater Fund.

**BACKGROUND/DISCUSSION:**

N/A

**ITEM SUMMARY:**

*It is recommended that the Commission adopt the ordinance to keep the current stormwater rate of \$111.65 for FY 2020-2021, and increasing stormwater rates annually by 4% for Fiscal Year 2022 through Fiscal Year 2026, in order to provide sufficient revenues for operation of the Stormwater Fund.*

**ORDINANCE NO. 2020 -**

**AN ORDINANCE OF THE CITY COMMISSION OF DELAND, FLORIDA, AMENDING SECTION 3-25 OF THE CODE OF ORDINANCES OF THE CITY OF DELAND RELATING TO STORMWATER UTILITY RATES, FEES AND CHARGES; AND PROVIDING FOR LEGISLATIVE FINDINGS AND INTENT, IMPLEMENTING ADMINISTRATIVE ACTIONS, A SAVINGS PROVISION, CONFLICTS, SEVERABILITY, CODIFICATION, FUTURE ACTIONS AND AN EFFECTIVE DATE.**

**WHEREAS**, Section 30-25 of the City Code relates to the establishment of stormwater management utility rates, fees and charges and provides that such rates, fees and charges shall be established by adoption of a resolution by the City Commission in accordance with certain classifications and a formula; and

**WHEREAS**, the City Commission of the City of DeLand desires to further implement the provisions of Section 30-25 of the City Code by revising and amending the stormwater management provisions thereof to reflect recommendations made to the City Commission by the financial advisor, Willdan Financial Services as a result of the Stormwater Rate Study which it conducted, and as summarized in the consultant's report dated August, 2020; and

**WHEREAS**, Section 403.0893, *Florida Statutes*, relates to stormwater funding and dedicated funds for stormwater management and states, in pertinent part, that “[i]n addition to any other funding mechanism legally available to local government to construct, operate, or maintain stormwater systems, a county or municipality may: . . . [c]reate one or more stormwater utilities and adopt stormwater utility fees sufficient to plan, construct, operate, and maintain stormwater management systems . . .”; and

**WHEREAS**, the City of DeLand has concluded that all rates, fees and charges set forth herein are in compliance with controlling State law and will be adjusted in a manner that is consistent with the provisions of controlling law; and

**WHEREAS**, Section 13 of the City Charter of the City of DeLand relates to the general powers and duties of the City Commission and provides, among other things, that “. . . all powers of the City and the determination of all matters of policy shall be vested in the City Commission” and Section 14 of the City Charter of the City of DeLand relates to the powers and duties of the City Manager and provides, in pertinent part that the City Manager “. . . shall have the powers and perform the duties provided in this Charter and such other duties designated by the City Commission”; and

**WHEREAS**, the City Commission determines that the provisions of this Ordinance serve that important interest in a fair and constitutional manner and that the adoption of this Ordinance is otherwise in the best interests of the health, safety and welfare of the citizens of the City of DeLand; and

**WHEREAS**, for purposes of this Ordinance, underlined type shall constitute additions to the original text, \*\*\* shall constitute ellipses to the original text and ~~strikethrough~~ shall constitute deletions to the original text.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF DELAND, FLORIDA:**

**Section 1. Legislative Findings and Intent.**

(a). The City Commission of the City of DeLand hereby adopts and incorporates into this Ordinance the recital (whereas clause) to this Ordinance and the City staff report relating to this Ordinance.

(b). The provisions of this ordinance are enacted pursuant to the statutory and constitutional home rule powers of the City and other controlling law.

(c). The City has complied with all requirements and procedures of Florida law in processing and advertising this Ordinance.

**Section 2. Amendment to Section 30-25, City Code, Stormwater Charges.**

The provisions of Section 30-25 of *the Code of Ordinances of the City of DeLand, Florida* are amended to read as follows:

**Sec. 30-25. - Stormwater rates, fees and charges.**

(a) *Purpose and intent.* The purpose of this Section is to protect the health, safety, and welfare of the general public through the administration and regulation of earthwork and drainage and to provide for a mechanism to provide funding for such activities. It is the intent of this chapter that the City will establish stormwater management as a City utility enterprise in accordance with Section 403.0893, *Florida Statutes*,<sup>1</sup> and shall establish a program of utility rates, fees and charges for stormwater management services to be charged to all developed property within the City to accomplish the functions of the utility, which include, but are not limited to, maintenance, planning, design, construction, regulation, surveying, and inspection as they relate to the stormwater management system of the City.

(b) *Definitions.* As used in this Section ~~chapter~~, the following words and terms shall have the following meanings, unless the context clearly otherwise requires:

(1) *Building* means any structure, whether temporary or permanent, built for support, shelter or enclosure of persons, chattel or property of any kind. This term shall include, but not be limited to, mobile homes or any vehicles serving in any way the function of a building.

(2) *Building footprint* means the actual square footage of a building as reflected on the tax roll, divided by the number of levels or floors within the building.

(3) *City* means the City of DeLand, Florida.

(4) *City Manager* means the chief administrative officer of the City or such person's designee.

- (5) *Clerk* means the City Clerk-Auditor, or such other person as may be duly authorized to act on such person's behalf.
- (6) *City Commission* means the governing body of the City of DeLand, Florida.
- (7) *Comprehensive plan* means the comprehensive plan adopted by the City pursuant to Chapter 163, Part II, *Florida Statutes*.
- (8) *Condominium* means a condominium created by a declaration of condominium pursuant to Chapter 718, *Florida Statutes*.
- (9) *Condominium common area parcel* means a tax parcel including one or more "common elements" of a condominium, as defined in Section 718.103, *Florida Statutes*, to which the County Property Appraiser has assigned a DOR Code of 04 or 05, the taxable value of which has been attributed to condominium residential unit parcels by the County Property Appraiser.
- (10) *Condominium residential unit parcel* means a parcel within the City constituting a condominium "unit" (as defined in Section 718.103, *Florida Statutes*) to which the Property Appraiser has assigned a DOR Code of 04 or 05.<sup>ii</sup>
- (11) *County* means Volusia County, Florida.
- (12) *Developed property* means property that has been developed with impervious area including, but are not limited to, rooftops, sidewalks, walkways, patio areas, driveways, parking lots, storage areas and other surfaces which similarly impact the natural infiltration or runoff patterns which existed prior to development. Developed Property shall not include public roads.
- (13) *DOR Code* means a property use code established in Rule 12D-8.008, *Florida Administrative Code*, as amended, and as applied by the property appraiser to parcels within the City.
- (14) *Dwelling unit* means a building, or a portion thereof, which is located upon residential property and lawfully used for residential purposes, consisting of one or more rooms arranged, designed, used, or intended to be used as living quarters for one family unit only.
- (15) *EDU* means "effective drainage unit," the standard unit used to express the stormwater burden expected to be generated by each parcel of property. Based upon the average impervious area derived from a statistically valid sample of single-family parcels, the City has computed an "EDU Value" of 3,100 square feet, which shall be used to calculate the number of EDUs attributable to each developed property.
- (16) *General parcel* means a parcel of developed property within the City that is not a single-family parcel or a condominium residential unit parcel.
- (17) *Impervious area* means hard surfaced areas which either prevent or severely restrict the entry of water into the soil mantle and/or cause water to run off the surface in greater quantities or at an increased rate of flow from that present under natural conditions prior to development. Common impervious surfaces include, but are not limited to, rooftops, sidewalks, walkways, patio areas, driveways, parking lots, storage areas and other surfaces which similarly affect the natural infiltration or runoff patterns which existed prior to development.
- (18) *Large single-family parcel* means a single-family parcel with an estimated building footprint between 3,001 and 6,000 (inclusive) square feet.

- (19) *Medium single-family parcel* means a single-family parcel with an estimated building footprint between 1,501 and 3,000 (inclusive) square feet.
- (20) *Mitigation credit* means, for any parcel of developed property, a number between 0.0 and 1.0 representing a reduction in the stormwater burden expected to be generated by such parcel attributable to privately maintained stormwater management facilities and other factors affecting the quantity, quality, or rate of stormwater runoff. The "mitigation credit" for each parcel shall be determined in accordance with the provisions of this Section (8) hereof.
- (21) *Mitigation credit factor* means the figure computed by subtracting the mitigation credit from 1.00.
- (22) *Mitigation credit policy* means the City of DeLand's Stormwater Utility Mitigation Credit Policy.
- (23) *Mitigation facility* means a manmade facility or structure on the site of a developed property which, by its design and function, retains stormwater on-site and thus generates less volume of stormwater from the site or produces stormwater runoff at a lower rate or with less pollutants than would be the case in the absence of such facilities or structure.
- (24) *Net EDU* means the standard unit used to express the stormwater burden expected to be generated by each parcel of developed property, after taking into consideration any mitigation of the stormwater burden that results from privately maintained stormwater management facilities and other factors affecting the quantity, quality, or rate of stormwater runoff.
- (25) *Property Appraiser* means the property appraiser of Volusia County.
- (26) *Single-family parcel* means a parcel of developed property within the City to which the property appraiser has assigned a DOR Code of 01 or 02.
- (27) *Small single-family parcel* means a single-family parcel with an estimated building footprint between 100 and 1,500 (inclusive) square feet.
- (28) *Stormwater* means the flow of water which results from, and which occurs following, a rainfall event.
- (29) *Stormwater basin* means a part of the earth's surface that contributes stormwater runoff to a drainage system, which consists of diffuse surface waters, together with all natural or artificial tributary surface streams and/or bodies of impounded surface water.
- (30) *Stormwater basin plan* means a policy document that is adopted by the City Commission for each stormwater basin or hydrologic subarea thereof in which stormwater improvements are proposed and that provides for implementation of the stormwater master plan.
- (31) *Stormwater improvement* means land, capital facilities and improvements acquired or provided to detain, retain, convey or treat stormwater.
- (32) *Stormwater master plan* means a policy document adopted by the City Commission from time-to-time which identifies the levels of service for water quality and quantity management in the City, based upon the criteria in the *Comprehensive Plan* and applicable State and Federal law, and the methods for prioritizing expenditures within the City. The stormwater master plan shall designate those stormwater basins for which a stormwater basin plan will be prepared.

- (33) *Stormwater management service* means:
- (a) Maintenance, management and administration of the City's stormwater utility;
  - (b) Stormwater program engineering;
  - (c) Stormwater basin planning;
  - (d) Stormwater facilities and improvements to be acquired or constructed;
  - (e) Operating and maintaining the City's facilities for stormwater management, including, but not limited to, extraordinary maintenance;
  - (f) Billing and collection of the stormwater utility fees, including customer information services and reserves for statutory discounts; and
  - (g) Legal, engineering and other consultant services.
- (34) *Stormwater service area* means the entire geographic area ~~described in subsection (e) herein that encompasses~~ encompassing the entire City Limits of the City with all parcels within the City which specially benefitting benefit from the stormwater management service and all parcels to which stormwater management services are provided by the City.
- (35) *Stormwater service cost* means the estimated amount for any fiscal year of all expenditures and reasonable reserves that are properly attributable to the stormwater management services provided by the City to developed property under generally accepted accounting principles, including, without limiting the generality of the foregoing, reimbursement to the City for any moneys advanced for the stormwater management service, and interest on any interfund or intrafund loan for such purpose.
- (36) *Stormwater utility* means the entity established to implement the stormwater management program of the City.
- (37) *Stormwater utility rate and fee* means a fair and reasonable regulatory and service fee for services service provided by the City to developed property to fund all or any portion of the stormwater service cost at a just, fair, reasonable, and equitable rate or fee based upon such property's stormwater burden and the reasonable cost of providing stormwater management services to such property. The City may also assess charges for the costs of accomplishing work unique to a parcel which charges shall be the costs of the City as determined by the City Manager.
- (38) *Very large single-family parcel* means a single-family parcel with an estimated building footprint greater than 6,000 square feet.
- (c) *Legislative findings.*
- (1) Pursuant to Article VIII, Section 2(b), *Florida Constitution*, and Sections 166.021 and 166.041, *Florida Statutes*, the City has all powers of local self-government to perform municipal functions and render municipal services except when prohibited by law, and such power may be exercised by the enactment of legislation in the form of City ordinances.
  - (2) The City Commission may exercise any governmental, corporate, or proprietary power for a municipal purpose except when expressly prohibited by law, and the City Commission may legislate on any subject matter on which the Florida Legislature may act, except those subjects described in (a), (b), (c), and (d)



of Section 166.021(3), *Florida Statutes*. The subject matter of paragraphs (a), (b), (c), and (d) of Section 166.021(3), *Florida Statutes*, are not relevant to the imposition of stormwater utility fees by the City.

- (3) The purpose of this ordinance is to:
  - a. Provide procedures and standards for the imposition of stormwater utility rates, fees and charges under the constitutional and statutory power of the City;
  - b. Authorize a procedure for the funding of stormwater management services, facilities, or programs provided to properties within the stormwater service area; and
  - c. Legislatively determine the benefit provided to all parcels of developed property from the stormwater utility.
- (4) Pursuant to the constitutional and statutory authority of the City and pursuant to Section 403.0893, *Florida Statutes*, the City has the authority to create a stormwater utility and fund the construction, operation, maintenance, and administration of said utility through the imposition of a stormwater utility fee at rates established by means of this Section as well as reasonable charges for work accomplished by the City which is unique to a parcel.
- (5) The Florida Legislature has mandated that local governments in the State of Florida, including the City, have the responsibility for developing mutually compatible stormwater management programs consistent with the rules and regulations of the Florida Department of Environmental Protection, the *Federal Clean Water Act*, and the water management districts and the stormwater management programs established and maintained by other local governments.
- (6) The stormwater utility fees imposed hereby are consistent with the authority granted in Section 403.0893, *Florida Statutes*. That statutory provision is additional and supplemental authority to the constitutional and statutory power of self-government granted to a municipality.
- (7) The stormwater utility regulates the use and enjoyment of all developed property within the City, by treating and controlling contaminated stormwater generated by improvements constructed on the developed property resulting in the alteration of such property from its natural state to accommodate such improvements.
- (8) The special benefits provided by the stormwater management services to all developed property located within the stormwater service area include, but are not limited to:
  - a. The provision of stormwater management services and the availability and use of facilities and improvements by the owners and occupants of developed property to properly and safely detain, retain, convey and treat stormwater discharged from developed property;
  - b. Stabilization of or the increase of developed property values;
  - c. Increased safety and better access to developed property;
  - d. Improved appearance;
  - e. Rendering developed property more adaptable to a current or reasonably foreseeable new and higher use;

f. Alleviation of the burdens caused by stormwater runoff and accumulation attendant with the use of developed property; and

g. Fostering the enhancement of environmentally responsible use and enjoyment of the natural resources within the stormwater service area.

- (9) The City's stormwater management services are necessitated by the existence of impervious area. Accordingly, it is fair and reasonable to impose a stormwater utility fee only against developed property containing at least 100 square feet of impervious area.
- (10) Substantially all of the stormwater burden managed, controlled, and treated by the stormwater utility is generated by developed property and the amount of stormwater generated by property in its natural state that is managed, controlled and treated by the stormwater utility is inconsequential.
- (11) The stormwater utility fees imposed herein provide a reasonable method of funding the City's cost of providing stormwater management services because such costs provide a reasonable estimation of the costs of providing stormwater management services to such property based upon the City's budget and resource allocations and managing the stormwater burden generated by the use of such property as individually classified on the basis of the stormwater burden expected to be generated by the physical characteristics of such property.
- (12) The stormwater utility fee is reasonably related to the cost of providing stormwater management services, including the collection, storage, treatment, and conveyance of stormwater generated by developed property.
- (13) The stormwater utility fee is not a special assessment; it is a regulatory fee imposed for the stormwater management service provided to developed property by the City's stormwater utility.
- (d) *Stormwater utility and utility fund.*
- (1) There is hereby established a stormwater utility, which shall be the operational means of implementing and otherwise carrying out the functional requirements of the City's stormwater management system to construct or acquire stormwater improvements and provide stormwater management services. The stormwater utility shall provide administration and management services in: the operation and maintenance of the City's capital facilities for stormwater management; the preparation of stormwater studies and the implementation of the stormwater utility; the regulation of stormwater basins; and the repair, replacement, improvement and extension, of the City's capital facilities for stormwater management. The stormwater utility shall place emphasis on the achievement of maximum efficiency through identifying programs and funding sources which are complementary to other regional, state and federal programs. The City Manager, or his designee, shall be responsible for administration of the stormwater utility.
- (2) The City Commission intends to fund all or part of the cost of providing services and capital facilities for stormwater management through stormwater utility fees. The City Commission has further concluded that periodic determination of revenues earned and expenses incurred in connection with the provision of services and capital facilities for stormwater management will enhance accountability and management control of the city's stormwater utility and will facilitate implementation of the City Commission's funding policy for stormwater

- management. Accordingly, there shall be established a stormwater utility fund. From an accounting perspective, the stormwater utility fund shall be established as an enterprise fund.
- (e) *Stormwater service area.*
- (1) The City Commission hereby establishes the entire incorporated area of the City as the stormwater service area.
  - (2) The Stormwater utility shall provide stormwater management services to all developed property within the stormwater service area. All or any portion of the stormwater service cost may be funded from the proceeds of the stormwater utility fee under the rates established in this Section.
  - (3) The stormwater utility may also acquire and construct capital facilities to assist and facilitate the provision of stormwater management services within the stormwater service area.
- (f) *Stormwater utility fees and rates; rate adjustments.*
- (1) The City Commission is hereby authorized to impose a stormwater utility fee on all developed property within the stormwater service area to fund all or any portion of the stormwater service cost at a just, fair, reasonable, and equitable rate based upon such property's stormwater burden and the reasonable cost of providing stormwater management services to such property.  
The rate of the stormwater utility fee for each classification of property shall be determined by each property's individual number of EDUs based upon that property's amount of impervious area.
  - (2) The stormwater utility fee will be computed for each parcel of developed property located within the stormwater service area by multiplying the number of Net EDUs attributable thereto by the rate per EDU as ~~established by separate resolutions set forth in this Subsection.~~ The rates rate of the stormwater utility fee in effect on the date that this Ordinance is enacted shall remain in effect until shall be established and amended as set forth in this Subsection by separate resolution of the City Commission. Effective October 1, 2021, and on October 1 of each year thereafter through 2024, the rate per EDU then in effect shall be automatically increased by four percent (4%).
  - (3) The City Commission is also hereby authorized to impose stormwater utility fees to fund all or any portion of the cost necessary to fund a stormwater improvement identified in any Stormwater Basin Plan or Stormwater Master Plan. The stormwater utility fees to fund the capital cost or the debt service and related cost of any obligations issued to finance the cost of any stormwater improvements may be levied against all parcels of developed property within the stormwater service area at a rate based upon the benefit accruing to such property from the stormwater improvement, measured by the number of EDUs attributable to each parcel.
  - (4) Notwithstanding the foregoing, if the City Manager ~~City Commission~~ specifically determines that any portion of the stormwater service area receives a distinct special benefit from any component of the stormwater management service that is materially different in kind or degree from the special benefit received by other portions of the stormwater service area, the stormwater service cost related to

such component shall be charged and levied against the portion of the stormwater service area receiving the distinct special benefit.

(g) *Assignment of EDUs.*

(1) Each parcel of developed property located within the stormwater service area shall be assigned to one of the following classifications: Small single-family parcels, medium single-family parcels, large single-family parcels, very large single-family parcels, condominium residential unit parcels, or general parcels. EDUs shall be assigned to each parcel of developed property within the stormwater service area in accordance with the procedures provided in this Section ~~subsection~~ ~~(g)~~.

(2) Single-family parcels.

a. The cost of measuring or verifying the impervious area for each individual single-family parcel greatly exceeds any benefit to be derived from individual measurement and verification.

b. The building footprint of each single-family parcel constitutes a reasonable proxy for impervious area. It has been determined that one EDU of Impervious area equates to a building footprint of approximately 2,183 square feet.

c. The City has computed the EDU Value (3,100 square feet) as the impervious area for the median single-family parcel within the stormwater service area. The City has determined that a single-family parcel with 3,100 square feet of impervious area typically has a building footprint of 2,183 square feet.

d. The City has computed a building footprint of 2,183 square feet for a typical medium single-family parcel. Accordingly, the number of Net EDUs attributable to each medium single-family parcel shall be computed by multiplying one (1.0) EDU by the appropriate mitigation credit factor.

e. The City has computed a building footprint of 1,216 square feet for a typical small single-family parcel. The number of EDUs attributable to each small single-family parcel shall be computed by dividing the building footprint of the typical small single-family parcel by the building footprint of the typical medium single-family parcel (2,183 square feet). Accordingly, the number of Net EDUs attributable to each small single-family parcel shall be computed by multiplying 0.56 EDUs by the appropriate mitigation credit factor.

f. The City has computed a building footprint of 3,553 square feet for a typical large single-family parcel. The number of EDUs attributable to each large single-family parcel shall be computed by dividing the building footprint of the typical large single-family parcel by the building footprint of the typical medium single-family parcel (2,183 square feet). Accordingly, the number of Net EDUs attributable to each large single-family parcel shall be computed by multiplying 1.63 EDUs by the appropriate mitigation credit factor.

g. The City has computed a building footprint of more than 6,000 square feet for a typical very large single-family parcel. The number of

EDUs attributable to each very large single-family parcel shall be computed in the manner provided herein for general parcels.

- (3) Residential condominium parcels.
- a. A residential condominium constitutes a unique form of real property ownership comprised of condominium residential unit parcels, to which there may be an appurtenant undivided share in condominium common area parcels.
  - b. It is fair and reasonable to attribute the impervious area of condominium common area parcels to the condominium residential unit parcels to which such condominium common area parcels are appurtenant.
  - c. The number of Net EDUs attributable to each condominium residential unit parcel in a residential condominium shall be equal to the sum of the following: (a) the amount computed by multiplying (1) the amount calculated by (i) dividing the impervious area of the condominium on which the condominium residential unit parcel is located by the EDU Value (3,100 square feet), and (ii) dividing the result by the total number of condominium residential unit parcels located on such condominium, by (2) the appropriate mitigation credit factor; and (b) the amount computed by multiplying (1) the amount calculated by (i) dividing the impervious area of the condominium on which the condominium common area parcel appurtenant to the condominium residential unit parcel by the EDU Value (3,100 square feet), and (ii) dividing the result by the total number of condominium residential unit parcels to which the condominium common area parcel is appurtenant, by (2) the appropriate mitigation credit factor.
- (4) General parcels. The number of Net EDUs attributable to each general parcel shall be determined by (1) dividing the impervious area of the general parcel by the EDU Value (3,100 square feet), and (2) multiplying the result by the appropriate mitigation credit factor.
- (h) *Private mitigation facilities.*
- (1) The City Commission recognizes the benefits provided by privately maintained mitigation facilities. Properties supporting private mitigation facilities should be credited for the public benefits they provide. Accordingly, the charges based on the number of EDUs otherwise attributable to such property may be adjusted by a mitigation credit determined in accordance with the City's mitigation credit policy, which may be adopted and amended from time-to-time by the City Commission by separate resolution. No mitigation credit shall exceed the amount of the tax parcel's stormwater utility fee.
  - (2) In order to receive a new mitigation credit for which property is eligible, a nonresidential property owner shall be required to provide the City Engineer with "as built" drawings of the mitigation facilities sealed by a Florida licensed registered professional engineer, together with his or her a certification from a Florida registered professional engineer as to the standards of retention and detention achieved by the mitigation facilities, or such other reasonable requirements as may be necessary to effectuate the purposes of this Section, as determined by the City Engineer. Applicants for residential mitigation credits may include property owners, homeowners' associations and community development

districts and shall provide sufficient information to adequately evaluate the basis for said credit.

(3) No mitigation credit shall be applied for service provided to property by a mitigation facility constructed or maintained with public funds. However, a mitigation credit shall be applied for service provided to property by a regional mitigation facility if the developer of the property provided a capital contribution to the regional facility in lieu of constructing on-site facilities.

(i) *Billing and collection.*

(1) ~~The stormwater~~ Stormwater utility fees ~~and charges authorized herein~~ shall be billed and collected on a monthly basis along with the City's other utility fees in the regular utility billing cycle, appearing as a separate line item. Bills for the stormwater utility fees shall be payable at the same time, in the same manner, and subject to the same penalties as have been heretofore established for the other utility fees charged and administered by the City.

(2) In the event a developed property does not have other City utility service, a new account shall be developed and the property shall be billed by the City for the stormwater utility fees on an annual basis.

(3) A monthly billing charge shall also be assessed against each City utility account provided; however only one billing charge shall be assessed, regardless of whether the customer receives water service, wastewater service, stormwater service, reclaimed water service or any combination thereof.

(j) *Adjustments and appeals.*

(1) All requests for adjustment of the stormwater utility fee shall be submitted to the City Engineer. The City Engineer shall review each request as follows:

a. All requests shall be in writing and set forth in detail the grounds upon which relief is sought.

b. All adjustment requests shall be reviewed within four months from the date of submission. Adjustments resulting from such requests shall be retroactive to the date of submission.

c. The person requesting the adjustment may be required, at his or her own cost, to provide supplemental information to the City Engineer, including, but not limited to, survey data, traffic studies and other engineering reports prepared, under seal, by a licensed Florida registered professional land surveyor (~~R.P.L.S.~~) or professional engineer (~~P.E.~~), as required. Failure to provide such information in a timely manner may result in denial of the adjustment request.

d. The City Engineer shall provide the person requesting the adjustment with a written determination of the request within the time provided herein.

(2) All determinations of the City Engineer ~~pursuant to subsection (j)~~ may be appealed to the City Manager. Appeals must be filed with the City Manager within 30 days of issuance of the City Engineer's written determination. Appeals shall be determined by the City Manager within 30 days of filing. In evaluating appeals, the City Manager shall be bound by the method of setting rates as set forth in this Section. The decision of the City Manager shall be final and subject only to judicial review.

(k) *Revisions to stormwater utility fees.* If any stormwater utility fee made under the provisions of this Section is either in whole or in part annulled, vacated or set aside by the judgment of any Court, or if the City Commission is satisfied that any such stormwater utility fee is so irregular or defective that the same cannot be reasonably enforced or collected, or if the City Commission has failed to charge any property that should have been charged, the City Commission may take all necessary steps to impose a new stormwater utility fee against any such property, following as nearly as may be practicable, the provisions of this Section and in case such second stormwater utility fee is annulled, the City Commission may obtain and impose other stormwater utility fee until a valid stormwater utility fee is imposed.

(l) *Procedural irregularities.* Any irregularity in the proceedings in connection with the levy of any stormwater utility fee under the provisions of this Section shall not affect the validity of the same after the approval thereof, and any stormwater utility fee as finally approved shall be competent and sufficient evidence that such stormwater utility fee was duly levied, that the stormwater utility fee was duly made and adopted, and that all other proceedings adequate to such stormwater utility fee were duly had, taken and performed as required by this Section; and no variance from the directions hereunder shall be held material unless it be clearly shown that the party objecting was materially injured thereby.

(m) *Flooding; liability.* Floods from stormwater runoff may occasionally occur which exceed the capacity of stormwater management facilities constructed, operated or maintained by funds made available under this Section. This Section shall not be construed or interpreted to mean that property subject to the fees and charges established herein will always (or at any time) be free from stormwater flooding or flood damage, or that stormwater systems capable of handling all storm events can be cost-effectively constructed, operated or maintained. Nor shall this section operate to create any liability on the part of, or cause of action against, the City, or any official or employee thereof, for any flood damage that may result from such storms or the runoff thereof and, to that end, the City does not waive sovereign immunity, in whole or part, relative to the stormwater systems of the City. Nor does this Section purport to reduce the need or the necessity for obtaining flood insurance by individual property owners, the decision relating to which is an obligation of each property owner.

**Section 3. Implementing Administrative Actions.** The following provision is added to the *Code of Ordinances of the City of DeLand, Florida* as follows:

The City Manager is hereby vested with all necessary authority to implement the provisions of this Resolution in accordance with sound and generally accepted public management practices and principles which power shall include, but not be limited to, the adoption of rules setting the rates, fees and charges that relate to the City's stormwater utility system.

**Section 4. Savings.** The prior actions of the City of DeLand relating to the imposition of the stormwater utility rates, fees and charges of the City as well as any and all related matters including, but not limited to the administration of the utility and the assessment of rates, fees and charges, are hereby ratified and affirmed.

**Section 5. Conflicts.** All Ordinances or parts of Ordinances and other actions of the City Commission in conflict with this Ordinance are hereby repealed.

**Section 6. 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 7. Codification; Direction to Code Codifier and City Staff; Correction of Scrivener's Errors.**

(a). The provisions of Sections 2 and 3 of this Ordinance shall become and be made a part of the *Code of Ordinances of the City of DeLand* and the Sections of this Ordinance may be renumbered or re-lettered to accomplish such intention and the word "Ordinance", or similar words, may be changed to "Section," "Article", or other appropriate word; provided, however, that Section 1 and Sections 4 through 9 shall not be codified.

(b). The Code codifier shall instruct the Municipal Code Corporation to make all changes necessary in the *Code of Ordinances of the City of DeLand* to implement the provisions of this Ordinance.

(c). The Code codifier is granted liberal authority to codify the provisions of this Ordinance in such manner and in such places as deemed advisable.

(d). In accordance with the City's ongoing codification program; the City Clerk, in conjunction with the City Attorney, may make corrections to the provisions of this Ordinance relative to Scrivener's errors of whatever type or nature.



**Section 8. Effective Date.** This Ordinance shall become effective immediately upon adoption.

**PASSED AND DULY ADOPTED** this \_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Robert F. Apgar  
Mayor - Commissioner

**ATTEST:**

\_\_\_\_\_  
Julie A. Hennessy, MMC, City Clerk - Auditor

Passed on first reading: \_\_\_\_\_, 2020.  
Adopted on second reading: \_\_\_\_\_, 2020.

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
Darren J. Elkind, City Attorney

\_\_\_\_\_  
<sup>i</sup> 403.0893 Stormwater funding; dedicated funds for stormwater management.—In addition to any other funding mechanism legally available to local government to construct, operate, or maintain stormwater systems, a county or municipality may:

- (1) Create one or more stormwater utilities and adopt stormwater utility fees sufficient to plan, construct, operate, and maintain stormwater management systems set out in the local program required pursuant to s. 403.0891(3);
- (2) Establish and set aside, as a continuing source of revenue, other funds sufficient to plan, construct, operate, and maintain stormwater management systems set out in the local program required pursuant to s. 403.0891(3); or
- (3) Create, alone or in cooperation with counties, municipalities, and special districts pursuant to the Interlocal Cooperation Act, s. 163.01, one or more stormwater management system benefit areas. All property owners within said area may be assessed a per acreage fee to fund the planning, construction, operation, maintenance, and administration of a public stormwater management system for the benefited area. Any benefit area containing different land uses which receive substantially different levels of stormwater benefits shall include stormwater management system benefit subareas which shall be assessed different per acreage fees from subarea to subarea based upon a reasonable relationship to benefits received. The fees shall be calculated to generate sufficient funds to plan, construct, operate, and maintain stormwater management systems called for in the local program required pursuant to s. 403.0891(3). For fees assessed pursuant to this section, counties or municipalities may use the non-ad valorem levy, collection, and enforcement method as provided for in chapter 197.

## Department of Revenue Property Classification

The following list is used to explain the DOR Use Code categories. Florida Administrative code requires Property Appraisers to classify each parcel of real property to indicate its use as determined for valuation purposes. This use is reflected in the DOR Use Codes applied to each real property parcel on assessment rolls.

### DOR Property Classification (Use) Codes

**Residential** means a property zoned for single-family homes, mobile homes, retirement homes, multifamily apartments and coops. Residential property falls under different zoning and taxation regulations than commercial property. This includes DOR Use Codes starting with **01, 02, 03, 05, 06, 08**

**Condos** is a form of real estate ownership in which individual residents hold a deed and title to their houses or apartments and pay a maintenance fee to a management company for the upkeep of common property such as grounds, lobbies, and elevators as well as for other amenities. A condominium owner's tax position is equivalent to that of a single-family home owner. This includes DOR Use Code starting with **04**

**Commercial** means Business property, such as supermarkets, shopping centers, office buildings, medical centers, hotels, theaters, RV parks, financial institutions, stores, etc. which are intended to operate with a profit. This includes DOR Use Codes starting with **11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39**

**Industrial** means property used for industrial purposes. Types of industrial property include heavy manufacturing buildings, light manufacturing buildings, packing plants, mineral processing plants, warehouses, wineries, sawmills etc. This includes DOR Use Codes starting with **41, 42, 43, 44, 45, 46, 47, 48, 49**

**Agriculture** means Property used for production of food, feed, and fiber commodities, livestock and poultry, bees, fruits and vegetables, and sod, ornamental, nursery, grazing farm animals and horticultural crops that are raised, grown, or produced for commercial purposes. This includes DOR Use Codes starting with **51, 54, 60, 66, 67, 68, 69**

**Institutional/Exempt** property which is not strictly commercial, industrial, agricultural, or residential, but which serves some public purpose, even if privately owned. Examples include private schools, private hospitals, orphanages, cemeteries, sanitoriums, nursing homes etc. This includes DOR Use Codes starting with **71, 72, 73, 74, 75, 76, 77, 78, 79**

<p><b>Government/Exempt</b> means all property owned by or leased to the Government or acquired by the Government under the terms of the contract. not subject, in whole or in part, to Ad Valorem property taxes. Examples include forests, parks, public schools, county hospitals, military buildings etc.</p>	<p>This includes DOR Use Codes starting with <b>81, 82, 83, 84, 85, 86, 87, 88, 89</b></p>
<p><b>Misc</b> Miscellaneous includes property such as mining land, railroad land, utilities, waste land, submerged land etc.</p>	<p>This includes DOR Use Codes starting with <b>90, 91, 92, 93, 94, 95, 96, 97, 98</b></p>
<p><b>Vacant Residential</b> means vacant residential properties. Examples include vacant condo/rv lots, vacant mobile home lots, vacant lakefront lots etc.</p>	<p>This includes DOR Use Code starting with <b>00, 09, 99</b></p>
<p><b>Vacant Commercial</b> means vacant commercial properties.</p>	<p>This includes DOR Use Code starting with <b>10</b></p>
<p><b>Vacant Industrial</b> means vacant Industrial properties.</p>	<p>This includes DOR Use Code starting with <b>40</b></p>
<p><b>Vacant Institutional</b> means vacant institutional properties.</p>	<p>This includes DOR Use Code starting with <b>70</b></p>
<p><b>Vacant Governmental</b> means all vacant property owned by or leased to the Government or acquired by the Government under the terms of the contract. Not subject, in whole or in part, to Ad Valorem property taxes. Examples include forests, parks, public schools, county hospitals, military etc.</p>	<p>This includes DOR Use Code starting with <b>80</b></p>

# City of DeLand, Florida

## STORMWATER RATE STUDY AUGUST 2020



**Presented by:**  
**Tara Hollis, CPA, CVA, MBA**  
*Principal Consultant*



# Purpose of Stormwater Utility Rate Study

**Goal:** To allow the Utility to achieve revenue sufficiency in support of the operations and maintenance and capital improvement initiatives of the Utility.

- Determination and application of just and equitable rate structure
- Recommendation of rate adjustments to provide for full cost recovery
- Consideration of various application and billing methodologies

# Scope of Services

- Prepare financial analysis.
  - Historical operating results
  - Adopted 2020 budget
  - Current capital improvements program
  - Proposed debt
- Analyze current rate structure and billing methodology.
- Prepare billing analysis of stormwater accounts.
- Develop projection of annual revenue requirements for system operation and maintenance, capital projects, debt service, transfers and required reserves.

# What was Done?

- Fiscal Requirements/Operating Analysis
  - Operating and Maintenance (O&M) Expenses
  - Debt Service
  - Renewal & Replacement
  - Pay-as-you-go Capital
- Property Characteristic and Classification Analysis
- Billing Determinants (Effective Drainage Units)
- Billing Methodology
- Developed Interactive Computer Model
- Rate Determination
- Proforma Operating Results

# Rate Revenue Requirements

Total Fiscal Requirements

**Less**

Other Income & Sources

**Less**

Adjustments

**Equals**

Net Rate Revenue Requirements



# Rate Revenue Requirements

FY 2020 – FY 2025

Description	Projected for Fiscal Year Ending September 30,					
	2020	2021	2022	2023	2024	2025
<b>System Expenditures:</b>						
Personnel Expenses	\$ 470,518	\$ 541,709	\$ 665,186	\$ 751,061	\$ 833,126	\$ 911,143
Operating Expenses	559,963	514,772	535,358	557,204	579,321	602,720
Debt Service	-	-	-	261,000	522,000	522,000
Transfers	299,756	263,956	264,282	264,615	264,955	265,301
Capital Improvement Projects	830,794	626,879	648,875	410,307	348,114	279,384
Gross Requirement	\$ 2,161,031	\$ 1,947,316	\$ 2,113,701	\$ 2,244,187	\$ 2,547,516	\$ 2,580,549
Less: Other Revenues	(35,620)	(32,132)	(30,319)	(27,513)	(22,604)	(16,519)
<b>Net Requirement</b>	<b>\$ 2,125,411</b>	<b>\$ 1,915,184</b>	<b>\$ 2,083,382</b>	<b>\$ 2,216,675</b>	<b>\$ 2,524,912</b>	<b>\$ 2,564,029</b>

# Capital Improvement Plan

## Infrastructure Projects

Description	FY 2021 - FY 2025
<b><u>PROJECTS</u></b>	
City Hall Drainage Pipe 24"	\$ 111,090
New Hampshire Ave Pond Addition	\$ 100,000
Boston Ave & Rich Ave. Drainage Improvements	\$ 66,019
GIS SW Infrastructure Data Collections	\$ 300,000
Misc. Stormwater Neighborhood Improvements	\$ 500,000
Misc. Stormwater Pond Improvements	\$ 100,000
Hubbard Ave & High St. Drainage Improvements	\$ 120,000
W. Rich Ave & N. Florida Ave Drainage Improvements	\$ 125,000
S. Alabama Ave Additional Pond Improvement	\$ 225,000
Eidson Ave Drainage Improvement	\$ 275,000
City Hall SW Pump Station	\$ 2,761,608
Wisconsin Ave Pipeline Improvement	\$ 225,000
Property Acquisition/Design New Hamp. Ave & S. Garfield Ave.	\$ 250,000
Painter's Pond Improvements	\$ 250,000
Earl Brown Pond Dredging & Improvements Project	\$ 225,000
Public Service Bldg. Improvements	\$ 65,000
Walt Ave Ponds	\$ 75,000
University Ave Drainage Improvements	\$ 475,795
<b>Total Projects</b>	<b>\$ 6,249,512</b>

# Capital Improvement Plan

## Equipment/Other

Description	FY 2021 - FY 2025
<b><u>EQUIPMENT</u></b>	
4500171 Skid steer replacement	\$ 65,205
450-PP-003	\$ 49,680
450-PP-008	\$ 49,680
SW Camera Vehicle Conversion (Utilities)	\$ 51,750
NEW-Broom attachment for Skid steer	\$ 5,382
NEW- Attachment for replacement Skid steer	\$ 8,073
NEW- Sweeper (leasing 5yr)	\$ 67,275
#168 - 1999 Sterling Tractor-ADD TO CIP	\$ 123,191
SW Camera Collection Vehicle	\$ 160,684
NEW- Sweeper (leasing 5yr)	\$ 69,630
#104 - 2010 Slope mower (450M104)	\$ 66,523
#163A -2012 (SW SUPERINTENDENT TRUCK)	\$ 33,262
450INM522 - 2017--48" Kubota mower	\$ 15,522
NEW- Sweeper (leasing 5yr)	\$ 72,067
#171 - 2012 - Skid Steer	\$ 51,639
450TL02 - SW-TL-002 DUAL TANDEM EQUIPMENT TRAILER (2013)	\$ 11,475
NEW- Sweeper (leasing 5yr)	\$ 74,589
450015 - (SW-MW-015) Radio Controlled Slope Mower (P&R is using)	\$ 59,384
NEW- Sweeper (leasing 5yr)	\$ 77,200
<b>Total Equipment</b>	<b>\$ 1,112,209</b>

# Capital Improvement Plan

## Summary Spending By Year

Description	Projected for Fiscal Year Ending September 30,					Total 2021 - 2025
	2021	2022	2023	2024	2025	
<b>Capital Improvement Plan</b>						
Infrastructure Projects	\$ 397,109	\$ 365,000	\$ 1,020,000	\$ 4,247,403	\$ 220,000	\$ 6,249,512
Equipment	297,045	353,504	187,373	137,703	136,584	1,112,209
<b>Total Capital Improvement Plan</b>	<b>\$ 694,154</b>	<b>\$ 718,504</b>	<b>\$ 1,207,373</b>	<b>\$ 4,385,106</b>	<b>\$ 356,584</b>	<b>\$ 7,361,721</b>
<b>Funding Sources</b>						
Reserves/Operating Revenues	\$ 626,879	\$ 648,875	\$ 410,307	\$ 348,114	\$ 279,384	\$ 2,313,558
Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5 Yr Lease	\$ 67,275	\$ 69,630	\$ 72,067	\$ 74,589	\$ 77,200	\$ 360,760
5 Yr Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10 Yr Loan	\$ -	\$ -	\$ 725,000	\$ 3,962,403	\$ -	\$ 4,687,403
20 Yr Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bond	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Funding Sources</b>	<b>\$ 694,154</b>	<b>\$ 718,504</b>	<b>\$ 1,207,373</b>	<b>\$ 4,385,106</b>	<b>\$ 356,584</b>	<b>\$ 7,361,721</b>

**Note:** City anticipates borrowing the 10-Year loan for the full \$4.687 million in mid-FY 2023, with spend down occurring over FY 2023 and FY 2024.

# Debt Service and Leases

- Projected Debt Service
  - Borrowing in FY 2023 for \$4.687 million to fund a portion of the Capital Improvement Plan
  - Terms:
    - Bank financing
    - 10-year
    - 2.0% Interest
- Leases
  - Certain equipment to be in CIP to be leased over 5 years
  - Annual lease payments to be included in operating expenses

# Existing Rate Methodology

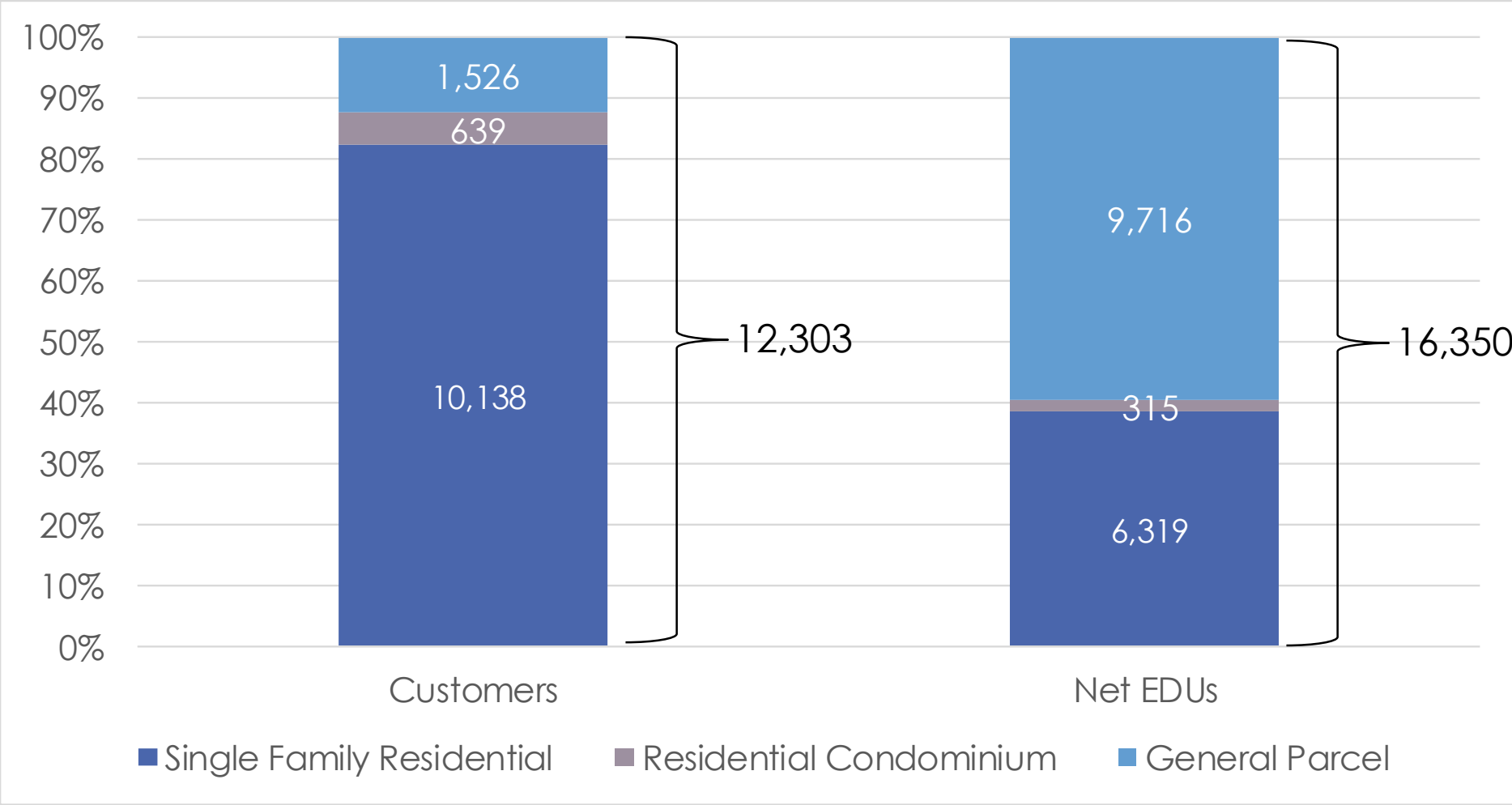
## Property Types

- **Single Family Residential**
  - Small: (Between 100 and 1,500 square feet)
  - Medium: (Between 1,501 and 3,000 square feet)
  - Large: (Between 3,001 and 6,000 square feet)
  - Very Large: (Greater than 6,000 square feet)
- **Condominium Residential Unit (DOR Code 04 or 05)**
- **General Parcels (All Other Parcels)**
  - Multi-family
  - Commercial
  - Industrial
  - Other Non-Residential
  - Etc.

# Existing Rate Methodology

- Single Family Residential
  - Residential tiers based on building footprint
- Condominium Residential Unit
  - Total number of EDUs attributable to condo parcel divided by number of condo parcels
- General Parcels
  - Total EDUs attributable to parcel
- 1 EDU = 3,100 square feet of impervious area

# Customer Analysis





# Existing Rate Methodology Analysis

## ○ Impervious Area Method

- Used by majority of stormwater utilities in Florida
- Utilizes a statistical analysis of impervious area for all single family residential customers
- Provides a detailed analysis of impervious area for all other customer classes
- Easily understood as EDU calculation is tied to specific property characteristics for all non-residential customers

## ○ Hybrid Billing Method – Owner Billing

- If property owner is a water/sewer customer, on the monthly water/sewer bill
- In property owner is not a water/sewer customer, billed annually on a separate bill

# Existing Rates

Customer Class	EDU	Monthly Rate
Single Family Residential		
Small	0.56	\$ 5.21
Medium	1.00	\$ 9.30
Large	1.63	\$ 15.16
Very Large	Calculated	\$9.30 per EDU
Condominium Residential Unit	Calculated	\$9.30 per EDU
General Parcel	Calculated	\$9.30 per EDU
Maintenance Fee (If not on water/sewer bill)		\$ 4.99

# Rate Adjustment Scenarios

- **Alternative 1: Annual Inflationary Adjustments**
  - Annual indexing adjustments to account for inflation
- **Alternative 2: Just-in-Time Rate Adjustments**
  - Use existing fund balance to fund CIP
  - Rate adjustments as needed to maintain a targeted fund balance of 90 days and a minimum of a 1.0 ratio of coverage on its projected debt service
- **Alternative 3: Levelized Rate Increases**
  - 2019 Master Plan Update identified capital projects beyond FY 2025
  - Levelized rate adjustments to account for inflation, provide for adequate working fund balance, and to minimize future rate shock associated with CIP beyond FY 2025
- **Alternative 4: Modified Inflationary Adjustments**
  - No rate adjustment in FY 2021
  - Levelized rate adjustments thereafter, to account for inflation and provide for adequate working fund balance

# Proforma Operating Results

## Alternative 1 – Annual Inflationary Adjustments

Category	Projected for Fiscal Year Ending September 30,				
	2021	2022	2023	2024	2025
<b>Rates</b>					
Adjustment	3.00%	3.00%	3.00%	3.00%	3.00%
Per EDU (Annual)	\$ 115.00	\$ 118.45	\$ 122.00	\$ 125.66	\$ 129.43
<b>Revenues</b>					
Charges for Services	\$ 1,888,771	\$ 1,962,949	\$ 2,039,820	\$ 2,121,719	\$ 2,208,886
Other Revenues	32,781	31,749	29,432	24,690	18,410
<b>Total Revenues</b>	\$ 1,921,552	\$ 1,994,699	\$ 2,069,252	\$ 2,146,408	\$ 2,227,296
<b>Expenses</b>					
Personnel Expenses	\$ 541,709	\$ 665,186	\$ 751,061	\$ 833,126	\$ 911,143
Operating Expenses	514,772	535,358	557,204	579,321	602,720
Debt Service	-	-	261,000	522,000	522,000
Transfers	263,956	264,282	264,615	264,955	265,301
<b>Total Expenses</b>	\$ 1,320,437	\$ 1,464,826	\$ 1,833,881	\$ 2,199,402	\$ 2,301,164
<b>Revenue Available for Capital Projects</b>	<b>\$ 601,116</b>	<b>\$ 529,873</b>	<b>\$ 235,372</b>	<b>\$ (52,994)</b>	<b>\$ (73,868)</b>
Add: Available Fund Balance	1,572,966	1,547,202	1,428,200	1,253,265	852,158
Less: Capital Projects/Equipment from CIP	(626,879)	(648,875)	(410,307)	(348,114)	(279,384)
<b>Ending Fund Balance</b>	<b>\$ 1,547,202</b>	<b>\$ 1,428,200</b>	<b>\$ 1,253,265</b>	<b>\$ 852,158</b>	<b>\$ 498,905</b>
<b>Days Cash on Hand</b>	535	434	350	220	120
<b>Targeted Days Cash on Hand</b>	90	90	90	90	90
<b>Projected Debt Service Coverage</b>	-	-	2.92	1.41	1.37

# Proforma Operating Results

## Alternative 2 – Just In Time Rate Adjustments

Category	Projected for Fiscal Year Ending September 30,				
	2021	2022	2023	2024	2025
<b>Rates</b>					
Adjustment	0.00%	0.00%	0.00%	4.80%	29.80%
Per EDU (Annual)	\$ 111.65	\$ 111.65	\$ 111.65	\$ 117.01	\$ 151.88
<b>Revenues</b>					
Charges for Services	\$ 1,833,751	\$ 1,850,260	\$ 1,866,769	\$ 1,975,667	\$ 2,592,024
Other Revenues	32,132	29,445	24,403	16,862	14,137
<b>Total Revenues</b>	\$ 1,865,882	\$ 1,879,705	\$ 1,891,173	\$ 1,992,529	\$ 2,606,161
<b>Expenses</b>					
Personnel Expenses	\$ 541,709	\$ 665,186	\$ 751,061	\$ 833,126	\$ 911,143
Operating Expenses	514,772	535,358	557,204	579,321	602,720
Debt Service	-	-	261,000	522,000	522,000
Transfers	263,956	264,282	264,615	264,955	265,301
<b>Total Expenses</b>	\$ 1,320,437	\$ 1,464,826	\$ 1,833,881	\$ 2,199,402	\$ 2,301,164
<b>Revenue Available for Capital Projects</b>	<b>\$ 545,445</b>	<b>\$ 414,879</b>	<b>\$ 57,292</b>	<b>\$ (206,873)</b>	<b>\$ 304,997</b>
Add: Available Fund Balance	1,572,966	1,491,532	1,257,536	904,522	349,535
Less: Capital Projects/Equipment from CIP	(626,879)	(648,875)	(410,307)	(348,114)	(279,384)
<b>Ending Fund Balance</b>	<b>\$ 1,491,532</b>	<b>\$ 1,257,536</b>	<b>\$ 904,522</b>	<b>\$ 349,535</b>	<b>\$ 375,147</b>
<b>Days Cash on Hand</b>	515	382	252	90	90
<b>Targeted Days Cash on Hand</b>	90	90	90	90	90
<b>Projected Debt Service Coverage</b>	-	-	2.23	1.11	2.09

# Proforma Operating Results

## Alternative 3 – Levelized Annual Adjustments

Category	Projected for Fiscal Year Ending September 30,				
	2021	2022	2023	2024	2025
<b>Rates</b>					
Adjustment	5.00%	5.00%	5.00%	5.00%	5.00%
Per EDU (Annual)	\$ 117.23	\$ 123.09	\$ 129.24	\$ 135.70	\$ 142.49
<b>Revenues</b>					
Charges for Services	\$ 1,925,397	\$ 2,039,843	\$ 2,160,871	\$ 2,291,240	\$ 2,431,772
Other Revenues	33,213	33,306	32,883	30,892	28,317
<b>Total Revenues</b>	\$ 1,958,611	\$ 2,073,149	\$ 2,193,754	\$ 2,322,132	\$ 2,460,089
<b>Expenses</b>					
Personnel Expenses	\$ 541,709	\$ 665,186	\$ 751,061	\$ 833,126	\$ 911,143
Operating Expenses	514,772	535,358	557,204	579,321	602,720
Debt Service	-	-	261,000	522,000	522,000
Transfers	263,956	264,282	264,615	264,955	265,301
<b>Total Expenses</b>	\$ 1,320,437	\$ 1,464,826	\$ 1,833,881	\$ 2,199,402	\$ 2,301,164
<b>Revenue Available for Capital Projects</b>	<b>\$ 638,174</b>	<b>\$ 608,323</b>	<b>\$ 359,874</b>	<b>\$ 122,730</b>	<b>\$ 158,924</b>
Add: Available Fund Balance	1,572,966	1,584,260	1,543,709	1,493,275	1,267,891
Less: Capital Projects/Equipment from CIP	(626,879)	(648,875)	(410,307)	(348,114)	(279,384)
<b>Ending Fund Balance</b>	<b>\$ 1,584,260</b>	<b>\$ 1,543,709</b>	<b>\$ 1,493,275</b>	<b>\$ 1,267,891</b>	<b>\$ 1,147,431</b>
<b>Days Cash on Hand</b>	547	469	417	328	277
<b>Targeted Days Cash on Hand</b>	90	90	90	90	90
<b>Projected Debt Service Coverage</b>	-	-	3.39	1.74	1.81

# Proforma Operating Results

## Alternative 4 – Modified Inflationary Adjustments

Category	Projected for Fiscal Year Ending September 30,				
	2021	2022	2023	2024	2025
<b>Rates</b>					
Adjustment	0.00%	4.00%	4.00%	4.00%	4.00%
Per EDU (Annual)	\$ 111.65	\$ 116.12	\$ 120.76	\$ 125.59	\$ 130.61
<b>Revenues</b>					
Charges for Services	\$ 1,833,751	\$ 1,924,337	\$ 2,019,087	\$ 2,120,537	\$ 2,229,025
Other Revenues	32,132	30,319	27,513	22,604	16,519
<b>Total Revenues</b>	\$ 1,865,882	\$ 1,954,656	\$ 2,046,600	\$ 2,143,141	\$ 2,245,544
<b>Expenses</b>					
Personnel Expenses	\$ 541,709	\$ 665,186	\$ 751,061	\$ 833,126	\$ 911,143
Operating Expenses	514,772	535,358	557,204	579,321	602,720
Debt Service	-	-	261,000	522,000	522,000
Transfers	263,956	264,282	264,615	264,955	265,301
<b>Total Expenses</b>	\$ 1,320,437	\$ 1,464,826	\$ 1,833,881	\$ 2,199,402	\$ 2,301,164
<b>Revenue Available for Capital Projects</b>	<b>\$ 545,445</b>	<b>\$ 489,830</b>	<b>\$ 212,719</b>	<b>\$ (56,261)</b>	<b>\$ (55,620)</b>
Add: Available Fund Balance	1,572,966	1,491,532	1,332,487	1,134,900	730,525
Less: Capital Projects/Equipment from CIP	(626,879)	(648,875)	(410,307)	(348,114)	(279,384)
<b>Ending Fund Balance</b>	<b>\$ 1,491,532</b>	<b>\$ 1,332,487</b>	<b>\$ 1,134,900</b>	<b>\$ 730,525</b>	<b>\$ 395,520</b>
<b>Days Cash on Hand</b>	515	405	317	189	95
<b>Targeted Days Cash on Hand</b>	90	90	90	90	90
<b>Projected Debt Service Coverage</b>	-	-	2.83	1.40	1.40

# Projected Rate per EDU

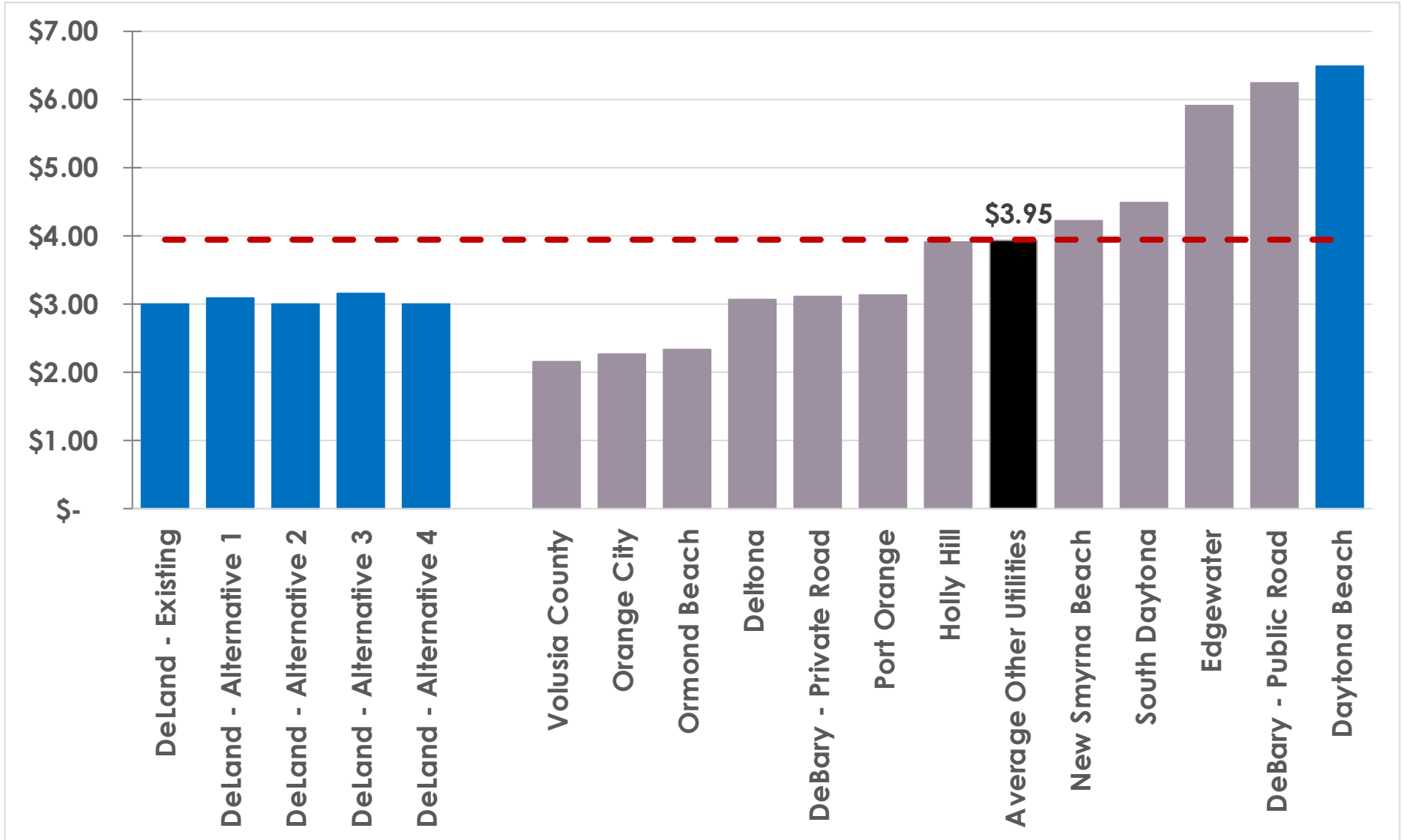
## FY 2021 – FY 2025

Alternative	Projected for Fiscal Year Ending September 30,				
	2021	2022	2023	2024	2025
<b>Alternative 1 - Inflationary Adjustments</b>	3.00%	3.00%	3.00%	3.00%	3.00%
Annual - Rate per EDU	\$ 115.00	\$ 118.45	\$ 122.00	\$ 125.66	\$ 129.43
Annual - Difference per EDU	\$ 3.35	\$ 3.45	\$ 3.55	\$ 3.66	\$ 3.77
Monthly - Rate per EDU	\$ 9.58	\$ 9.87	\$ 10.17	\$ 10.47	\$ 10.79
Monthly - Difference per EDU	\$ 0.28	\$ 0.29	\$ 0.30	\$ 0.31	\$ 0.31
<b>Alternative 2 - Just-in-Time Adjustments</b>	0.00%	0.00%	0.00%	4.80%	29.80%
Annual - Rate per EDU	\$ 111.65	\$ 111.65	\$ 111.65	\$ 117.01	\$ 151.88
Annual - Difference per EDU	\$ -	\$ -	\$ -	\$ 5.36	\$ 34.87
Monthly - Rate per EDU	\$ 9.30	\$ 9.30	\$ 9.30	\$ 9.75	\$ 12.66
Monthly - Difference per EDU	\$ -	\$ -	\$ -	\$ 0.45	\$ 2.91
<b>Alternative 3 - Levelized Adjustments</b>	5.00%	5.00%	5.00%	5.00%	5.00%
Annual - Rate per EDU	\$ 117.23	\$ 123.09	\$ 129.24	\$ 135.70	\$ 142.49
Annual - Difference per EDU	\$ 5.58	\$ 5.86	\$ 6.15	\$ 6.46	\$ 6.79
Monthly - Rate per EDU	\$ 9.77	\$ 10.26	\$ 10.77	\$ 11.31	\$ 11.87
Monthly - Difference per EDU	\$ 0.47	\$ 0.49	\$ 0.51	\$ 0.54	\$ 0.57
<b>Alternative 4 - Modified Inflationary Adjustments</b>	0.00%	4.00%	4.00%	4.00%	4.00%
Annual - Rate per EDU	\$ 111.65	\$ 116.12	\$ 120.76	\$ 125.59	\$ 130.61
Annual - Difference per EDU	\$ -	\$ 4.47	\$ 4.64	\$ 4.83	\$ 5.02
Monthly - Rate per EDU	\$ 9.30	\$ 9.68	\$ 10.06	\$ 10.47	\$ 10.88
Monthly - Difference per EDU	\$ 0.00	\$ 0.37	\$ 0.39	\$ 0.40	\$ 0.42



# Comparable Rates

(Average per 1,000 s.f.)



# Other Considerations

- Billing and Collection Methods
  - Monthly Billing – Occupant
  - Quarterly Billing – Owner
  - Non-Ad Valorem Assessment – Owner
- Rate Structure Modifications
  - Mitigation Credit Levels
  - Non-Tiered Rates for Single Family Residential Customers

# Billing Methods

## Billing Methods for Stormwater Charge Recovery

- **Tax Bill Method**
  - Charges included on Tax Roll and billed on annual basis
  - **Pros:** collection enforcement, reduced administrative effort, and public acceptance
  - **Cons:** cannot charge tax-exempt properties, increased billing cost
- **Utility Bill Method**
  - Charges included on monthly water/wastewater bill
  - **Pros:** monthly cash flow and reduced billing costs
  - **Cons:** limited applicable properties
- **Independent Bill Method**
  - Charges billed on separate monthly bill
  - **Pros:** monthly cash flow, ability to charge all properties
  - **Cons:** increased billing and administrative costs, enforcement
- **Hybrid Method**
  - Combination of any of the above methods.

# Additional Billing Options

## Existing Billing Method – Hybrid Owner/Occupant

- If owner/occupant, stormwater fee is included on monthly water/sewer bill
- Otherwise, separate annual bill prepared which includes a maintenance fee
- **Pros:**
  - Lien can be placed on property for non-payment
  - If owner/occupant, water service can be shut off
- **Cons:**
  - Additional fees to customize billing system
  - Billing method must be verified/trued up every time occupant changes

## Monthly Billing – Occupant

- Occupant billed the stormwater fee on the monthly water bill
- No additional maintenance fee required
- **Pros:**
  - Can turn off water service for non-payment
  - Minimizes rate shock as increases are split out monthly to all customers versus quarterly or annually
  - Costs savings related to current software customizations
- **Cons:**
  - Can only lien property if owner/occupant
  - Some commercial/condo properties do not have a water bill so may still have to bill separate

# Additional Billing Options

## Quarterly Billing – Owner

- Separate stormwater bill to be sent quarterly to all property owners
- Quarterly Maintenance Fee required
- **Pros:**
  - Lien can be placed on property for non-payment
  - Billing system does not require as much customization resulting in lower costs
- **Cons:**
  - Additional staff time to prepare and process quarterly invoices and payments

## Non-Ad Valorem Assessment – Owner

- Special assessment is included on the annual tax bill for the property
- Payments received on annual basis in first part of fiscal year
- **Pros:**
  - Provides highest degree of collection enforcement
  - Property owner can receive a discount for paying early
- **Cons:**
  - Limited to properties that receive a tax bill
  - County can charge to collect the assessment

# Potential Rate Structure Modifications

## Mitigation Credit Levels

### Mitigation Credit Levels

- City currently offers 8 different levels of mitigation credit
- City could limit the credit levels to streamline billing system
- City billing system would then be updated:
  - Rates that correspond to the mitigation credit would be set up as rate classes based on the mitigation credit factor
  - Rate per EDU would be adjusted based on the mitigation credit factor
  - That rate would be multiplied by the account specific EDU
- Would potentially eliminate one of the billing system customizations that require additional fees to maintain

# Potential Rate Structure Modifications

## Non-Tiered Rate Structure

### Non-Tiered Rate for Single Family Residential (SFR) Class

- City currently offers Tiered Rate Structure for SFR Customers based on building size
- Under Non-Tiered Rate Structure all SFR customers would be charged 1 EDU per dwelling unit
- Based on January 2020 customer data, results in reduction of 22.41 EDUs
- Correlated to an annual revenue reduction of approximately \$2,502 based on FY 2020 rates
- **Pros:**
  - Single residential rate easier to explain to customers
  - Eliminates additional customer classes to include customized billing system
  - Less time to set up new SFR customers and update SFR customers annually as would not need to tie into property appraiser date for building additions, etc.
- **Cons:**
  - Potential reduction in rate equity within the SFR customer class
  - Certain customers could experience increases of approximately 79% upon conversion to non-tiered rate structure.

# Potential Rate Structure Modifications

## Non-Tiered Rate Structure

### Existing Single Family Residential Customer Class Tiers

Customer Class	Building Footprint Square Footage (SF)	EDU
Single Family Residential		
Small	Between 100 sf and 1,500 sf	0.56
Medium	Between 1,501 sf and 3,000 sf	1.00
Large	Between 3,001 sf and 6,000 sf	1.63
Very Large	Greater than 6,000 sf	Calculated

### Total and Net EDUs based on Non-Tiered Rate Structure

Customer Class	Customers		EDUs		Net EDUs	
	Number	Percent	Number	Percent	Number	Percent
<b>Single Family Residential</b>						
Small	1,548.00	12.58%	1,548.00	6.30%	1,481.40	9.07%
Medium	6,432.00	52.28%	6,432.00	26.20%	3,771.33	23.10%
Large	2,136.00	17.36%	2,136.00	8.70%	1,031.75	6.32%
Very Large	22.00	0.18%	22.00	0.09%	12.40	0.08%
<b>Total Single Family Residential</b>	<b>10,138.00</b>	<b>82.40%</b>	<b>10,138.00</b>	<b>41.29%</b>	<b>6,296.88</b>	<b>38.57%</b>
<b>Residential Condominium</b>	639.00	5.19%	413.47	1.68%	314.59	1.93%
<b>General Parcel</b>	1,526.00	12.40%	14,001.82	57.03%	9,716.29	59.51%
<b>Total</b>	<b>12,303.00</b>	<b>100.00%</b>	<b>24,553.29</b>	<b>100.00%</b>	<b>16,327.76</b>	<b>100.00%</b>



# Potential Rate Structure Modifications

## Non-Tiered Rate Structure

### Impact of Converting from Tiered to Non-Tiered Rate Structure

Customer Class	Number of Current Customers	Tiered Structure		Non-Tiered Structure		Difference	
		EDU	Monthly Rate	EDU	Monthly Rate	\$ Amount	% Change
Single Family Residential							
Small	1,548	0.56	\$ 5.21	1.00	\$ 9.30	\$ 4.09	79%
Medium	6,432	1.00	\$ 9.30	1.00	\$ 9.30	\$ -	0%
Large	2,136	1.63	\$ 15.16	1.00	\$ 9.30	\$ (5.86)	-39%
Very Large	22	Calculated	\$9.30 per EDU	1.00	\$ 9.30	N/A	N/A

\* Based on existing FY 2020 rate, before any mitigation credit.

# Findings

- City's current rate methodology used by the majority of Florida stormwater utilities as surveyed by the Florida Stormwater Association.
- The City's current CIP for FY 2021 – FY 2025 includes approximately \$7.36 million in infrastructure and equipment. This will be funded through rates/reserves, leases, and a 10-year bank note.
- The current CIP also identifies additional staffing needed for the utility over the next 5 years including 4 technicians, an open conveyance specialist and an assistant director of public works.

# Conclusions

- Other rate structure options and billing and collection methods are available to the City. However, the current tiered rate structure typically provides for greater rate equity among customer classes and the current billing option provides for greater ability for payment enforcement than some of the other billing options.
- Current and projected conditions require that certain adjustments be considered in order to maintain fiscal stability to meet the growing stormwater management needs of the community and provide for the projected system net revenue requirements for Fiscal Years 2021 through 2025.
- Both the existing and projected rates for each alternative are below the average of other stormwater utilities in the County on a per 1,000 s.f. basis.

# Next Steps



- City to Select Rate Alternative
- Finalize Rate Study Report
- Draft Ordinance/Resolution
- Public Hearing



# Questions?

STORMWATER RATE STUDY

**CITY OF DELAND, FLORIDA  
REQUEST FOR COMMISSION ACTION  
September 21, 2020**

<b>Department: Planning Division</b>	<b>Attachments:</b>
<b>Subject: First Reading of Ordinance Abandoning a Portion of an Unimproved Platted Right-of-Way Known as Colorado Ave</b>	<ol style="list-style-type: none"> <li>1. Ordinance</li> <li>2. Exhibit A Legal Description</li> <li>3. Staff Report (A20-100)</li> <li>4. Zoning and Location Map</li> <li>5. Aerial</li> <li>6. Draft of Duke Easement</li> </ol>
<b>Prepared by:</b>	<b>Approved by:</b>
 <hr/> Mike Holmes, Planning Director	 <hr/> Michael Pleus, City Manager
9/14/2020	9/14/2020

**SUMMARY/HIGHLIGHT:** The applicant, Kirk Bauer, Esq., attorney for Edwill Aquino, owner, is requesting the abandonment of an unopened right of way, Colorado Avenue, between E. Michigan Avenue and E. Arizona Avenue adjacent to 1001 E. Michigan Avenue. The 25-ft. right-of-way was originally platted in 1959 as part of the Seville Manor plat, but was never opened.

Verification of utilities that do not have an objection to the abandonment is a pre-requisite for approval. Letters were received from the applicant, which include AT&T (phone), Charter Communications (cable), Florida Public Utilities (natural gas), Crown Castle Fiber (communications), and City of DeLand Utilities, all of whom stated no objection to the proposed right-of-way abandonment. Duke Energy (power), sent a letter stating that there are existing distribution facilities located within the area proposed for abandonment. The applicant intends to provide an easement to ensure the energy provider will have continued access to these distribution facilities.

Staff does not object to the abandonment but is recommending that the entirety of the right of way be included in the request because once the section being requested by the applicant is abandoned the remaining portion of the right of way would no longer be useful to the city, as long as the easement is provided. The applicant has agreed to provide a description of the easement for the entire length of the block between Michigan Ave. and Arizona Ave. An easement from the applicant has been submitted that will provide rights to Duke Energy for the entire length of Colorado Avenue being abandoned with the half of the right of way be adding to each adjacent property owner.