



## Commission Agenda Item

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**MEETING DATE:** 8/8/2022

**SUBJECT:** Ordinance 22-22, First Reading; Amending Code Section 38 - Utility Rates Water & Wastewater

**PREPARED BY:** Rodolfo Valladares, Public Services Director

**RECOMMENDED ACTION:**

Approve Ordinance 22-22 on First Reading and schedule Second and Final Reading for August 22, 2022.

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### Summary

The City of Alachua establishes water, wastewater and reclaimed water rates to generate revenue sufficient to meet its operating expenses. The City of Alachua's water, wastewater, and reclaimed water rates were last modified in 2021 for the Fiscal Year 2022 budget process. The Administration evaluates utility rates annually during the budget process and, if warranted, recommends rates be adjusted.

Staff utilizes models for developing water, wastewater and reclaimed water rates. The forecasts determine whether or not rates will produce revenues that are sufficient to meet the expenses associated with providing utility service to our residents. Staff proposes increases in its water, wastewater, and reclaimed water rates and an increase in the water meter installation charge, water capital facility charges, and wastewater capital facility charges to ensure the funds operate in a self-sustaining manner.

The Florida Public Service Commission (FPSC) annually publishes a Water and Wastewater Price Index. The prices establish a price increase or decrease for major categories of water and wastewater operating expenses. The intent of the price index is to identify the necessary adjustments that utility service providers should make to their rates to stay abreast of inflationary or deflationary pressures. The latest FPSC approved a water and wastewater price index of 4.53%.

Staff was not able to develop proposed water, wastewater, and reclaimed water rates by applying the FPSC Price Index. As identified in Ordinance 22-22, the proposed rate increases are:

- 6%, to amend the water rates, and
- 3%, to amend the wastewater, and reclaimed rates.

The proposed rates provide for changes to the customer charge, availability charge and consumption charge.

The proposed rate also includes 15% increase to amend the water meter installation charge and the associated capital facility charges for water and wastewater.

The City Commission held a workshop to review utility rates on July 24, 2022. Notices were issued through the City's utility billing system in accordance with Florida Statute 180.136.

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**FINANCIAL IMPACT:** Yes

**BUDGETED:**Yes

**AMOUNT:**Varies

**FUNDING SOURCE:**Water Fund, Waste Water Fund

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**COMMISSION GOALS:**

Strengthen Community Services

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**ATTACHMENTS:**

Description

- ▢ FIRSTREADING Ordinance 22-22 Water and Wastewater Rates
- ▢ Ordinance 22-22 Ad (1st Reading) publication 07282022

**ORDINANCE 22-22**

**AN ORDINANCE OF THE CITY OF ALACHUA, FLORIDA; AMENDING THE FOLLOWING SECTIONS OF CHAPTER 38 OF THE CITY OF ALACHUA CODE OF ORDINANCES: SECTION 38-99(A) INCREASING THE WATER METER INSTALLATION CHARGE; 38-101(A) INCREASING THE WATER CAPITAL FACILITIES CHARGE; 38-102(A)(1) INCREASING THE WATER MONTHLY CUSTOMER CHARGE FOR EACH METERED POINT OF CONNECTION TO THE CITY WATER SYSTEM; SECTION 38-102(A)(2) INCREASING THE MONTHLY WATER AVAILABILITY CHARGE FOR EACH METERED POINT OF CONNECTION TO THE CITY'S WATER SYSTEM; SECTION 38-102(A)(3) INCREASING THE WATER CONSUMPTION CHARGES FOR RESIDENTIAL SERVICE, NONRESIDENTIAL SERVICE, AND IRRIGATION SERVICE; SECTION 38-139(A) INCREASING THE WASTEWATER CAPITAL FACILITIES CHARGE; SECTION 38-140(A)(1) INCREASING THE WASTEWATER MONTHLY CUSTOMER CHARGE FOR EACH METERED POINT OF CONNECTION TO THE CITY WATER SYSTEM; SECTION 38-140(A)(2) INCREASING THE WASTEWATER USAGE CHARGES FOR RESIDENTIAL SERVICE AND NONRESIDENTIAL SERVICE; SECTION 38-141(A)(1) INCREASING THE RECLAIMED WATER MONTHLY CUSTOMER CHARGE FOR EACH METERED POINT OF CONNECTION TO THE CITY RECLAIMED WATER SYSTEM; SECTION 38-141(A)(2) INCREASING THE RECLAIMED WATER USAGE CHARGE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT; PROVIDING FOR INCLUSION IN THE CITY CODE; AND, PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, the City of Alachua provides water, wastewater and reclaimed water services to residential and non-residential customers located within its water and wastewater service territories; and,

**WHEREAS**, the current residential customer and non-residential charges for water, wastewater, and reclaimed water services are not adequate to cover the cost of providing such services, and,

**WHEREAS**, the City Commission, being fully advised of the facts and circumstances, hereby finds it necessary and in the interest of prudent management of public assets and business affairs to increase the current residential and non-residential charges for water, wastewater, and reclaimed water services in order to equitably and adequately fund the cost of such essential services, and

**WHEREAS**, the City of Alachua Commission hereby amends Section 38-99(a), Section 38-101(a), Section 38-102(a)(1), Section 38-102(a)(2) Section 38-102(a)(3), Section 38-139(a), Section 38-140(a)(1), Section 38-140(a)(2), Section 38-141(a)(1), and Section 38-141(a)(2) of the City of Alachua Code of Ordinances.

**NOW THEREFORE BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF ALACHUA, FLORIDA.**

**Section 1. Amendment of Code of Ordinances**

The following sections of Chapter 38 of the City of Alachua Code of Ordinances are hereby amended to read as follows:

**Section 38-99. Water meter installation charge.**

- (a) Upon written application and payment to the City of the charges required herein, the City shall furnish all labor, material and equipment necessary, in accordance with the standard construction specifications of the City, to provide water service to the consumer's property line. Each applicant shall pay to the City, prior to the issuance of a building permit, a water meter installation charge based on the schedule in this subsection. The following schedule of rates will apply to all property within the corporate City limits:

***Water Meter Installation Charges***  
***(Domestic and Irrigation)***

Meter Size (inches)	Water Meter Installation Charge
5/8 x 3/4	<del>\$435.00</del> <u>\$500</u>
3/4	<del>\$475.00</del> <u>\$545</u>
1	<del>\$485.00</del> <u>\$560</u>
1 - 1 1/2	<del>\$560.00</del> <u>\$645</u>
2	Actual Cost
3	Actual Cost
(with backflow)	Actual Cost
4	Actual Cost
(with backflow)	Actual Cost

**Section 38-101. Water capital facilities charge.**

(Domestic and Irrigation)

- (a) Each applicant for water service shall pay to the City a water capital facilities charge, where no water capital facilities charge has been previously paid, prior to conducting the final inspection. This charge is prescribed for various categories of consumers as follows: For residential and commercial consumers, the water capital facilities charge shall be based on the sizes and type of the water meters installed according to the schedule in this subsection. The following schedule of charges shall apply to all property within the corporate limits:

Water Meter Size (inches)	Water Capital Facilities Charge		Total
	Treatment Facilities	Distribution Facilities	
5/8 x 3/4	<del>\$1,500</del> <u>\$1,725</u>	<del>\$450</del> <u>\$520</u>	<del>\$1,950</del> <u>\$2,245</u>
1	<del>\$3,750</del> <u>\$4,315</u>	<del>\$1,125</del> <u>\$1,295</u>	<del>\$4,875</del> <u>\$5,605</u>
1 1/2	<del>\$7,500</del> <u>\$8,625</u>	<del>\$2,250</del> <u>\$2,590</u>	<del>\$9,750</del> <u>\$11,215</u>
2	<del>\$12,000</del> <u>\$13,800</u>	<del>\$3,600</del> <u>\$4,140</u>	<del>\$15,600</del> <u>\$17,940</u>
3 Compound	<del>\$24,000</del> <u>\$27,600</u>	<del>\$7,200</del> <u>\$8,280</u>	<del>\$31,200</del> <u>\$35,880</u>
3 Turbine	<del>\$52,500</del> <u>\$60,375</u>	<del>\$15,750</del> <u>\$18,115</u>	<del>\$68,250</del> <u>\$78,490</u>
4 Compound	<del>\$37,500</del> <u>\$43,125</u>	<del>\$11,250</del> <u>\$12,940</u>	<del>\$48,750</del> <u>\$56,065</u>
4 Turbine	<del>\$150,000</del> <u>\$172,500</u>	<del>\$45,000</del> <u>\$51,750</u>	<del>\$195,000</del> <u>\$224,250</u>
6 Compound	<del>\$75,000</del> <u>\$86,250</u>	<del>\$22,500</del> <u>\$25,875</u>	<del>\$97,500</del> <u>\$112,125</u>
6 Turbine	<del>\$300,000</del> <u>\$345,000</u>	<del>\$90,000</del> <u>\$103,500</u>	<del>\$390,000</del> <u>\$448,500</u>

**Section 38-102. Rates for Consumption of Water are hereby amended as set forth below.**

(a) *Rates.* The rates to be assessed and collected from customers of water furnished as set forth below.

***Water System Consumption Charges.***

- (1) *Customer charge.* Each customer must pay a customer charge for each metered point of connection to the City's water system.

CUSTOMER CHARGE \$8.88 \$9.41 per month

- (2) *Water availability charge.* Each customer must pay a water availability charge for each metered point of connection to the City's water system based upon water meter size associated with each connection point.

5/8" x 3/4"	\$1.16 <u>\$1.23</u> per month
1"	\$2.97 <u>\$3.15</u> per month
1 1/2"	\$6.70 <u>\$7.10</u> per month
2"	\$11.88 <u>\$12.59</u> per month
3"	\$25.73 <u>\$27.27</u> per month
4"	\$47.47 <u>\$50.32</u> per month
6"	\$106.87 <u>\$113.28</u> per month
8"	\$189.99 <u>\$201.39</u> per month

- (3) *Water consumption charge(s).* Each customer must pay for water consumed through each connection point based upon water service type.

**RESIDENTIAL SERVICE**

Tier 1 (0 – 4,000 gallons)	<del>\$2.11</del> <u>\$2.24</u> per 1,000 gallons
Tier 2 (4,001 – 8,000 gallons)	<del>\$2.75</del> <u>\$2.92</u> per 1,000 gallons
Tier 3 (8,001 gallons and above)	<del>\$4.11</del> <u>\$4.36</u> per 1,000 gallons

**NON-RESIDENTIAL (Commercial, Industrial and Fire Line Service)**

Tier 1 (All consumption)	<del>\$2.75</del> <u>\$2.92</u> per 1,000 gallons
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**IRRIGATION (Residential and Non-Residential Service)**

Tier 1 (All Consumption)	<del>\$4.11</del> <u>\$4.36</u> per 1,000 gallons
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**Section 38-139. Wastewater capital facilities charge.**

- (a) Each applicant for wastewater service shall pay to the City a wastewater capital facilities charge, where no wastewater capital facilities charge has been previously paid, prior to conducting the final inspection. This charge is prescribed for various categories of consumers as follows: For residential and commercial consumers, the wastewater capital facilities charge shall be based on the sizes and type of the water meters installed according to the schedule in this subsection. The following schedule of charges shall apply to all property within the corporate limits:

Water Meter Size (inches)	Wastewater Capital Facilities Charge		Total	
	Treatment Facilities	Distribution Facilities		
5/8 x 3/4	<del>\$2,880</del> <u>\$3,310</u>	<del>\$700</del> <u>\$805</u>	<del>\$3,580</del>	<u>\$4,120</u>
1	<del>\$7,200</del> <u>\$8,280</u>	<del>\$1,750</del> <u>\$2,015</u>	<del>\$8,950</del>	<u>\$10,295</u>
1 1/2	<del>\$14,400</del> <u>\$16,560</u>	<del>\$3,500</del> <u>\$4,025</u>	<del>\$17,900</del>	<u>\$20,585</u>
2	<del>\$23,040</del> <u>\$26,500</u>	<del>\$5,600</del> <u>\$6,440</u>	<del>\$28,640</del>	<u>\$32,935</u>
3 Compound	<del>\$46,080</del> <u>\$52,990</u>	<del>\$11,200</del> <u>\$12,880</u>	<del>\$57,280</del>	<u>\$65,870</u>
3 Turbine	<del>\$100,800</del> <u>\$115,920</u>	<del>\$24,500</del> <u>\$28,175</u>	<del>\$125,300</del>	<u>\$144,095</u>
4 Compound	<del>\$72,000</del> <u>\$82,800</u>	<del>\$17,500</del> <u>\$20,125</u>	<del>\$89,500</del>	<u>\$102,925</u>
4 Turbine	<del>\$288,000</del> <u>\$331,200</u>	<del>\$70,000</del> <u>\$80,500</u>	<del>\$358,000</del>	<u>\$411,700</u>
6 Compound	<del>\$144,000</del> <u>\$165,600</u>	<del>\$35,000</del> <u>\$40,250</u>	<del>\$179,000</del>	<u>\$205,850</u>
6 Turbine	<del>\$576,000</del> <u>\$662,400</u>	<del>\$140,000</del> <u>\$161,000</u>	<del>\$716,000</del>	<u>\$823,400</u>

**Section 38-140. Wastewater rates and charges are hereby amended as set forth below:**

- (a) *Rates.* There is hereby established a schedule of monthly rates and charges for the use of or availability for the use of wastewater collection, treatment and disposal service which in part is based on the amount of water used from the City water system as measured by the customer water meter. Wastewater service charges shall be billed to and be the responsibility of the customer responsible for paying the water bill at any specific location. These rates will apply to all locations within the corporate city limits.

***Wastewater System Usage Charges.***

- (1) *Wastewater Customer charge.* Each customer must pay a wastewater customer charge for each metered (water meter) point of connection to the City's water system.

CUSTOMER CHARGE ~~\$11.53~~ \$11.88 per month

- (2) *Wastewater Usage Charge(s).* Each customer must pay for wastewater discharged into the City's wastewater collection system based upon customer class:

RESIDENTIAL CUSTOMERS ~~\$6.06~~ \$6.24 per 1,000 gallons

NON-RESIDENTIAL (Commercial & Industrial) ~~\$8.43~~ \$8.68 per 1,000 gallons

**Section 38-141. Reclaimed water rates and charges are hereby amended as set forth below:**

- (a) *Rates.* There is hereby established a schedule of monthly rates and charges for the use of or availability for the use of reclaimed water. These rates will apply to all locations within the corporate city limits.

***Reclaimed Water System Usage Charges.***

- (1) *Reclaimed water customer charge.* Each customer must pay a reclaimed water customer charge for each metered point of connection to the City's reclaimed water system.

CUSTOMER CHARGE ~~\$8.66~~ \$8.92 per month

- (2) *Reclaimed water usage charge(s).* Each customer must pay for reclaimed water withdrawn from the City reclaimed water system.

CONSUMPTION CHARGE

~~\$0.79~~ \$0.81 per 1,000 gallons

**Section 2. Inclusion of the Code**

It is the intention of the City Commission of the City of Alachua, Florida, and it is hereby provided that the provisions of this ordinance shall become and be made a part of the Code of Ordinances of the City of Alachua, Florida; that the sections of this ordinance may be renumbered or re-lettered and that the word “ordinance” may be changed to “section”, “article” or other appropriate designation to accomplish such intention

**Section 3. Repealing Clause**

All ordinances or parts of ordinances in conflict with this ordinance are, to the extent they conflict with this ordinance, repealed.

**Section 4. Providing for Severability**

It is the declared intent of the Alachua City Commission that, if any section, sentence, clause, phrase, or provision of this ordinance is for any reason held or declared to be unconstitutional, void, or inoperative by a court or agency of competent jurisdiction, such holding of invalidity or unconstitutionality shall not affect the remaining provisions of this ordinance and the remainder of this ordinance, after the exclusion of such part or parts, shall be deemed to be valid.

**Section 5. Effective Date**

This Ordinance shall be effective upon its passage and adoption on the second and final reading.

**PASSED** on first reading on the 8<sup>th</sup> day of August, 2022.

**PASSED** and **DULY ADOPTED**, in regular session, with a quorum present and voting, by the City Commission, upon second and final reading on the 22<sup>nd</sup> day of August, 2022.

CITY COMMISSION OF THE  
CITY OF ALACHUA, FLORIDA

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Gib Coerper, Mayor  
**SEAL**

**ATTEST:**

**APPROVED AS TO FORM**

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Mike DaRoza, City Manager/Clerk

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Marian B. Rush, City Attorney



# City of ALACHUA

## PUBLIC NOTICE NOTICE OF ENACTMENT OF AN ORDINANCE OF THE CITY OF ALACHUA, FLORIDA

The City of Alachua City Commission will hold a public hearing on a proposed ordinance on August 8, 2022 at 6:00 p.m. The hearing will be held in the James A. Lewis Commission Chambers of City Hall, at 15100 NW 142nd Terrace, Alachua, Florida.

The ordinance title is as follows:

### ORDINANCE 22-22

AN ORDINANCE OF THE CITY OF ALACHUA, FLORIDA; AMENDING THE FOLLOWING SECTIONS OF CHAPTER 38 OF THE CITY OF ALACHUA CODE OF ORDINANCES: SECTION 38-99(A) INCREASING THE WATER METER INSTALLATION CHARGE; 38-101(A) INCREASING THE WATER CAPITAL FACILITIES CHARGE; 38-102(A) (1) INCREASING THE WATER MONTHLY CUSTOMER CHARGE FOR EACH METERED POINT OF CONNECTION TO THE CITY WATER SYSTEM; SECTION 38-102(A)(2) INCREASING THE MONTHLY WATER AVAILABILITY CHARGE FOR EACH METERED POINT OF CONNECTION TO THE CITY'S WATER SYSTEM; SECTION 38-102(A)(3) INCREASING THE WATER CONSUMPTION CHARGES FOR RESIDENTIAL SERVICE, NONRESIDENTIAL SERVICE, AND IRRIGATION SERVICE; SECTION 38-139(A) INCREASING THE WASTEWATER CAPITAL FACILITIES CHARGE; SECTION 38-140(A)(1) INCREASING THE WASTEWATER MONTHLY CUSTOMER CHARGE FOR EACH METERED POINT OF CONNECTION TO THE CITY WATER SYSTEM; SECTION 38-140(A)(2) INCREASING THE WASTEWATER USAGE CHARGES FOR RESIDENTIAL SERVICE AND NONRESIDENTIAL SERVICE; SECTION 38-141(A)(1) INCREASING THE RECLAIMED WATER MONTHLY CUSTOMER CHARGE FOR EACH METERED POINT OF CONNECTION TO THE CITY RECLAIMED WATER SYSTEM; SECTION 38-141(A)(2) INCREASING THE RECLAIMED WATER USAGE CHARGE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT; PROVIDING FOR INCLUSION IN THE CITY CODE; AND, PROVIDING AN EFFECTIVE DATE.

At the public hearing, all interested parties may appear and be heard with respect to the proposed ordinance. Copies of the proposed ordinance and related materials are available for public inspection at the Office of the City Clerk, 15100 NW 142nd Terrace, Monday-Thursday between the hours of 7:30 a.m. to 6:00 p.m. the Thursday prior to the City Commission meeting. Written comments on the proposed ordinance may be sent to the following address: City of Alachua, Attn: Public Services Department, P.O. Box 9, Alachua, FL 32616. Notice is given pursuant to Section 286.0105, Florida Statutes, that in order to appeal any decision made at these public hearings, you will need to ensure that a verbatim record is made. In accordance with the Americans with Disabilities Act, any persons with a disability requiring reasonable accommodation in order to participate in this meeting should call the City Clerk at (386) 418-6100 x 101 at least 48 hours prior to the public hearing.

(Published: Alachua County Today - July 28, 2022)