



Legislation Text

File #: RES-2023-28, **Version:** 1

Submitted By: Rusella Bowes-Johnson

Presentation By: Sean Lanier

Department: Water & Sewer

STAFF RECOMMENDATION (Motion Ready):

Adopt Resolution 2023-28 to approve new water and sewer rates for 10-inch and 12-inch meters

OCALA'S RELEVANT STRATEGIC GOALS:

Fiscally Sustainable

PROOF OF PUBLICATION:

N/A

BACKGROUND:

Due to long lead times, supply chain shortages, and increased demand for 5/8-inch meters, developers are asked to use larger size meters. One apartment complex planned to install 5/8-inch meters for roughly 300 units; however, due to the issues listed above the developer's only option was to install two, 10-inch meters. The Water and Sewer rate structure approved by City Council on January 19, 2021, did not include rates for 10-inch and 12-inch meters. These customers are classified as large commercial users and do not fall under the tiered consumption structure. The City is expecting approximately seven additional developments that will require meters greater than eight-inches by the end of 2023.

Rates are established to support system operations and maintenance and to pay for capital expenditures for system repairs, upgrades, and expansions. The department wants to establish rates for two additional meter sizes.

FINDINGS AND CONCLUSIONS:

After comparing rates from 10 Florida municipals with 10-inch and 12-inch meters in their rate structure, the tables below highlight the average percentage increase from eight-inch to 10-inch meters and 10-inch to 12-inch meters. Staff used the lowest percentage from the comparison list to calculate the proposed 10-inch and 12-inch meter rates for the City of Ocala.

| Water from 8" to 10" | | Sewer from 8" to 10" | |
|----------------------|-------|----------------------|-------|
| Lowest | 43.55 | Lowest | 43.61 |
| Highest | 56.19 | Highest | 56.22 |
| Average | 45.58 | Average | 45.80 |

| Water from 10" to 12" | | Sewer from 10" to 12" | |
|-----------------------|-------|-----------------------|-------|
| Lowest | 84.86 | Lowest | 86.79 |
| Highest | 99.93 | Highest | 99.96 |
| Average | 89.70 | Average | 90.17 |

Staff recommends that Council approve the revised rate structure in “Table 1” (attached to this agenda item) which includes new rates for 10-inch and 12-inch meters. If approved, these new 10-inch and 12-inch meter fees will go into effect July 1, 2023.

The current rate structure is in effect until FY2025. The next overall rate study will be conducted in FY2025 and go into effect FY2026.

FISCAL IMPACT:

Based on one apartment complex with 300 units and two, 10-inch meters, the annual revenue will be approximately \$274,997.

PROCUREMENT REVIEW:

N/A

LEGAL REVIEW:

This Resolution has been reviewed and approved for form and legality by City Attorney, William E. Sexton.

ALTERNATIVE:

- Approve with amendments
- Deny
- Table

RESOLUTION 2023-28

A RESOLUTION ADOPTING A NEW WATER AND SEWER FEE RATE FOR 10-INCH AND 12-INCH METERS AND UPDATING THE WATER AND SEWER FEE RATE PREVIOUSLY ADOPTED BY RESOLUTION NO. 2021-10 ON JANUARY 19, 2021

WHEREAS, the water rates adopted on January 19, 2021 did not include fees for 10-inch and 12-inch meters; and

WHEREAS, pursuant to Section 70-301, “Schedule,” changes to sewage usage rates and charges may be set by city council by separate authorizing resolution.

WHEREAS, pursuant to Section 70-416, “Water Rate Schedule,” changes to potable water usage rates and charges may be set by city council by separate authorizing resolution.

WHEREAS, City Council finds that the proposed rate structure is justified by the rate study, fair, uniform, non-discriminatory and reasonable.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OCALA, FLORIDA, in regular session duly assembled approves revisions as described below.

Section 1. The schedules included within Sections 70-301 and 70-416 of the City’s Code of Ordinances are hereby revised to replace the usage rates, charges and fees set forth therein with the usage rates, charges and fees included in the attached **Table 1**, which is hereby incorporated as if fully set forth herein.

Section 2. This Resolution shall take effect on July 1, 2023 to incorporate 10-inch and 12-inch meters.

This resolution adopted this _____ day of _____, 2023.

ATTEST:

CITY OF OCALA

By:
Angel B. Jacobs
City Clerk

By:
James P. Hilty Sr.
President, Ocala City Council

Approved as to form and legality:

By: _____
William E. Sexton
City Attorney