



FY 2024-25 Utility Rates Increases

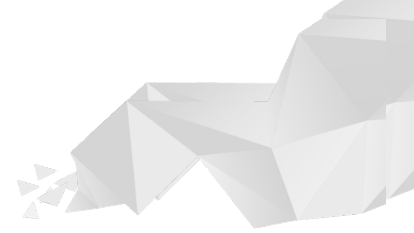
September 12, 2024



AGENDA

- Overview
- Utility Rates Summary
- Rate Tables Comparison
- Understanding the Impact on Utility Bills
- Next Steps – Phase II Rate Study
- Questions

Overview - Utility Rate Increases



Utility CIP Funding Plan

The City is in the process of implementing a \$275.5M CIP Plan for water, wastewater, and stormwater utility infrastructure to address various system failures and improve our unfractured. Without any alternative funding, the plan includes the issuance of utility revenue bonds with a total value of up to \$227.6M.

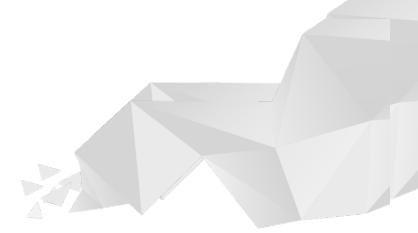
Multi-phase Utility Rate Study

As part of the bond issuance process, the City engaged an outside consultant to perform a multi-phase utility rate study. This ensures that the rates charged to customers are sufficient to cover the CIP Plan and related debt service. The updated analysis of Phase I to the rate study was adopted by the City Commission on June 21, 2023.

Water, Wastewater & Stormwater study results

Phase I of the study identified the need for rate increases through FY2028. The recommended annual rate increases for FY2025 are 10%, 7%, and 10%, respectively, for water, wastewater, and stormwater utilities.

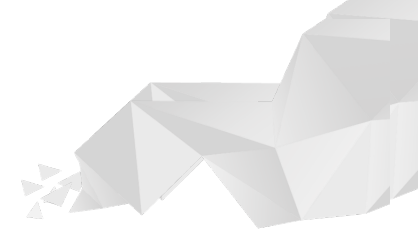
Utility Rates Summary



Recommended Rate Increases from the Phase I Utility Rate Study through FY2028:

	2025	2026	2027	2028	Cumulative Increase
Water	10.00%	8.00%	7.00%	3.75%	31.88%
Wastewater	7.00%	5.50%	5.25%	3.75%	23.27%
Stormwater	10.00%	10.00%	10.00%		33.10%

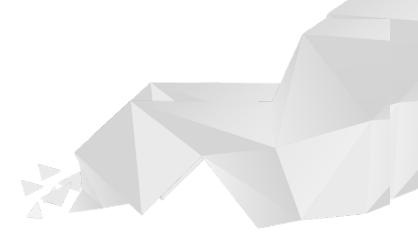
Rate Tables Comparison



FY24/25 Water and Wastewater Rate Increases

	Adopted FY23/24		Proposed FY24/25	
	Water	Sewer	Water (10%)	Sewer (7%)
Base Charge	\$35.37	\$23.67	\$38.91	\$25.33
Rate per 1,000-gallons:				
0 – 2,000	\$ 1.90	\$ 4.84	\$2.09	\$5.18
2,001 – 5,000	\$ 2.05	\$ 5.01	\$2.26	\$5.36
5,001 – 10,000	\$ 2.67	\$ 5.22	\$2.94	\$5.59
10,001 – 25,000	\$ 4.18	\$ 5.80	\$4.60	\$6.21
25,001 and over	\$ 4.57	\$ 6.10	\$5.03	\$6.53

Rate Tables Comparison (Cont.)



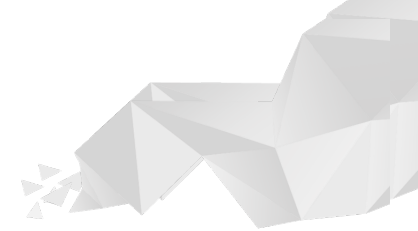
FY24/25 Stormwater Rate Increase

	Adopted FY23/24	Proposed FY24/25
		(10%)
Monthly Charge per Unit/ERU	\$8.92	\$9.81

What is an ERU?

Per City Code of Ordinances, a residential ERU, or equivalent residential unit, is any structure which provides living accommodations for a single family. An ERU is charged a monthly flat rate for stormwater drainage fees.

Understanding the Impact on Utility Bills



Sample Bill – Typical Single Family (Represents an estimate of over 63% of Customers)

Customer Name				Service Address					
Bill Number	Bill Date	Account Number - Customer Number				Current Billing Due Date			
123456	02/16/2024	12345-67890				03/07/2024			
Description	Meter	Previous Read Date	Current Read Date	Previous Meter Reading	Current Meter Reading	Read Code	Usage (100 gal.)	Charge	
WATER BASE								35.37	
WATER CONSUMPTION	85051177	12/27/2023	01/25/2024	4177	4239	A	62	13.15	
SEWER BASE								23.67	
SEWER CONSUMPTION								30.97	
GARBAGE-RESIDENTIAL								27.87	
RECYCLING-RESIDENTIAL								2.00	
STORMWATER DRAINAGE								8.92	
WATER UTILITY TAX								4.85	
						READ CODE:	Total Current Billing	146.80	
						A = Actual	Previous Balance	137.02	
						E = Estimated	Adjustment	0.00	
						F = Final	Less Payments Received	137.02	
							Less Deposits Applied	0.00	
							Total Amount Due	\$146.80	

Understanding the Impact on Utility Bills (Cont.)

Sample Bill Comparison - Single Family

Description	FY 23/24 Bill \$	FY 24/25 Bill \$	Change \$	Change %
WATER BASE CHARGES	\$ 35.37	\$ 38.91		
WATER CONSUMPTION CHARGES	13.15	14.49		
SEWER BASE CHARGES	23.67	25.33		
SEWER CONSUMPTION CHARGES	30.97	33.15		
GARBAGE-RESIDENTIAL	27.87	27.87		
RECYCLING-RESIDENTIAL	2.00	2.00		
STORMWATER DRAINAGE	8.92	9.81		
WATER UTILITY TAX	4.85	5.34		
Total Bill	\$146.80	\$156.90	\$ 10.10	6.88%

Phase II – Utility Rate Study



Overview

The Phase II Rate Study is designed to remeasure the City's stormwater infrastructure and analyze customer consumption for both water and sewer. If approved, the goal is to implement a more equitable rate structure that promotes water conservation while ensuring sufficient revenue to cover operational costs, capital improvement plans, and debt service obligations. The updated rate structure is expected to be implemented starting on October 1, 2025 (Fiscal Year 2026).

Challenges

As with any comprehensive rate study, timing has been impacted by necessary data updates and analysis. The study originally began using 2021 data, but Raftelis is now updating the analysis to reflect more current 2024 data. Additionally, the City is experiencing meter system issues, which requires extra care in reviewing and verifying consumption data to ensure accuracy. These types of adjustments are typical in large-scale utility studies and help ensure that the results are precise and well-informed. Raftelis has also been updating financial models to reflect changes in capital projects and funding assumptions.

Phase II – Utility Rate Study (Cont.)



Next Steps

A final change order for additional hours for Raftelis will be presented in the October 9th agenda. These hours will cover the completion of the Bond Feasibility Report and Phase II of the Rate Study. The results will be presented to the City Commission for approval in early fiscal year 2025.

Questions

