



Pinellas County

Staff Report

File #: 23-0712A, Version: 1

Subject:

Resolution adopting revised retail water, wholesale water, retail sewer, wholesale sewer, retail reclaimed water, and wholesale reclaimed water rates.

Recommended Action:

Hold a public hearing and approve the Utilities Rate Resolution for Fiscal Year (FY) 2024 through FY27 adopting revised rates for retail water, wholesale water, retail sewer, wholesale sewer, retail reclaimed water, and wholesale reclaimed water.

- Recommendations stem from data presented by the Long-Range Utilities Rate Study, conducted by a third-party professional firm, Stantec.
- Retail and Wholesale Water rates are recommended to increase **a net** of 5.0% each year for the next four years, as follows:
 - 1.) FY24 residential block rate of \$3.83/1,000 gallons for use up to 4,000 gallons/month (Reduced from \$5.13/1,000 gallons for use up to 4,000 gallons/month)
 - 2.) FY24 residential block rate of \$8.69/1,000 gallons above 4,000 gallons/month (Increased from \$5.13/1,000 gallons above 4,000 gallons/month)
 - 3.) Phase-in of higher base charge for all meter sizes
- Retail and Wholesale Sewer rates are recommended, as follows:
 - 1.) Retail Volumetric Rate - 4% per year each year for the next four years (Increased from \$7.17/1,000 gallons to \$7.46/1,000 in FY24.
 - 2.) Wholesale sewer rates will not change over the next four years.
- Retail and Wholesale Reclaimed Water rates are recommended, as follows:
 - 1.) Retail increases of 5.2%, 5.0%, 5.1%, and 5.2%, respectively, over the next four years.
 - 2.) Wholesale reclaimed water rates are recommended to increase 15% each year over the next four years.
- Increasing rates will contribute to long-term fiscal sustainability of Utilities operations and continue to fund much-needed infrastructure improvements and assure regulatory compliance.

Strategic Plan:

Practice Superior Environmental Stewardship

3.3 Protect and improve the quality of our water, air, and other natural resources

Foster Continual Economic Growth and Vitality

4.4 Invest in infrastructure to meet current and future needs

Deliver First Class Services to the Public and Our Customers

5.2 Be responsible stewards of the public's resources

Summary:

This action is a Utilities Rate Resolution for FY24 - FY27. The resolution provides for an annual increase in the retail water, wholesale water, retail sewer, retail reclaimed water, and wholesale reclaimed water rates.

Background Information:

The Utilities Department contracted with Stantec to perform a long-range rate study for the water, sewer, and reclaimed water systems. This study examined the revenue requirements needed for operating costs, capital costs, debt service, and required reserves. The study also examined the allocation of costs between retail and wholesale customers, fixed and variable charges, and the current rate design structure. The results of the study were presented to the Board of County Commissioners (BCC), with a formal recommendation to increase rates from FY24 through FY27. The increases would become effective on October 1 of each fiscal year. The recommended rate increases are needed to meet the revenue requirements of the Water and Sewer Funds, as identified and detailed in the rate study.

Fiscal Impact:

WATER

Retail Water Rates:

The proposed rate adjustment for Residential Volumetric Rate per 1,000 gallons for use up to 4,000 gallons per month would be:

FY24	FY25	FY26	FY27
-25%	3%	3%	3%

The proposed rate adjustment for Residential Volumetric Rate per 1,000 gallons for use over 4,000 gallons per month would be an increase of:

FY24	FY25	FY26	FY27
69%	3%	3%	3%

Residential Volumetric Rate per 1,000 gallons up to 4,000 per month

CURRENT	FY24	FY25	FY26	FY27
\$5.13	\$3.83	\$3.93	\$4.05	\$4.19

Residential Volumetric Rate per 1,000 gallons above 4,000 gallons

CURRENT	FY24	FY25	FY26	FY27
\$5.13	\$8.69	\$8.94	\$9.21	\$9.51

Non-Residential Volumetric Rate per 1,000 gallons

CURRENT	FY24	FY25	FY26	FY27
\$5.13	\$5.26	\$5.41	\$5.57	\$5.76

Water Base Rate Charge* per month

METER SIZE	CURRENT	FY24	FY25	FY26	FY27
¾ inch	\$6.80	\$8.05	\$9.30	\$10.55	\$11.80
1 inch	\$17.00	\$20.13	\$23.25	\$26.38	\$29.50
1.5 inch	\$34.00	\$40.25	\$46.50	\$52.75	\$59.00
2 inch	\$54.40	\$64.40	\$74.40	\$84.40	\$94.40
3 inch	\$108.80	\$128.80	\$148.80	\$168.80	\$188.80
4 inch	\$170.00	\$201.25	\$232.50	\$263.75	\$295.00
6 inch	\$340.00	\$402.50	\$465.00	\$527.50	\$590.00
8 inch	\$544.00	\$644.00	\$744.00	\$844.00	\$944.00

*The Water Base Rate Charge is billed bi-monthly for each customer whether the water is on or off.

The proposed rate adjustment based on 5,000 gallons per month, is anticipated to generate additional revenue as follows:

FY24	FY25	FY26	FY27
\$3,936,692	\$4,169,169	\$4,386,383	\$4,614,913

Wholesale Water Rate:

The proposed rate adjustment for Wholesale Water is an increase of:

FY24	FY25	FY26	FY27
5%	5%	5%	5%

Wholesale Volumetric Rate per 1,000 gallons

CURRENT	FY24	FY25	FY26	FY27
\$4.3007	\$4.5157	\$4.7415	\$4.9786	\$5.2275

The proposed rate adjustment is anticipated to generate additional revenue as follows:

FY24	FY25	FY26	FY27
\$804,210	\$846,110	\$890,192	\$936,571

SEWER

Retail Sewer Rates:

The proposed rate adjustment for Retail Sewer is an increase of:

FY24	FY25	FY26	FY27
4%	4%	4%	4%

Retail Volumetric Rate per 1,000 gallons

CURRENT	FY24	FY25	FY26	FY27
\$7.17	\$7.46	\$7.76	\$8.07	\$8.39

Base Rate Charge** per month:

CURRENT	FY24	FY25	FY26	FY27
\$19.64	\$20.43	\$21.25	\$22.10	\$22.98

***The Base Rate Charge is billed bi-monthly for each customer whether the water is on or off. The Volumetric Cap for Single Family Residences is 10,000 gallons per month. The Equivalent Residential Unit (ERU) for Commercial accounts is 5,000 gallons per month.*

The proposed rate adjustment is anticipated to generate additional revenue as follows:

FY24	FY25	FY26	FY27
\$3,016,808	\$3,159,082	\$3,292,016	\$3,430,544

Wholesale Sewer Rates:

Wholesale Volumetric Rate per 1,000 gallons (No Change)

CURRENT	FY24	FY25	FY26	FY27
\$6.1890	\$6.1890	\$6.1890	\$6.1890	\$6.1890

RECLAIMED WATER

Retail Reclaimed Water Rates:

*All reclaimed customers will be metered by FY27

The proposed rate adjustment for Retail Reclaimed Water is an increase of:

FY24	FY25	FY26	FY27
5.2%	5.0%	5.1%	5.2%

Retail Volumetric Allowance All Users

CURRENT	FY24	FY25	FY26	FY27
Unlimited	20,000	18,000	16,000	15,000

Retail Unfunded (Availability Charge) Systems Service User Fee

CURRENT	FY24	FY25	FY26	FY27
\$29.00	\$30.00	\$31.00	\$32.00	\$33.00

Retail Unfunded (Availability Charge) Systems Metered Service

Volumetric Rate Per 1,000 gallons over volumetric allowance

CURRENT	FY24	FY25	FY26	FY27
1.47	\$1.69	\$1.94	\$2.23	\$2.56

Monthly: Availability Charge (not connected for service) \$7.00

Retail Funded (No Availability Charge) Systems User Fee

CURRENT	FY24	FY25	FY26	FY27
\$22.00	\$23.00	\$24.00	\$25.00	\$26.00

Retail Funded (No Availability Charge) Systems Metered Service

Volumetric Rate Per 1,000 gallons over volumetric allowance

CURRENT	FY24	FY25	FY26	FY27
1.47	\$1.69	\$1.94	\$2.23	\$2.56

Retail Reclaimed Metered Service Interruptible rate per 1,000 gallons (retail contracts)

CURRENT	FY24	FY25	FY26	FY27
\$0.212	\$0.2438	\$0.2804	\$0.3224	\$0.3708

The proposed rate adjustment is anticipated to generate additional revenue as follows:

FY24	FY25	FY26	FY27

\$347,068	\$352,368	\$380,884	\$409,536
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Wholesale Reclaimed Water Rates:

The proposed rate for Wholesale Reclaimed Water is an increase of:

FY24	FY25	FY26	FY27
15%	15%	15%	15%

Town of Belleair Wholesale Metered Service per 1,000 gallons

CURRENT	FY24	FY25	FY26	FY27
\$0.212	\$0.2438	\$0.2804	\$0.3224	\$0.3708

City of South Pasadena Wholesale Metered Service per 1,000,000 gallons

CURRENT	FY24	FY25	FY26	FY27
\$500.00	\$575.00	\$661.25	\$760.43	\$874.50

City of St. Pete Beach Wholesale Metered Service per 1,000,000 gallons

CURRENT	FY24	FY25	FY26	FY27
\$500.00	\$575.00	\$661.25	\$760.43	\$874.50

City of Pinellas Park Wholesale Metered Service per 1,000 gallons

CURRENT	FY24	FY25	FY26	FY27
\$0.5000	\$0.5750	\$0.6613	\$0.7604	\$0.8745

The proposed rate adjustment is anticipated to generate additional revenue as follows:

FY24	FY25	FY26	FY27
\$150,854	\$173,482	\$199,505	\$229,431

Staff Member Responsible:

Jeremy Waugh, Interim Director, Utilities

Partners:

N/A

Attachments:

Utilities Rate Resolution

Stantec Rate Study Report

Stantec Rate Study Presentation