



Staff Report

File #: 19-593A, **Version:** 1

Subject:

Resolution revising retail water, wholesale water, retail sewer, wholesale sewer, retail reclaimed water, and wholesale reclaimed water rates.

Recommended Action:

Approval of the Utilities Rate Resolution for Fiscal Year (FY) 2020 through FY 2023 adopting revised rates for retail water, wholesale water, retail sewer, wholesale sewer, retail reclaimed water, and wholesale reclaimed water.

- Recommendation stems from data presented by the long-range Utilities rate study, conducted by a third party professional firm.
- Retail and wholesale water rates are recommended to increase 1.0% each year for the next four years.
 - (1.) No increase to water usage charge for retail customers
 - (2.) No increase to customers with 5/8" or 3/4" meter (92% of customer base)
 - (3.) Phase-in of higher base charge for large meter sizes
- Retail and wholesale sewer rates are recommended to increase 9.5% each year for the next four years.
- Retail and Wholesale reclaimed water rates are recommended to increase 11.63%, 6.75%, 5.9%, and 5.58% over the next four years.
- Increasing rates will contribute to long-term fiscal sustainability of Utilities operations.

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 FY20 - FY23. The resolution provides for an annual increase in the retail water, wholesale water, retail sewer, wholesale 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 FY20 through FY23. 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 Retail Water is an increase of:

FY20	FY21	FY22	FY23
1.00%	1.00%	1.00%	1.00%

Retail Volumetric Rate per 1,000 gallons (no change)

CURRENT	FY20	FY21	FY22	FY23
\$5.13	\$5.13	\$5.13	\$5.13	\$5.13

Base Rate Charge* per month

METER SIZE	CURRENT	FY20	FY21	FY22	FY23
¾ inch	\$6.80	\$6.80	\$6.80	\$6.80	\$6.80
1 inch	\$6.80	\$9.35	\$11.90	\$14.45	\$17.00
1.5 inch	\$6.80	\$13.60	\$20.40	\$27.20	\$34.00
2 inch	\$6.80	\$18.70	\$30.60	\$42.50	\$54.40
3 inch	\$6.80	\$32.30	\$57.80	\$83.30	\$108.80
4 inch	\$6.80	\$47.60	\$88.40	\$129.20	\$170.00
6 inch	\$6.80	\$90.10	\$173.40	\$256.70	\$340.00
8 inch	\$6.80	\$141.10	\$275.40	\$409.70	\$544.00

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

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

FY20	FY21	FY22	FY23
\$713,025	\$722,482	\$732,049	\$741,725

Wholesale Water Rates:

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

FY20	FY21	FY22	FY23
1.00%	1.00%	1.00%	1.00%

Wholesale Volumetric Rate per 1,000 gallons

CURRENT	FY20	FY21	FY22	FY23
\$4.1329	\$4.1742	\$4.2159	\$4.2581	\$4.3007

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

FY20	FY21	FY22	FY23
\$33,955	\$139,319	\$141,166	\$143,035

SEWER

Retail Sewer Rates:

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

FY20	FY21	FY22	FY23
9.50%	9.50%	9.50%	9.50%

Retail Volumetric Rate per 1,000 gallons

CURRENT	FY20	FY21	FY22	FY23
\$4.99	\$5.46	\$5.98	\$6.55	\$7.17

Base Rate Charge** per month:

CURRENT	FY20	FY21	FY22	FY23
\$13.66	\$14.96	\$16.38	\$17.94	\$19.64

***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:

FY20	FY21	FY22	FY23
\$5,926,522	\$6,512,814	\$7,155,879	\$7,861,214

Wholesale Sewer Rates:

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

FY20	FY21	FY22	FY23
9.50%	9.50%	9.50%	9.50%

Wholesale Volumetric Rate per 1,000 gallons

CURRENT	FY20	FY21	FY22	FY23
\$4.3049	\$4.7139	\$5.1617	\$5.6521	\$6.1890

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

FY20	FY21	FY22	FY23
\$831,741	\$914,360	\$1,005,016	\$1,104,482

RECLAIMED WATER

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

FY20	FY21	FY22	FY23
11.63%	6.25%	5.90%	5.58%

Retail Reclaimed Water Rates:

Retail Funded Systems Un-Metered Service (no change)

CURRENT	FY20	FY21	FY22	FY23
\$22.00	\$22.00	\$22.00	\$22.00	\$22.00

Retail Funded Systems Metered Service per 1,000 gallons

CURRENT	FY20	FY21	FY22	FY23
\$1.16	\$1.47	\$1.47	\$1.47	\$1.47

Retail Unfunded Systems Un-Metered Service

CURRENT	FY20	FY21	FY22	FY23
\$16.00	\$17.50	\$19.00	\$20.50	\$22.00

Retail Unfunded Systems Metered Service per 1,000 gallons

CURRENT	FY20	FY21	FY22	FY23
\$1.16	\$1.47	\$1.47	\$1.47	\$1.47

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

CURRENT	FY20	FY21	FY22	FY23
\$0.121	\$0.139	\$0.160	\$0.184	\$0.212

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

FY20	FY21	FY22	FY23
\$668,871	\$401,305	\$402,164	\$403,153

Wholesale Reclaimed Water Rates:

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

CURRENT	FY20	FY21	FY22	FY23
\$116.06	\$212.05	\$308.03	\$404.02	\$500.00

Town of Belleair Wholesale Metered Service per 1,000 gallons

CURRENT	FY20	FY21	FY22	FY23
\$0.121	\$0.139	\$0.160	\$0.184	\$0.212

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

CURRENT	FY20	FY21	FY22	FY23
\$116.06	\$212.05	\$308.03	\$404.02	\$500.00

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

CURRENT	FY20	FY21	FY22	FY23
\$0.2375	\$0.3031	\$0.3688	\$0.4344	\$0.5000

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

FY20	FY21	FY22	FY23
\$40,069	\$24,040	\$24,093	\$24,152

Staff Member Responsible:

Megan Ross, Director, Utilities

Lori Sullivan, Budget & Financial Management Analyst, Office of Management and Budget

Partners:

N/A

Attachments:

Utilities Rate Resolution

Stantec Rate Study Report

Stantec Rate Study Presentation

Public Hearing Notice