


MEMORANDUM

TO: Honorable Mayor and City Council Members

FROM: Paul Johnson – Public Works Director 

DATE: March 24, 2009

SUBJECT: Resolution 536-09 Utilities Miscellaneous Fees and Charges

MAR 17 2009

11:30a 

STRATEGIC PLAN TRACKING NO: G-MA-3

PURPOSE

The purpose of this item is to Request City Council approval of Resolution 536-09 updating the Utilities Miscellaneous Fees and Charges.

BACKGROUND

Section 17.3-24 of the Orange City Code provides that the City Council may review and update the rates and charges by resolution. On attached Exhibit "A", the underlined items reflect the recommended changes/additions

The fees for Minimum Interest Refund and Minimum Collectable Debt are being added as a matter of practicality. It is cost ineffective to refund less than \$2.50 or to attempt to collect a debt of that amount.

The fee for 2" Fire Line Charges is being added due to the fact that this size line was inadvertently overlooked when fees for Fire Line were instituted.

The Alternative Water/Capital Funding Fee is being added as a result of discussions held at the City's Workshop regarding Alternative Water Sources held on November 8, 2008. During that workshop, it was discussed that the City would have to commit to an Alternative Water Source project in the next year. As of now, the best option for the City is to commit to partnering in Seminole County's Yankee Lake project. As a result of the Saint Johns River Water Management Districts' (SJRWMD) Implementation Strategy for Achieving the Minimum Flow Regime for Blue Springs and Other Water Resource Constraints in Volusia County, Orange City will be expected to pump no more than 600,000 gallons of water per day from its current source, groundwater, by 2025. However, in the City's current Consumptive Use Permit (CUP) issued by SJRWMD on January 13, 2009, we are required to submit for a new separate CUP for an Alternative Water source by 2014. Our current CUP also requires the City to have formed a partnership for an alternative source by the end of 2011.

Yankee Lake is currently the only project that will meet these time constraints. Seminole County is moving forward with this project and in order to build the correct size facility, wants a financial commitment from each stakeholder by October of this year. It is estimated that the City's share for participation in the project will cost about 1.2 to 1.5 million dollars based on

SJRWMD's projections in the Minimum Flow Regime. According to that document, the City will have to obtain 2.3 mgd from alternative sources.

Orange City Utilities needs to implement a fee that will help fund the commitment as well as provide funding for infrastructure improvements that will be needed over the next five years. During the workshop, fees of about \$8.00 to \$10.00 per customer per month were discussed as the fee that would be needed to raise about \$500,000 per year for these purposes. After review, staff feels that a "flat-fee" in those amounts does not place the burden of costs equitably across our customer base. By implementing a smaller fee and a percentage charge as recommended, much of the burden will fall on higher usage customers. This strategy will also encourage conservation which may lead to reducing our needs for alternative water to some extent.

RECOMMENDATION

That City Council approves Resolution 536-09.

RESOLUTION NO. 536-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE CITY, FLORIDA, ADOPTING A REVISED MISCELLANEOUS FEE SCHEDULE FOR WATER AND WASTEWATER SERVICES PROVIDED BY ORANGE CITY UTILITIES; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Orange City adopted Resolution No. 369-06 on September 26, 2006; and

WHEREAS, the City of Orange City now finds it necessary to revise the Miscellaneous Fee Schedule; and

WHEREAS, the laws of the State of Florida and the City Code empower the City Council to operate water utilities, and to establish and/or revise such charges as are necessary in the operation of same; and

WHEREAS, Section 17.3-24 of the Orange City Code provides that the City Council may review and update the rates and charges by resolution; and

WHEREAS, the City Council wishes to revise and update the Miscellaneous Fee Schedule for Orange City Utilities' services as set forth in Exhibit "A" of this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE CITY, FLORIDA, AS FOLLOWS:

SECTION 1. That the City Council of the City of Orange City adopts the miscellaneous fee schedule set forth in Exhibit "A", attached hereto and by this reference incorporated herein for all intents and purposes.

SECTION 2. The fees described in Section 1 shall become effective with all billings rendered after April 1, 2009.

SECTION 3. All resolutions or parts of resolutions in conflict herewith be and the same are hereby repealed.

SECTION 4. If any section, part of a section, paragraph, clause, phrase or word of this resolution is declared invalid, the remaining provisions of this resolution shall not be affected.

SECTION 5. This resolution shall take effect immediately upon its adoption by the City Council of the City of Orange City, Florida, and approval as provided by law.

ROLL CALL VOTE AS FOLLOWS:

Jim Mahoney	_____	Donald C. Sherrill	_____
Vacant	_____	Tom Abraham	_____
Tom Laputka	_____	Jeff Allebach, Vice Mayor	_____
Harley Strickland, Mayor	_____		

ADOPTED THIS _____ DAY OF _____, 2009.

ATTEST:

AUTHENTICATED:

Deborah J. Renner, CMC, City Clerk

Harley Strickland, Mayor

This Resolution approved
as to form and legal sufficiency:

W. E. Reischmann, City Attorney

Amendments to Resolution No. 369-06, effective for all billings generated after April 1, 2009

MISCELLANEOUS SERVICE CHARGES

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	<u>Water</u>	<u>Irrigation</u>
<u>Meter Installation:</u>		
3/4"	\$375	\$375
1.00"	450	450
1.50"	750	750
2.00"	900	900
3.00"	2,500	2,500
4.00"	3,000	3,000
6.00"	8,000	8,000
	<u>Water</u>	<u>Wastewater</u>
<u>Deposits:</u>		
3/4" – owner	\$100	\$150
3/4" – renter	100	150
3/4" – insufficient I.D.	300	150
3/4" – new construction	100	150
3/4" – commercial	Greater of 3 times ERU or \$100	Greater of 3 times ERU or \$100
1" to 6" commercial	Greater of 3 times ERU or \$100	Greater of 3 times ERU or \$100
Bulk Meter – new const.	\$1,000	0
<u>Fees:</u>		
Initial fee	\$15 plus turn on fee	
Turn on – w/5 days notice	\$30	
Turn on – less than 5 days notice	40	
Turn on – after hours, emergency	35	
Turn on – after hours, non emergency	70	
Turn off – w/5 days notice	30	
Turn off – less than 5 days notice	40	
Turn off – after hours, emergency	35	
Turn off – after hours, non emergency	70	
Transfer account	15	
Name change	5	
Penalty (10 days past due/yellow tag)	15*	
Delinquent (15 days past due)	40	
Returned check	As per Florida Statutes **	

WORKSHEET EXAMPLES

1. Capital needed - \$500,000.00 per year.

4,467 Customers = 53,604 annual billings

$500,000/53,604 = \$9.33$ flat fee per customer per month

Average Residential Monthly Bill = $\$27.31 + \$9.33 = \$36.64$ (35% increase)

By charging a flat fee plus a percentage of monthly water use charges, some of the burden would shift to higher volume users. Additionally, this method will allow conservation that could reduce the impact of the fees. Using the same goal of \$500,000 per year the next three examples demonstrate the varying impacts to residential customers.

2. \$4.00 flat fee + 15% of water charges billed

$\$27.31 + \$4.00 + \$4.10 = \$35.41/\text{mo}$ (29.7% increase)

In this scenario, \$500,000 will be raised but puts higher cost on larger volume customers (Staff recommends this option)

3. \$3.00 flat fee + 17% of water charges billed

$\$27.31 + \$3.00 + \$4.65 = \$34.96/\text{mo}$ (28% increase)

4. \$2.00 flat fee + 20% of water charges billed

$\$27.31 + \$2.00 + \$5.46 = \$34.77/\text{mo}$ (27.3% increase)