



BOARD OF COUNTY COMMISSIONERS

DATE: May 19, 2015
AGENDA ITEM NO. 13

Consent Agenda ☐

Regular Agenda ☐

Public Hearing ☒

 **County Administrator's Signature:**

Subject:

Public Hearing and Adoption of a Resolution Revising Wholesale and Retail Water, Sewer, and Reclaimed Water Rates for the Pinellas County Water, Sewer and Reclaimed Water Systems.

Department:

Office of Management and Budget
Utilities

Staff Member Responsible:

Linda Benoit, Manager
Robert Powell, Director

Recommended Action:

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD), AFTER TAKING PUBLIC COMMENT, APPROVE THE RESOLUTION ADOPTING THE REVISED WHOLESALE AND RETAIL WATER, SEWER, AND RECLAIMED WATER RATES FOR THE WATER, SEWER AND RECLAIMED WATER SYSTEMS.

Summary Explanation/Background:

The Home Rule Charter of Pinellas County and the Florida Statutes provide for the Board, by resolution, to prescribe and collect reasonable rate charges for services provided by the County's Utility systems, and set such rate charges which will produce sufficient revenues to cover all expenses of operation, maintenance, renewal of facilities, to pay for when due, all bonds and interest, including reserves, and for other funds required for facilities issued under a resolution.

A rate consultant, Burton and Associates, has reviewed data to determine the revenue requirements of the water, sewer and reclaimed water systems. The summary results were presented to the Board at their meeting on January 13, 2015.

On February 24, 2015, the Board granted authority to advertise for and schedule public hearings on May 5 and 19 for the proposed resolution adopting the revised wholesale and retail water, sewer, and reclaimed water rates for the water, sewer and reclaimed water systems.

The public hearings will consider a four (4) year rate schedule for the water, sewer and reclaimed water systems. The rate for retail and wholesale water customers is proposed to increase 1.75% per year starting in fiscal year 2016 for both volumetric and base rates. Increases are needed to provide for improvements and upgrades to the water system infrastructure and to maintain adequate cash flows, reserves, and cost of purchasing water from Tampa Bay Water.

The rate for retail and wholesale sewer customers is proposed to increase 1.00% per year starting in fiscal year 2017 for both volumetric and base rates. Increases are needed to maintain adequate debt service coverage, cash flows, reserves, and improvements and upgrades to the South Cross and William E. Dunn Water Reclamation Facilities.

The proposed increase starting in fiscal year 2016 in reclaimed water retail rates is \$1.00 per year, and a user fee increase of \$0.05 per year per 1,000 gallon volume. Rates for reclaimed water wholesale customers are established by agreement with the governmental entities purchasing reclaimed water from Pinellas County Utilities and are proposed to increase by 5% per year starting in fiscal year 2016. All wholesale reclaimed water agreements allow for rate adjustments as approved by the Board and each customer has been notified in writing of the proposed increases for October 1, 2015. The Reclaimed Water System is currently operating at a deficit. The increases are needed due to ongoing costs for renewal and replacement of the systems and increased operating and maintenance costs such as electricity and chemicals.

This four (4) year approach provides an indication of proactive financial management of utility systems desired by bond rating agencies, but does not preclude the Board from making adjustments annually.

The increases will be effective for billings on or after October 1, 2015 and on October 1 for each subsequent year, unless adjusted by the Board.

Fiscal Impact/Cost/Revenue Summary:

WATER

Retail Water Rates:

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

FY16	FY17	FY18	FY19
1.75%	1.75%	1.75%	1.75%

Retail Volumetric Rate per 1,000 gallons

CURRENT	FY16	FY17	FY18	FY19
\$4.78	\$4.86	\$4.95	\$5.04	\$5.13

Base Rate Charge* per month

CURRENT	FY16	FY17	FY18	FY19
\$6.35	\$6.46	\$6.57	\$6.68	\$6.80

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

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

FY16	FY17	FY18	FY19
\$1,178,296	\$1,202,951	\$1,228,080	\$1,253,691

Wholesale Water Rates:

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

FY16	FY17	FY18	FY19
1.75%	1.75%	1.75%	1.75%

Wholesale Volumetric Rate per 1,000 gallons

CURRENT	FY16	FY17	FY18	FY19
\$3.8557	\$3.9232	\$3.9919	\$4.0618	\$4.1329

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

FY16	FY17	FY18	FY19
\$178,019	\$180,891	\$184,057	\$187,278

SEWER

Retail Sewer Rates:

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

FY16	FY17	FY18	FY19
0.00%	1.00%	1.00%	1.00%

Retail Volumetric Rate per 1,000 gallons

CURRENT	FY16	FY17	FY18	FY19
\$4.84	\$4.84	\$4.89	\$4.94	\$4.99

Base Rate Charge** per month

CURRENT	FY16	FY17	FY18	FY19
\$13.26	\$13.26	\$13.39	\$13.52	\$13.66

***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 Retail Rate adjustment is anticipated to generate additional revenue as follows:

FY16	FY17	FY18	FY19
\$0	\$575,147	\$582,934	\$590,807

Wholesale Sewer Rates:

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

FY16	FY17	FY18	FY19
0.00%	1.00%	1.00%	1.00%

Wholesale Volumetric Rate per 1,000 gallons

CURRENT	FY16	FY17	FY18	FY19
\$4.1783	\$4.1783	\$4.2201	\$4.2623	\$4.3049

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

FY16	FY17	FY18	FY19
\$0	\$93,730	\$95,020	\$96,325

RECLAIMED WATER

Retail Reclaimed Water Rates:

Retail Funded Systems Un-Metered Service:

CURRENT	FY16	FY17	FY18	FY19
\$18.00	\$19.00	\$20.00	\$21.00	\$22.00

Retail Funded Systems Metered Service per 1,000 gallons:

CURRENT	FY16	FY17	FY18	FY19
\$0.96	\$1.01	\$1.06	\$1.11	\$1.16

Retail Unfunded Systems Un-Metered Service:

CURRENT	FY16	FY17	FY18	FY19
\$12.00	\$13.00	\$14.00	\$15.00	\$16.00

Retail Unfunded Systems Metered Service per 1,000 gallons:

CURRENT	FY16	FY17	FY18	FY19
\$0.96	\$1.01	\$1.06	\$1.11	\$1.16

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

CURRENT	FY16	FY17	FY18	FY19
\$0.10	\$0.105	\$0.110	\$0.115	\$0.121

The Retail Reclaimed Water rate and user fee adjustment is anticipated to generate additional revenue as follows:

FY16	FY17	FY18	FY19
\$243,810	\$243,811	\$243,810	\$243,812

Wholesale Reclaimed Water Rates:

The proposed rate adjustment for Wholesale Metered Service is an increase of:

FY16	FY17	FY18	FY19
5.00%	5.00%	5.00%	5.00%

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

CURRENT	FY16	FY17	FY18	FY19
\$95.49	\$100.26	\$105.27	\$110.54	\$116.06

Town of Belleair Wholesale Metered Service per 1,000 gallons

CURRENT	FY16	FY17	FY18	FY19
\$0.10	\$0.105	\$0.110	\$0.115	\$0.121

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

CURRENT	FY16	FY17	FY18	FY19
\$95.49	\$100.26	\$105.27	\$110.54	\$116.06

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

CURRENT	FY16	FY17	FY18	FY19
\$0.1955	\$0.2052	\$0.2155	\$0.2262	\$0.2375

The Wholesale Reclaimed Water rate adjustment is anticipated to generate additional revenue as follows:

FY16	FY17	FY18	FY19
\$12,350	\$12,968	\$13,616	\$14,297

Exhibits/Attachments Attached:

Resolution

RESOLUTION NO. 15-_____

RESOLUTION ADOPTING REVISED RETAIL AND WHOLESALE RATES FOR PINELLAS COUNTY WATER, SEWER AND RECLAIMED WATER SYSTEMS

WHEREAS, the Pinellas County Water System provides water service to customers within its water service area, as designated by the Board of County Commissioners of Pinellas County, Florida, at retail water rates; and

WHEREAS, the Board of County Commissioners of Pinellas County, Florida, had heretofore entered into contracts with wholesale customers to furnish water at a wholesale rate; and

WHEREAS, Sections 373.1962 and 163.01, Florida Statutes, created Tampa Bay Water as an independent governmental entity for the purpose of developing, recovering, storing and supplying quality drinking water to its member governments; and

WHEREAS, Pinellas County is a member government of and receives its water supply from Tampa Bay Water; and

WHEREAS, the costs associated with the design, acquisition, construction, and operation of water supply facilities required to supply water to its customers is now the responsibility of Tampa Bay Water and is included in the unitary rate charged to its member governments; and

WHEREAS, pursuant to home rule and statutory authority, the Board of County Commissioners of Pinellas County, Florida, has considered the increased costs associated with improvements and upgrades to the infrastructure, maintaining adequate cash flows, reserves and debt service coverage and purchasing water from Tampa Bay Water; and

WHEREAS, the Pinellas County Sewer System provides sewer service to customers within its sewer service area, as designated by the Board of County Commissioners of Pinellas County, Florida, at retail sewer rates; and

WHEREAS, the Board of County Commissioners of Pinellas County, Florida, had heretofore entered into contracts with wholesale customers to treat sewer at a wholesale rate; and

WHEREAS, pursuant to home rule and statutory authority, the Board of County Commissioners of Pinellas County, Florida, has considered the increased costs associated with maintaining adequate debt service coverage, cash flows, reserves and improvements and upgrades to the South Cross Bayou Water Reclamation and William E. Dunn Water Reclamation Facilities; and

WHEREAS, Resolution 11-164 previously established the Definitions and Rate Structure for Pinellas County Sewer System; and

WHEREAS, Pinellas County recognizes that highly treated reclaimed water from its wastewater treatment facilities is a beneficial resource; and

WHEREAS, the Pinellas County Board of County Commissioners recognizes that one of the most viable and effective potable water conservation alternatives available is reuse of reclaimed water; and

WHEREAS, Pinellas County desires to make reclaimed water available for reuse in the community in an effort to further conserve its potable water resources, when economically feasible; and

WHEREAS, the Board of County Commissioners of Pinellas County, Florida, had heretofore entered into contracts with wholesale customers to provide reclaimed water at a wholesale rate; and

WHEREAS, pursuant to home rule and statutory authority, the Board of County Commissioners of Pinellas County, Florida, has considered the costs associated with ongoing costs for renewal and replacement of the systems and increased operating and maintenance costs; and

WHEREAS, the Home Rule Charter of Pinellas County and the Florida Statutes authorize the Board of County Commissioners of Pinellas County, Florida, to revise water, sewer and reclaimed water rates when necessary by resolution; and

WHEREAS, the Florida Statutes and Pinellas County Ordinances require a notice and a Public Hearing on the proposed revised water, sewer and retail reclaimed water rates; and

WHEREAS, proper notice was provided through the billing process as required in section 180.136, Florida Statutes; and

WHEREAS, a Public Hearing was held on the 5th day of May, 2015 on the proposed revised water, sewer and reclaimed rates; and

WHEREAS, a Public Hearing was held on the 19th day of May, 2015, with due and proper notice given on this Resolution adopting these revised water, sewer and reclaimed water rates;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Pinellas County, Florida, in regular meeting duly assembled this 19th of May, 2015, that said revised Water, Sewer and Reclaimed Water Rates are adopted, as the said rates being as follows:

Effective on or after October 1, 2015:

RETAIL WATER RATES:

1. Base Rate Charge per month

FY 2016	FY 2017	FY 2018	FY 2019
\$6.46	\$6.57	\$6.68	\$6.80

2. Volumetric Rate per 1,000 gallons

FY 2016	FY 2017	FY 2018	FY 2019
\$4.86	\$4.95	\$5.04	\$5.13

The existing conservation rate structure of the Pinellas County Water System remains unchanged.
The Base Rate Charge is billed bi-monthly for each customer whether the water is on or off.

Effective the first full billing cycle billed on or after October 1, 2015:

WHOLESALE WATER RATE:

Volumetric Rate per 1,000 gallons

FY 2016	FY 2017	FY 2018	FY 2019
\$3.9232	\$3.9919	\$4.0618	\$4.1329

Effective on or after October 1, 2015:

RETAIL SEWER RATES:

Section A, paragraph 3 of Resolution 11-164 is revised as follows:

3. Hotels and Motels:

Hotels and Motels shall be considered a commercial activity. See Commercial.

Section B, Rate per Class of Sewer Service is revised as follows:

B. Rate per Class of Sewer Service:

1. Single Family Residence,
Multiple Family Residence and
Mobile Home:

Base Rate Charge per month

FY 2016	FY 2017	FY 2018	FY 2019
\$13.26	\$13.39	\$13.52	\$13.66

Volumetric Rate per 1,000 gallons

FY 2016	FY 2017	FY 2018	FY 2019
\$4.84	\$4.89	\$4.94	\$4.99

2. Commercial:

Base Rate Charge per *ERU per month

FY 2016	FY 2017	FY 2018	FY 2019
\$13.26	\$13.39	\$13.52	\$13.66

Volumetric Rate per 1,000 gallons

FY 2016	FY 2017	FY 2018	FY 2019
\$4.84	\$4.89	\$4.94	\$4.99

3. Unmetered Residential and Commercial Customer:

Base Rate Charge per month

FY 2016	FY 2017	FY 2018	FY 2019
\$13.26	\$13.39	\$13.52	\$13.66

Volumetric Rate per 1,000 gallons, capped at 5,000 gallons per month

FY 2016	FY 2017	FY 2018	FY 2019
\$24.20	\$24.45	\$24.70	\$24.95

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.

Equivalent Residential Unit (*ERU) is the commercial billing unit which is based on 5,000 gallons per month.

Effective the first full billing cycle billed on or after October 1, 2015:

WHOLESALE SEWER RATE:

Volumetric Rate per 1,000 gallons

FY 2016	FY 2017	FY 2018	FY 2019
\$4.1783	\$4.2201	\$4.2623	\$4.3049

Effective on or after October 1, 2015:

RETAIL RECLAIMED WATER RATES:

- I. FUNDED SYSTEMS-Retail Rate – A funded system is an in-service reclaimed water distribution system (pipelines) that was paid for by funds other than the Availability Charge Program.

- A. **UN-METERED SERVICE:** Single Family or Multi Family (from 1 to 3 dwelling units), and Commercial or Public Use Property (up to 2 ERC's).

User Fee monthly

FY 2016	FY 2017	FY 2018	FY 2019
\$19.00	\$20.00	\$21.00	\$22.00

Plus \$3.75 Bi-Monthly Billing Charge for Un-Metered, Reclaimed Water Only* Customers

- B. **METERED SERVICE:** Multi Family (more than 3 dwelling units) and Commercial or Public Use Property (more than 2 ERC's).

User Fee per 1,000 gallons

FY 2016	FY 2017	FY 2018	FY 2019
\$1.01	\$1.06	\$1.11	\$1.16

Plus \$4.50 Bi-Monthly Billing Charge for Metered, Reclaimed Water Only* Customers

ONE ERC = Single Family residence ERC-Equivalent Residential Connection

- II. **UNFUNDED SYSTEMS – Availability Charge Program –** The Availability Charge is to pay for the cost of construction of the reclaimed distribution mains. The Availability Charge will be billed to all properties in the Readiness to Serve Zone, whether connected to the system or not. Improved properties will be billed on a single utility account, however, if an improved property has separate utility accounts for each dwelling unit, then the Availability Charge shall be divided equally among each account. Customers with irrigation wells as of the effective date of Ordinance 97-103 approved December 9, 1997 are exempt from the Availability Charge unless such property connects to the reclaimed water system. Customers may pre-pay the Availability Charge. Customers who connect to the system will pay the Availability Charge and User Fee.

Properties upon which a residential dwelling or other structure cannot be built due to special parcel designation or size limitation shall be exempt from the Availability Charge and reclaimed service will not be made available.

- A. **UN-METERED SERVICE:** Single Family or Multi Family (from 1 to 3 dwelling units) and Commercial or Public Use property (up to 2 ERC's).

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

User Fee (for connection to system)

FY 2016	FY 2017	FY 2018	FY 2019
\$13.00	\$14.00	\$15.00	\$16.00

Plus \$3.75 Bi-Monthly Billing Charge for un-Metered, Reclaimed Water Only* Customers

ONE ERC = Single Family residence ERC – Equivalent Residential Connection

- B. **METERED SERVICE:** Multi Family (more than 3 dwelling units) and Commercial or Public Use Property (More than 2 ERC's).

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

User Fee per 1,000 gallons (for connection to service)

FY 2016	FY 2017	FY 2018	FY 2019
\$1.01	\$1.06	\$1.11	\$1.16

Plus \$4.50 Bi-Monthly Billing Charge for metered, Reclaimed Water Only* Customers

The cost recovery period is 30 years. At the end of the cost recovery period, the Availability Charge will end. Those connected to the Reclaimed Water System will be charged the retail rate in effect at that time.

*A Billing Charge will be assessed for those properties not served water or sewer by Pinellas County Utilities.

III. METERED SERVICE INTERRUPTABLE RATE:

User Fee per 1,000 gallons

FY 2016	FY 2017	FY 2018	FY 2019
\$0.105	\$0.110	\$0.115	\$0.121

Effective the first full billing cycle billed on or after October 1, 2015:

WHOLESALE RECLAIMED WATER RATES:

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

FY 2016	FY 2017	FY 2018	FY 2019
\$100.26	\$105.27	\$110.54	\$116.06

Town of Belleair Wholesale Metered Service per 1,000 gallons

FY 2016	FY 2017	FY 2018	FY 2019
\$0.105	\$0.110	\$0.115	\$0.121

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

FY 2016	FY 2017	FY 2018	FY 2019
\$100.26	\$105.27	\$110.54	\$116.06

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

FY 2016	FY 2017	FY 2018	FY 2019
\$0.2052	\$0.2155	\$0.2262	\$0.2375

Severability. If any Section, Subsection, sentence, clause, phrase, or provision of this Resolution is for any reason held invalid or unconstitutional by a Court of Competent Jurisdiction, such holding shall not be construed to render the remaining provisions of this Resolution invalid or unconstitutional.

Commissioner_____ offered the foregoing Resolution and moved its adoption, which was seconded by Commissioner_____, and upon roll call the vote was:

Ayes:

Nays:

Absent and Not Voting:

**APPROVED AS TO FORM
OFFICE OF COUNTY ATTORNEY**
By Joseph A. Morrissey
Attorney