



BOARD OF COUNTY COMMISSIONERS

DATE: February 24, 2015

AGENDA ITEM NO. 22

Consent Agenda ☐

Regular Agenda ☒

Public Hearing ☐

County Administrator's Signature:

Subject:

Approval of Authority to Advertise Public Hearings Regarding Proposed Revised Retail and Wholesale Water, Sewer, and Reclaimed Water Rates for Pinellas County Utilities.

Department:

Utilities / Management and Budget

Staff Member Responsible:

Robert Powell, Director / Linda Benoit, Manager

Recommended Action:

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD) AUTHORIZE ADVERTISEMENT OF PUBLIC HEARINGS REGARDING PROPOSED REVISED RETAIL AND WHOLESALE WATER, SEWER, AND RECLAIMED WATER RATES FOR PINELLAS COUNTY UTILITIES.

Summary Explanation/Background:

The Home Rule Charter of Pinellas County and 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, including reserves, and to pay for when due, all bonds and interest.

A rate consultant, Burton and Associates, has reviewed data to determine the revenue requirements of the Utilities System. Summary results were presented to the Board on January 13, 2015. This four-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 public hearings will consider a four year rate schedule for the Water, Sewer, and Reclaimed Water System. The rate for retail and wholesale water customers is proposed to increase 1.75% per year for both volumetric and base rates. Increases are required 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 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 WE Dunn Water Reclamation Facilities.

The proposed increase in reclaimed water retail rates is \$1.00 per year, and a user fee increase of \$0.05 per year per 1,000 gallon increase. Rates for reclaimed water wholesale customers are established by agreement with governmental entities purchasing reclaimed water from Pinellas County Utilities and are proposed to increase by 5% per year. The Reclaimed Water System is currently operating at a deficit. The increases are required due to ongoing costs for renewal and replacement of the systems and increased operating and maintenance costs such as electricity and chemicals.

A presentation was made to the Board on January 13, 2015 regarding the water rates and at that time the Board requested two public hearing be held regarding the revised rates. Upon approval, two public hearings will be scheduled for May 5 and May 19, 2015.

Fiscal Impact/Cost/Revenue Summary:**WATER**

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

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

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

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

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

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

Retail Water Rates:

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.*

Wholesale Water Rates:

Wholesale Volumetric Rate per 1,000 gallons

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

SEWER

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

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

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

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

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

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

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

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

Retail Sewer Rates:

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.*

Wholesale Sewer Rates:

Wholesale Volumetric Rate per 1,000 gallons

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

RECLAIMED WATER

Retail Funded Systems Un-Metered Service:

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

Retail Funded Systems Metered Service per 1,000 gallons:

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

Retail Unfunded Systems Un-Metered Service:

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

Retail Unfunded Systems Metered Service per 1,000 gallons:

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

Wholesale Metered Service:

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

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

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

The increase for retail and wholesale customers will be effective for billings on or after October 1, 2015 and on October 1 for each subsequent year.

Exhibits/Attachments Attached:

Advertisement

NOTICE OF RATE HEARINGS
BEFORE THE BOARD OF COUNTY COMMISSIONERS
PINELLAS COUNTY, FLORIDA

IN RE: ESTABLISHMENT OF RATES TO BE CHARGED TO PINELLAS COUNTY RETAIL WATER SYSTEM, WHOLESALE WATER SYSTEM, RETAIL SEWER SYSTEM, WHOLESALE SEWER SYSTEM, AND RECLAIMED WATER SYSTEM CUSTOMERS

TO: ALL PINELLAS COUNTY WATER, SEWER, AND RECLAIMED WATER SYSTEM CUSTOMERS

NOTICE IS HEREBY GIVEN that preliminary public hearings will be held before the Pinellas County Board of County Commissioners beginning at 9:30 a.m. on May 5, 2015 at the Pinellas County Courthouse, Fifth Floor, Clearwater, Florida, at which time the Board of County Commissioners will consider proposed new Retail Water, Wholesale Water, Retail Sewer, Wholesale Sewer and Retail Reclaimed Water rates.

NOTICE IS HEREBY GIVEN that public hearings will be held before the Pinellas County Board of County Commissioners beginning at 6:00 p.m. on May 19, 2015 at the Pinellas County Courthouse, Fifth Floor, Clearwater, Florida, at which time the Board of County Commissioners will consider proposed new Retail Water, Wholesale Water, Retail Sewer, Wholesale Sewer and Retail Reclaimed Water rates.

This notice is being issued under the authority granted by law to the Board of County Commissioners of Pinellas County, Florida, as a rate-making body for the establishment of rates to be charged by Pinellas County. At these public hearings all water, sewer, and reclaimed water customers of Pinellas County will be given an opportunity to present any evidence they may have either in favor of, or against, the establishment of the proposed rate schedules.

The proposed rates are as follows and will be effective for billings on or after October 1, 2015:

Retail Water Rates:

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.*

Wholesale Water Rate:

Wholesale Volumetric Rate Per 1,000 gallons

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

Retail Sewer Rates:

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.*

Wholesale Sewer Rate:

Wholesale Volumetric Rate Per 1,000 gallons

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

Retail Reclaimed Water (with Availability Charge)

Availability Charge \$7.00 monthly (no change)

CURRENT	FY16	FY17	FY18	FY19
\$7.00	\$7.00	\$7.00	\$7.00	\$7.00

User Fee Monthly

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

User Fee Per 1,000 gallons

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

Retail Reclaimed Water (without Availability Charge)

User Fee Monthly

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

User Fee Per 1,000 gallons

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

Information regarding the proposed rate schedules may be viewed by visiting the Pinellas County Government website at http://www.pinellascounty.org/bcc-agenda/2015_01_13/23.pdf. For direct inquiries you may email custsrv@pinellascounty.org, or call (727) 464-4000. Informational material is available in the first floor lobby of the Utilities Building at 14 South Fort Harrison Avenue, Clearwater, Florida.

Persons are advised that, if they decide to appeal any decision made at this meeting/hearing, they will need a record of the proceedings, and for such purpose, they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

Enhanced listening devices are available in the Assembly Room. American Sign Language interpreters are available as well. If you are a person with a disability who needs any accommodation in order to participate in this proceeding, you are entitled, at no cost to you, to the provision of certain assistance. Please contact the Office of Human Rights at (727) 464-4880/TDD 464-4062 no later than seven days prior to the proceeding.

KEN BURKE, CLERK
TO THE BOARD OF COUNTY COMMISSIONERS
By: Norman Loy, Deputy Clerk