

City of Vero Beach

1053 - 20th PLACE - P.O. BOX 1389
VERO BEACH, FLORIDA - 32961-1389



OFFICE OF THE
MAYOR

October 25, 2021

Joseph E. Flescher, Chairman, Board of County Commissioners
Jason E. Brown, County Administrator
Indian River County
1801 27th Street
Vero Beach, FL 32960-3365

Gentlemen,

At our October 6, 2021 Chapter 164 dispute resolution meeting, the City asked the County to recognize the permanent duration of the 1989 Territorial Agreement. The County stated that it was not interested in the City's customers and that it does not want litigation. Further, the County stated that they would acknowledge the validity of the 1989 Territorial Agreement; the City would continue to serve the Town of Indian River Shores, subject to the existing City/Town Franchise Agreement; and the City would continue to serve the South Beach under a new reasonable franchise agreement.

The County proposed the following for the South Beach franchise agreement:

- Rates: City would charge County rates until 2027, then City rates thereafter. However, the City rates could not increase by more than 5% annually until 2032.
- Surcharges: City would not levy any outside City limit surcharges.
- Service Standards: City would provide the same service standards inside and outside the City limits.
- Transfer of Funds: City would no longer transfer 6% of revenues to the City's general fund.

At the October 19, 2021 City Council meeting, the City Council authorized that this letter be transmitted to the County with the following South Beach franchise offer:

- Rates: City will establish rates that are just and equitable that recover the costs associated with providing utility service. This is the same method the County uses to establish its rates and was the same method used in the now expired 1987 City/County Franchise.

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- Surcharges: City will not levy any outside City limit surcharges.
- Service Standards: City will provide the same service standards in the City's service territory.
- Transfer of Funds: City would continue to transfer 6% of revenues to the City's general fund. The now expired 1987 City/County Franchise was silent in this regard.

If the County agrees to these reasonable franchise terms and acknowledges the validity of the 1989 Territorial Agreement, the dispute has been resolved. If not, we are at impasse and it is time to schedule the mediation phase of the Chapter 164 process.

The City Council also decided that there was no consensus in having the County serve the Town.

We look forward to your prompt reply and resolution of this issue.

Sincerely,



Robert Brackett
Mayor



Monte K. Falls, P.E.
City Manager

cc: City Council
Board of County Commissioners
John S. Turner, City Attorney
Dylan Reingold, County Attorney