

**Indian River County, Florida
Department of Utility Services
Board Memorandum**

Date: September 16, 2020

To: Jason E. Brown, County Administrator

From: Vincent Burke, PE, Director of Utility Services

Prepared by: Cindy Corrente, Utilities Finance Manager

Subject: Resolution to Adopt Water, Sewer, and Reclaimed Rates, Fees, and Other Charges

Background:

On September 23, 2020, the Board of County Commissioners of Indian River County (the "Board") adopted the Fiscal Year 2020/21 Budget. Included in the Utility Department's budget was a rate increase based upon the Consumer Price Index (CPI) for all Urban Consumers as was recommended in the 2018 Comprehensive Utility Rate Study that was performed by Raftellis Financial Consultants, Inc.

Analysis:

The pertinent CPI is 1.54%. This percentage will be applied to all Utility Rates except the Utility deposits, water and sewer service connections fees, and meter installation fees. The current deposit of \$50.00 per ERU is sufficient and applying the 1.54% to it is impractical for day-to-day business purposes. Leaving the deposit at \$50.00 allows for ease of computation by utility staff and customers and remains sufficient to cover each ERU. The other three items are delineated in County Code as requiring public hearing before they can be modified. Staff does not recommend changing these items.

Since the bills produced in October will reflect usage for both September and October, staff recommends the effective date for the rate increase to be November 1, 2020. This proposal allows for all usage prior to the new fiscal year to be billed at the current rates. Bills dated November 1 and after will reflect usage that is entirely in the new fiscal year. Thus, it seems logical to enact the rate change at that time. For fiscal year 2020/2021, the proposed rate increase should result in approximately \$450,000 of additional revenue that will be used for utility-related infrastructure reinvestments to maintain required levels of service.

The County Attorney has drafted the attached proposed resolution that is presented in Attachment B.

Recommendation:

Staff recommends that the Board vote to approve the resolution as drafted, thereby adopting the utility rate increase to go into effect beginning November 1, 2020.

Attachments:

Attachment A - Department of Utility Services Schedule of Water and Sewer Rates, Fees and Other charges

Attachment B - Proposed resolution

Attachment C - Comparison of existing versus new rates