

Indian River County, Florida  
Department of Utility Services  
Board Memorandum

**Date:** August 28, 2024  
**To:** Indian River County Board of County Commissioners  
**Through:** John A. Titkanich, Jr., County Administrator  
**From:** Sean C. Lieske, Director of Utility Services  
**Prepared by:** Bryan Beavers, Utilities Finance Manager  
**Subject:** Public Hearing to Revise Utility Services Rate Schedule for the Indian River County Department of Utility Services, IRCDUS Project ID: 00.23.544

**Background:**

Indian River County Department of Utility Services (IRCDUS) operates as an enterprise fund with its primary source of income being service fees and usage (volume) charges from its customers. Additional funding comes from miscellaneous charges. Since 1999, IRCDUS service fees and volume charges have cumulatively increased approximately 12% over a 25-year period. Other miscellaneous fees have not been adjusted over this same 25-year period. In contrast, the U.S. Water & Sewerage CPI rate has cumulatively increased 210% during this same 25-year period.

Year of Rate Change	Average Residential Monthly Charge	IRCDUS Rate % Change Since 1999	US Water & Sewerage CPI Change Since 1999
1999	\$45.38	12%	210%
2019	44.59		
2020	45.24		
2021	46.63		
2022	48.03		
2023	50.67		

Due to the utility rates not changing at the same pace as inflationary price increases, IRCDUS rates are no longer able to sustain the financial funding requirements of IRCDUS and need to be evaluated to ensure the adequacy and equitability of rates to sustain the long-term financial needs of IRCDUS. To address this need, formal bids were solicited through an RFP process to engage a Utility Rate Consultant to analyze and make recommendations to update the charge rates of IRCDUS. On November 7, 2023, the Indian River County Board of County Commissioners (BCC) awarded a purchase order to Stantec Consulting Services, Inc. (Stantec), to perform this Utility Rate Study.

## Public Hearing

On August 22, 2024, IRCDUS conducted a public workshop for the BCC to review the results of the Utility Rate Study completed by Stantec. Between August 22, 2024, and September 23, 2024, multiple public presentations of the Utility Rate Study results were conducted. Each presentation provided the public the opportunity to ask questions and make comment on the proposed rate changes. On or around September 10, 2024, a notice of hearing was published in the local newspaper announcing the public hearing to revise the Utility Services Rate Schedule. Finally, Public Engagement Workshops were held on September 16<sup>th</sup> (IG Center) and September 23<sup>rd</sup> (IRC North County Library).

### Analysis:

Utility charge rates are charged to IRCDUS customers to recover the costs of providing water, wastewater and reuse services. Presently there are 62 charge rate elements in use by IRCDUS. These charge rates were reviewed by Stantec and updated rates for fiscal years 24/25 through 25/26 were recommended in their study. Further, four additional new rates were recommended to be incorporated into the IRCDUS charge rate structure. A complete list of all 66 rates with the corresponding amount to charge going forward for fiscal years 2025 through 2026 is attached hereto. For your convenience, below is a summary of the most influential service availability, volume, and impact fee charges.

Charge Detail	Unit	Amount		
		Current	Effective 1/1/25	Effective 10/1/25
<u>Water (Monthly)</u>				
Service Availability				
Single Family & Commercial	Per ERU	\$9.94	\$11.13	\$12.47
Manufactured Homes & Multi Family		8.45	9.46	10.60
Volumetric Charge				
0 to 4,000 Gallons per Month (GPM)	Per 1,000 Gallons	2.50	2.80	3.14
4,001 to 7,000 GPM		2.92	3.27	3.66
7,001 to 12,000 GPM		5.63	6.31	7.07
12,001 and Over GPM		11.09	12.42	13.91
<u>Sewer (Monthly)</u>				
Service Availability				
Single Family & Commercial	Per ERU	17.73	21.99	24.63
Manufactured Homes & Multi Family		15.07	18.69	20.93
Volumetric Charge				
0 to 12,000 GPM	Per 1,000	3.25	4.03	4.51
12,001 and Over GPM	Gallons	4.87	6.04	6.76
Volumetric Charge With No County Water Service				
Manufactured Home	Per ERU	9.75	12.09	13.54
Single Family Home < 3,500 SqFt		22.76	27.31	30.04
Single Family Home >= 3,500 SqFt		39.01	48.37	54.17
<u>Impact Fees (One Time)</u>				
Water	Per ERU	1,300.00	1,463.00	1,625.00
Sewer		2,796.00	2,624.00	2,624.00

### **Funding:**

This agenda item is for a hearing to consider and adopt a Resolution to Revise the Utility Services Rate Schedule as attached. No funding is required for this item.

### **Recommendation:**

Staff recommends that the Board of County Commissioners:

- Accept the results of the Stantec reports:
  - Indian River County Department of Utility Services - Utility Rate Study Final Report
  - Indian River County Department of Utility Services – Water and Sewer Impact Fee Study Final Report
- Approve the resolution to adopt the Indian River County Department of Utility Services – Rates, Fees, and Charges Schedule adopting the new utility rates for fiscal year 24/25, effective January 1, 2025, and for fiscal year 25/26, effective October 1, 2025.

### **Attachments**

- Resolution to revise the IRCDUS rate schedule
- IRCDUS – Rates, Fees and Charges Schedule - Exhibit “A” to the Resolution
- IRCDUS - Utility Rate Study Final Report prepared by Stantec
- IRCDUS – Water and Sewer Impact Fee Study Final Report prepared by Stantec