

Indian River County, Florida
Department of Utility Services
Board Memorandum

Date: December 12, 2024

To: Indian River County Board of County Commissioners

From: Bryan Beavers, Finance Manager, Utility Services
Lisa Patton, Customer and Meter Services Manager, Utility Services

Through: John A. Titkanich, County Administrator
Sean C. Lieske, Director of Utility Services

Prepared by: Bryan Beavers, Finance Manager, Utility Services
Lisa Patton, Customer and Meter Services Manager, Utility Services

Subject: Amendment to Indian River County Department of Utility Services (IRCDUS) Rate Schedule

Background:

On September 24, 2024, the Indian River County Board of County Commissioners (BCC) approved a resolution to adopt the Indian River County Department of Utility Services (IRCDUS) – Rates, Fees, and Charges Schedule adopting the new utility rates for fiscal year 2024/2025, effective January 1, 2025, and for fiscal year 2025/2026, effective October 1, 2025. During the implementation of the new rates being placed into the billing system, it was discovered that four (4) of the rates for two charges (*Sewer Volumetric Charge with No County Water Service Available for Single Family Homes Less Than 3,500 Square Feet and Inflow & Infiltration Volumetric Charge for 12,001 and over Gallons per month*) were listed incorrectly on the rate schedule approved by the BCC.

The rates for the Inflow and Infiltration (I&I) charge were listed incorrectly due to an error with the starting rate that was provided to our Utility Rate Consultant for fiscal year 2023/2024. This rate was listed as \$19.06, but should have been listed as \$19.50, which is the rate IRCDUS has been charging for I&I above 12,001 gallons. The corresponding rates should then have been based on the starting rate of \$19.50.

The rates for the Sewer Volumetric Charge with No County Water were adjusted by 20% and 10%, respectively, as opposed to 24% and 12%, which were the recommended rate increases for Jan. 1, 2025 and Oct. 1, 2025 within the rate study. However, the rate study erred in its application of the 24% and 12% rate increase for this component of the rate study. This request seeks to correct the rates to ensure all rates are equitably and fairly increased and not create a shortfall in operating revenue to that supports IRCDUS operations

IRCDUS is requesting an amendment to the approved rates to correct these errors. A discussion of the corrections and a summary of the previously approved rates with the related corrections are presented below and summarized in Table A.

Departmental Item

Analysis:

The following utility charge rate corrections are requested effective January 1, 2025, and October 1, 2025.

Sewer Volumetric Charge with No County Water Service Available for Single Family Homes Less Than 3,500 Square Feet.

The monthly rate of \$27.31 effective 01/01/2025 should be corrected to \$28.22.
The monthly rate of \$30.04 effective 10/01/2025 should be corrected to \$31.61.

I&I Volumetric Charge for 12,001 and over Gallons per Month, per 1,000 Gallons.

The current monthly rate effective from 10/01/2023 of \$19.06 should be corrected to \$19.50.
The monthly rate of \$23.63 effective 01/01/2025 should be corrected to \$24.18.
The monthly rate of \$26.47 effective 10/01/2025 should be corrected to \$27.08.

The following table summarizes the corrections proposed.

Table A Indian River County Department of Utility Services Rates, Fees, and Charges Schedule				
Charge Detail	Unit	Amount		
		Current Rate	Effective 1/1/25	Effective 10/1/25
<u>Sewer</u>				
Volumetric Charge with No County Water Service Available				
Single Family Homes <3,500 SqFt	per ERU	22.76	27.31 28.22	30.04 31.61
			CORRECTION	CORRECTION
<u>I&I</u>				
Volumetric Charge				
12,001 and over Gallons per Month	per 1,000 Gallons	19.06 19.50	23.63 24.18	26.47 27.08
		CORRECTION	CORRECTION	CORRECTION

Funding:

No funding is required for this item.

Recommendation:

Staff recommends that the Board of County Commissioners (BCC) approve the proposed rate corrections to the Indian River County Department of Utility Services – Rates, Fees, and Charges Schedule for fiscal year 2023/2024, effective October 1, 2023, for fiscal year 2024/2025, effective January 1, 2025, and for fiscal year 2025/2026, effective October 1, 2025.