

July 2, 2024 Board of County Commissioners Regular Meeting
Agenda Item #

SUBJECT

Adopt a resolution setting forth a preliminary schedule of revised County water utility rates, charges, and fees and SET HEARING for July 16, 2024 at 9:15 a.m. to consider adopting a Resolution approving the proposed revisions to the water utility rates, charges, and fees stated in the preliminary schedule

DESCRIPTION

The state water management districts responsible for protecting and maintaining water resources within the State of Florida have indicated that withdrawals from the upper Floridan aquifer, the traditional source of potable water in Central Florida, beyond the projected 2025 levels are unsustainable. To avoid negative impacts to waterbodies, future water supplies beyond the sustainable level must come from alternative water supply sources (each and all, an "AWS"). To address future water supply needs, the County, whether individually, through the Polk Regional Water Cooperative, or through the Water Cooperative of Central Florida, intends to undertake development of projects and initiatives (each, a "Water Project"), as generally described in the interlocal agreements identifying cooperative projects among the participating government utility members.

To provide for future growth and maintenance of its existing water utility systems, Polk County must invest both in expanding these systems and in maintaining existing infrastructure to meet all regulations and customer demands. Polk County has developed a Community Investment Program to meet these needs. The program demonstrates that the capital and operating costs of AWS Water Projects are significantly higher than those of traditional groundwater source projects.

After the needs were developed, Polk County hired a rate consultant who determined that in order to meet the needs and remain financially viable, Polk County would need to adjust rates to create new sources of revenue by creating a base facility charge for reclaimed water customers and by charging the PWRI/AWS Surcharge on all reclaimed water usage, adjusting fees and charges to recover costs of providing services, indexing water and wastewater rates at 6 percent (6.0%) for five years beginning October 1, 2024, and increasing the PWRI/AWS surcharge by \$0.25 per year for five years beginning October 1, 2024.

Furthermore, costs for water and wastewater projects have increased dramatically over the past two years, in many cases doubling what had been projected. If inflation persists at rates above what was anticipated in the study, thereby increasing project costs above those contemplated in the current 5-year financial projections, the County's Utilities rates, fees, and charges stated in the preliminary schedule may need to be further adjusted to reflect those changed conditions.

There have not been any increases to water rates since 2019, to wastewater rates since 2014, to miscellaneous Fees since 2007, and to connection charges since 2011.

At the Board's direction, the proposed preliminary rate resolution also provides a methodology for providing for on going indexing to keep pace with future inflation.

The attached Resolution sets forth a preliminary schedule of County Utilities Rates, Charges and Fees.

RECOMMENDATION

Recommend approval of the attached Resolution setting forth a preliminary schedule of revised County water utility rates, charges, and fees and set a public hearing for 9:15 a.m., July 16, 2024 to consider adopting a Resolution approving the proposed revision to the water utility rates, charges, and fees stated in the preliminary schedule.

FISCAL IMPACT

There is no fiscal impact to adopting the Resolution or to setting the Public Hearing

CONTACT INFORMATION

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