



CITY OF HOLLY HILL, FLORIDA

CITY COMMISSION

MINUTES • APRIL 9, 2019

City Commission Chamber

Work Session

5:00 PM

CITY HALL
1065 RIDGEWOOD AVENUE
HOLLY HILL, FL 32117

City Clerk's office: (386) 248-9441 - Fax: (386) 248-9448

1. CALL TO ORDER

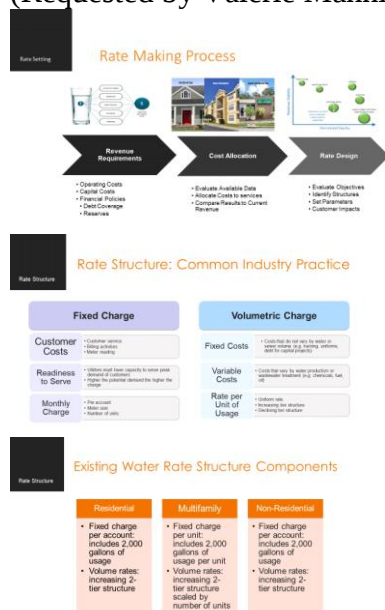
a. Roll Call

Attendee Name	Title	Status	Arrived
Chris Via	Mayor	Present	
John Penny	District 1 - Commissioner	Present	
Penny Currie	District 2 - Commissioner	Absent	
John C. Danio	District 3 - Commissioner	Present	
Roy Johnson	District 4 - Commissioner	Present	

2. WATER / SEWER RATE STUDY DISCUSSION

1.

Water and Sewer Rate Study Recommendations - PowerPoint Presentation by Stantec
 (Requested by Valerie Manning, City Clerk)



Existing Sewer Rate Structure Components

Residential	Multifamily	Non-Residential
- Fixed charge per account includes 2,000 gallons of usage - Volume rates: uniform charge	- Fixed charge per unit includes 2,000 gallons of usage per unit - Volume rates: uniform charge	- Fixed charge per account includes 2,000 gallons of usage - Volume rates: uniform charge

Water Rate Structure Recommended Changes

Fixed Monthly Charge
- No usage included in fixed charge for all classes - Fixed monthly charge per multifamily unit is 50% of residential - Fixed monthly charge based on meter size for non-residential customers
Volumetric Rates
- Residential and multifamily classes to increase from 2 tier to 5-tier structure - First residential and multifamily tier for the first 2,000 gallons of usage is for essential domestic requirements - Nonresidential class to increase from 2 tier to 4-tier structure - For nonresidential, rates for each proportional to meter size using AWWA meter capacity rates

Sewer Rate Structure Recommended Changes

Fixed Monthly Charge
- No usage included in fixed charge for all classes - Fixed monthly charge based on meter size for residential and non-residential customers - Fixed monthly charge per multifamily unit is 90% of residential
Volumetric Rates
- First residential and multifamily tier for the first 2,000 gallons of usage is for essential domestic requirements - Non-residential charged uniform rate

Revenue Neutral Water Rate Schedule

Fixed Monthly Charge		Volumetric Rates (\$ per thousand gallons)					
Meter Size	Water Residential	Water Non-Residential	Multifamily per Unit	Tier	Residential	Non-Residential	Multifamily
1/8" (1/8")	0.00	N/A	N/A	0 - 2,000	\$0.01	\$0.01	\$0.01
1/4"	1.00	\$7.77	\$1.11	Over 2,000	\$0.01	\$0.01	\$0.01
1/2"	1.00	\$11.11	\$1.11				
3/4"	2.00	\$15.56	\$1.67				
1"	3.00	\$22.22	\$2.22				
1 1/2"	5.00	\$37.04	\$3.70				
2"	14.00	\$112.00	\$11.20				
3"	20.00	\$166.67	\$16.67				
4"	26.00	\$216.67	\$21.67				
6"	32.00	\$266.67	\$26.67				
8"	38.00	\$316.67	\$31.67				
10"	44.00	\$366.67	\$36.67				
12"	50.00	\$416.67	\$41.67				

Does not include \$2 per 100 RAR charge

Revenue Neutral Sewer Rate Schedule

Fixed Monthly Charge		Volumetric Rates (\$ per thousand gallons)					
Meter Size	Water Residential	Water Non-Residential	Multifamily per Unit	Tier	Residential	Non-Residential	Multifamily
1/8" (1/8")	0.00	N/A	N/A	0 - 2,000	\$0.01	\$0.00	\$0.01
1/4"	1.00	\$11.11	\$1.11	Over 2,000	\$0.01	\$0.00	\$0.01
1/2"	1.00	\$15.56	\$1.67				
3/4"	2.00	\$22.22	\$2.22				
1"	3.00	\$33.33	\$3.33				
1 1/2"	5.00	\$55.56	\$5.56				
2"	14.00	\$155.56	\$15.56				
3"	20.00	\$222.22	\$22.22				
4"	26.00	\$288.89	\$28.89				
6"	32.00	\$355.56	\$35.56				
8"	38.00	\$422.22	\$42.22				
10"	44.00	\$488.89	\$48.89				
12"	50.00	\$555.56	\$55.56				

Does not include \$2 per 100 RAR charge

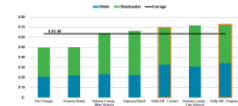
Revenue Neutral Monthly Single Family Water and Sewer Bill Impacts

Property Type	Typical Volume (gallons)	Cumulative % of Bills	Current Combined \$/M	Proposed Combined \$/M	\$ Change	% Change
Single Family (12 gpm)	12	7.0%	\$38.01	\$38.00	-\$0.01	-0.0%
Single Family (18 gpm)	18	21.4%	\$55.91	\$55.87	-\$0.04	-0.1%
Single Family (24 gpm)	24	43.1%	\$73.81	\$73.74	-\$0.07	-0.1%
Single Family (30 gpm)	30	62.0%	\$91.71	\$91.59	-\$0.12	-0.1%
Single Family (36 gpm)	36	78.0%	\$109.61	\$109.46	-\$0.15	-0.1%
Single Family (42 gpm)	42	92.0%	\$127.51	\$127.37	-\$0.14	-0.1%
Single Family (48 gpm)	48	98.0%	\$145.41	\$145.27	-\$0.14	-0.1%
Single Family (54 gpm)	54	99.0%	\$163.31	\$163.17	-\$0.14	-0.1%
Single Family (60 gpm)	60	99.5%	\$181.21	\$181.07	-\$0.14	-0.1%

Revenue Neutral Select Monthly Water and Sewer Bill Impacts

Property Type	Typical Volume (gallons)	Current Combined \$/M	Proposed Combined \$/M	\$ Change	% Change
Single Family (12 gpm)	12	\$38.01	\$38.00	-\$0.01	-0.0%
Single Family (18 gpm)	18	\$55.91	\$55.87	-\$0.04	-0.1%
Single Family (24 gpm)	24	\$73.81	\$73.74	-\$0.07	-0.1%
Single Family (30 gpm)	30	\$91.71	\$91.59	-\$0.12	-0.1%
Single Family (36 gpm)	36	\$109.61	\$109.46	-\$0.15	-0.1%
Single Family (42 gpm)	42	\$127.51	\$127.37	-\$0.14	-0.1%
Single Family (48 gpm)	48	\$145.41	\$145.27	-\$0.14	-0.1%
Single Family (54 gpm)	54	\$163.31	\$163.17	-\$0.14	-0.1%
Single Family (60 gpm)	60	\$181.21	\$181.07	-\$0.14	-0.1%

Water & Sewer Monthly Bill Residential, 4,000 gallons



Key Assumptions

- Operating reserve: Minimum 20% of operating expenses
- Target 20% of operating expenses
- Additional rate stabilization reserve target: \$1.5 million
- 10-year capital improvement program: \$22.6 million
- Account growth: 4 accounts annually
- C&M escalation factors: rates by cost components as determined with City Staff

Revenue Sufficiency Analysis Results

- Revenue not sufficient to recover revenue requirements
- Proposed Water & Sewer Rate Adjustments





Existing Sewer Rate Schedule

Fixed Monthly Charge

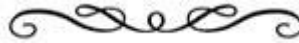
Meter Size	Residential	Non-Residential	Non-Multifamily	Rate per unit
3/4"	\$17.00	\$17.00	\$17.00	0 - 2,000
1"	\$17.00	\$17.00	\$17.00	2,001 - 10,000
1 1/2"	\$17.00	\$17.00	\$17.00	10,001 - 15,000
2"	\$17.00	\$17.00	\$17.00	15,001 - 20,000
3"	\$17.00	\$17.00	\$17.00	20,001 - 25,000
4"	\$17.00	\$17.00	\$17.00	25,001 - 30,000
6"	\$17.00	\$17.00	\$17.00	30,001 - 35,000
8"	\$17.00	\$17.00	\$17.00	35,001 - 40,000
10"	\$17.00	\$17.00	\$17.00	40,001 - 45,000

Volume-based Rates (\$ per thousand gallons)

Meter Size	Residential	Non-Residential	Non-Multifamily	Rate per unit
3/4"	\$0.00	\$0.00	\$0.00	0 - 2,000
1"	\$0.32	\$0.32	\$0.32	2,001 - 10,000
1 1/2"	\$0.32	\$0.32	\$0.32	10,001 - 15,000
2"	\$0.32	\$0.32	\$0.32	15,001 - 20,000
3"	\$0.32	\$0.32	\$0.32	20,001 - 25,000
4"	\$0.32	\$0.32	\$0.32	25,001 - 30,000
6"	\$0.32	\$0.32	\$0.32	30,001 - 35,000
8"	\$0.32	\$0.32	\$0.32	35,001 - 40,000
10"	\$0.32	\$0.32	\$0.32	40,001 - 45,000

Does not include \$2 per 100 RLL charge

There was consensus from the Mayor and City Commission to hold another workshop to further discuss the water and sewer rates on Tuesday, April 23, 2019 at 5:00 PM.



3. ADJOURNMENT

The workshop adjourned at approximately 6:15 PM,

Valerie Manning, City Clerk, CMC 4/9/2019

Chris Via, Mayor 4/9/2019