

**ORDINANCE 2024-10
UTILITY RATE AMENDMENT**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALM COAST, FLAGLER COUNTY, FLORIDA, PROVIDING FOR AN INCREASE IN CAPITAL FACILITIES (CONNECTION) FEES, WHICH ARE IMPACT FEES; PROVIDING FOR ANNUAL ADJUSTMENTS OF (CONNECTION) IMPACT FEES TO ACCOUNT FOR INFLATION; PROVIDING FOR ADMINISTRATIVE AND LEGISLATIVE FINDINGS AND INTENT; PROVIDING FOR THE OPERATION OF THE CITY OF PALM COAST UTILITY SYSTEMS; PROVIDING FOR THE ADOPTION OF ADMINISTRATIVE RULES AND IMPLEMENTING ACTIONS; PROVIDING FOR EXHIBITS; PROVIDING FOR SEVERABILITY, CONFLICTS AND AN EFFECTIVE DATE

WHEREAS, the City of Palm Coast is the owner and operator of the City of Palm Coast Water, Reclaimed Water and Wastewater Systems (Systems); and

WHEREAS, the City Council of the City of Palm Coast has previously established the rates, fees and charges pertaining to the Systems including impact fees; and

WHEREAS, pursuant to the provisions of applicable law, it is incumbent upon, and fiscally responsible for, the City Council to set just and equitable impact fees; and

WHEREAS, numerous studies have been performed for the City of Palm Coast and said reports have been evaluated and analyzed resulting in a determination of the rates, fees and charges that will be necessary to assess in order for the City reasonably recover the costs of the City associated with serving the various classes of consumers and properties benefited by the Systems as well as to meet the maintenance, regulatory and fiscal obligations of the City; and

WHEREAS, included in the studies evaluated and considered by the City Council is the “Water and Wastewater Revenue Sufficiency and Capital Facilities Fees Study,” promulgated by the firm of Stantec Consulting Services, Inc., which includes a study of the Capital Facilities (Connection), which are impact fees, and which forms the basis of the proposed rate amendments in this Ordinance, and is hereby adopted by the Council; and

WHEREAS, the Stantec Study and revised the impact fee schedule upon the best

available technical data at the time the study was prepared and the use of sophisticated methodology to determine the impacts of development in an effort to establish an appropriate level of impact fees, based on the most recent localized data; and

WHEREAS, utility impact fees must be reviewed regularly and updated when necessary to reflect capital costs, and to determine if the capital impacts of new growth are met by the fees; and

WHEREAS, to ensure revenues are sufficient to support the operation, maintenance and expansion of the water and sewer utility, on February 20, 2024, and March 5, 2024, Stantec presented to City Council its Study, which was accepted by Council. After a discussion on the history of rate adjustments and the calculations needed to assess the rates necessary to maintain the infrastructure of the water and sewer system, Stantec recommended adjustments to various rates, including monthly base charges and per gallon charges, as well as adjustments to water and sewer capacity impact fees assessed for new construction; and

WHEREAS, adequately maintaining and improving the Systems results in the ability for the City to economically develop and engage in sound growth management activities, programs and projects; and

WHEREAS, at the Council Meeting on February 20, 2024, during First Reading of this Ordinance, the City Council decided to move forward with the adoption of the proposed adjustment to impact fees and deferred consideration of adjusting other rates and fees to a later date; and

WHEREAS, the City Council has enacted Ordinance Number 2003-23 (the “City of Palm Coast Water System, Reclaimed Water System and Wastewater System Utilities Ordinance”, as codified in the *Code of Ordinances of the City of Palm Coast* in Chapter 49, Article II, Sections 49-51 through 49-78) which Ordinance provides that the City Council may, from time-to-time, establish such rates, fees and charges pertaining to the Systems as shall be necessary to meet the City’s obligations relating to the operation of the Systems as well as to comply with the regulatory agencies’ requirements relating to the operation of the Systems in addition to all other obligations of the City relating to the Systems; and

WHEREAS, the City Council adopts and incorporates the Florida Impact fee Act,

found at Florida Statutes 163.31801, and adopts the finding of the Legislature that impact fees are an important source of revenue for the City to use in funding the infrastructure necessitated by new growth, and that impact fees are an outgrowth of the Home Rule power of the City to provide utility services; and

WHEREAS, the City Council has maintained its commitments to its citizens and the purchasers of bonds since the acquisition of the Systems; and

WHEREAS, the City Council shall continue to maintain its commitments to its citizens and the covenants undertaken for the benefit of the purchasers of bonds relating to the Systems; and

WHEREAS, the City Council desires to continue to maintain fair, just, equitable and appropriate rates, fees and charges including, but not limited to, an effort involving the consideration of the types and methods of services to customers; and

WHEREAS, the City Council finds that it is necessary, desirable and fiscally prudent for the Systems to adopt this Ordinance to amend the impact fees, at this time, pursuant to the City of Palm Coast Water System, Reclaimed Water System and Wastewater System Utilities Ordinance as codified in Article II, Chapter 49 of the *Code of Ordinances of the City of Palm Coast*; and

WHEREAS, the City Council hereby ratifies and affirms all prior actions taken by the City with regard to the acquisition of the Systems and the implementation and management of the Systems since acquisition.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PALM COAST THAT:

SECTION 1. ADMINISTRATIVE AND LEGISLATIVE FINDINGS/INTENT. The provisions set forth in the recitals to this Ordinance (whereas clauses) are hereby adopted by the City Council of the City of Palm Coast as the administrative and legislative findings and intent pertaining to this Ordinance. The prior and current reports, evaluations and studies relating to the fees, rates and charges pertaining to the Systems are hereby ratified, adopted and approved. The recommendations made by the City Manager in the City Council agenda item pertaining to

this Ordinance are hereby approved and adopted.

SECTION 2. CAPACITY FACILITY (CONNECTION) FEE (aka IMPACT FEES).

(a) The Capacity Facility (Connection) Fee (aka Impact Fees) set forth in Exhibit “A” to this Ordinance are hereby adopted.

(b) The rates, fees and charges involving Capital Facilities (Connection) Fees, which are impact fees, relating to the Systems of the City as set forth herein shall be adjusted as shown in Exhibit A, effective May 1, 2024, after adoption of this Ordinance.

SECTION 3. OTHER REIMBURSED EXPENSES. In cases where customers request City utility personnel to perform specific utility services which are not the obligation of the City to perform, a fee shall be charged to recover those costs incurred by the City in performing such services when the City deems it appropriate to perform such services in order to protect the Systems or otherwise ensure the proper maintenance and control of the Systems. The fees for such services shall be assessed on a case-by-case basis and, in no event, shall be more or less than the costs to or incurred by the City (to include any and all administrative costs reasonably associated with the service). Such matters may be addressed as set forth in a revised ordinance amending the provisions of this Ordinance or on an *ad hoc* basis as determined by the City Manager or designee.

SECTION 4. OTHER RATES, FEES AND CHARGES. All other City utilities rates, fees and charges not otherwise adjusted herein and set forth in the exhibit to this Ordinance shall remain in effect after adoption of this Ordinance.

SECTION 5. ADMINISTRATIVE RULES/IMPLEMENTING ACTIONS. The City Manager or designee is hereby authorized to adopt administrative rules that are deemed necessary and appropriate to implement the provisions of this Ordinance to include, but not be limited to, rules relating to administrative and contractual issues that do not relate to rates, but may relate to administrative charges and procedures. The City Manager is authorized and directed to take any and all necessary actions, as deemed reasonably necessary, in order to implement the provisions of this Ordinance.

SECTION 6. EXHIBITS. All Exhibits to this Ordinance are hereby adopted and attached to the text of this Ordinance as if fully set forth herein verbatim.

SECTION 7. SEVERABILITY. If any section, sentence, phrase, word or

portion of this Ordinance is determined to be invalid, unlawful or unconstitutional, said determination shall not be held to invalidate or impair the validity, force or effect of any other section, sentence, phrase, word or portion of this Ordinance not otherwise determined to be invalid, unlawful or unconstitutional.

SECTION 8. CONFLICTS. All resolutions and ordinances or part of resolutions or ordinances in conflict with this Ordinance are hereby repealed.

SECTION 9. EFFECTIVE DATE/DATES OF IMPLEMENTATION. This Ordinance shall take effect immediately upon adoption; provided, however, the utility rate adjustments adopted in this Ordinance shall take effect as expressly provided in schedule set forth in Section 2 of this Ordinance.

APPROVED on first reading after due public notice and hearing this 20th day of February 2024.

ADOPTED on the second reading after due public notice and hearing this 5th day of March 2024.

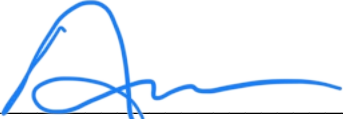
ATTEST:


KALEY COOK, CITY CLERK

CITY OF PALM COAST


DAVID ALFIN, MAYOR

APPROVED AS TO FORM AND LEGALITY


ANTHONY A. GARGANESE, CITY ATTORNEY

Attachment: Exhibit "A"- Utility Rates



EXHIBIT "A"
WATER SERVICE RATES, FEES AND CHARGES

	Current Rate	Effective 5-1-2024	Effective 5-1-2025	Effective 5-1-2026	Effective 5-1-2027
		Ord xxx	Ord xxx	Ord xxx	Ord xxx
Main extension charge (per ERC): (not charged when developer installed)	\$ 791.53	\$ 854.40	\$ 917.27	\$ 980.13	\$ 1,043.00
Capital Facility Fee (per ERC)	\$ 3,202.98	\$ 3,496.74	\$ 3,790.49	\$ 4,084.25	\$ 4,378.00
Capital Facility Fee Florida Water Star Certified (per ERC) (20% reduction)	\$ 2,562.39	\$ 2,797.39	\$ 3,032.39	\$ 3,267.40	\$ 3,502.40
Non-residential Capital Facility Fee (per gallon per day):	\$ 14.23	\$ 15.54	\$ 16.85	\$ 18.15	\$ 19.46
Non-residential Capital Facility Fee (per gallon per day) Florida Water Star Certified:	\$ 11.39	\$ 12.43	\$ 13.48	\$ 14.52	\$ 15.57
Any and all other work	Full City Costs	Full City Costs	Full City Costs	Full City Costs	Full City Costs

WASTEWATER SERVICE RATES, FEES AND CHARGES

Main extension charge (per ERC) (not charged when developer installed):	\$ 1,994.63	\$ 2,189.82	\$ 2,385.00	\$ 2,385.00	\$ 2,385.00
Capital Facility Fee (per ERC):	\$ 3,446.40	\$ 3,930.70	\$ 4,415.00	\$ 4,415.00	\$ 4,415.00
Non-residential Capital Facility Fee: (per gallon per day)	\$ 19.15	\$ 21.84	\$ 24.53	\$ 24.53	\$ 24.53
Any and all other work	Full City Costs	Full City Costs	Full City Costs	Full City Costs	Full City Costs