

ORDINANCE 2025-04
UTILITY RATE AMENDMENT

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALM COAST, FLAGLER COUNTY, FLORIDA, REVISING THE RATES AND CHARGES OF THE CITY'S UTILITY SYSTEMS; PROVIDING FOR ANNUAL ADJUSTMENTS OF ALL UTILITY RATES AND CHARGES 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; and

WHEREAS, pursuant to the provisions of applicable law, it is incumbent upon, and fiscally responsible for, the City Council to set rates, fees and charges for services furnished by the Systems that are just and equitable to all classes of consumers served and properties benefited by the Systems; 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 fee schedules relied upon the best available technical data at the time the study was prepared and the use of sophisticated methodology to establish an appropriate level of utility fees and charges based on the most recent localized data; and

WHEREAS, Raftelis was hired to update the utility financial forecast and to work with the City's financial advisor to examine financing strategies and to perform an evaluation of

revenue sufficiency & adequacy of rates as well as to review the proposed changes to utility charges, and

WHEREAS, to ensure revenues are sufficient to support the operation, maintenance and expansion of the water and sewer utility, on March 4, 2025 and March 18, 2025, Raftelis presented to City Council its Water & Wastewater Revenue Sufficiency and GAP Analysis, which was accepted by Council. After a discussion on the history of rate adjustments and the calculations needed to assess the rates necessary operate the utility system, to maintain the infrastructure of the water and sewer system, and to enhance and expand the utility system, Stantec recommended adjustments to various rates, including monthly base charges and per gallon charges, as well as adjustments utility charges; 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 March 4, 2025, during the First Reading of this Ordinance, the City Council decided to move forward with the adoption of the proposed increase in utility rates as well as utility charges, 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 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 rates, fees and charges established in Resolution Number 2013-10, to include all rates and charges imposed, 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 finds that the Capital Facilities (Connection) Fees, which are impact fees will be increased and adjusted as codified in Ordinance 2024-10, 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. UTILITY SERVICE RATES. Rates for the provision of water, reclaimed water, and wastewater services are hereby established in accordance with the provisions of this Ordinance. As set forth in Chapter 49, *Code of Ordinances of the City of Palm Coast*, water, reclaimed water, or wastewater services shall not be furnished or rendered free of charge to any person, firm or corporation whatsoever; and the City, including each of its agencies, departments or instrumentalities which uses water service, reclaimed water service or wastewater service, shall pay the applicable rates for such services.

SECTION 3. UTILITY SERVICE RATES. for the provision of water, reclaimed water, and wastewater services are as set forth in Exhibit “A” to this Ordinance. Increases are shown in bold.

SECTION 4. CHARGES. The charges for violations and the provision of utility services by the City are as set forth in Exhibit “B” to this Ordinance. Increases are shown in bold.

SECTION 5. 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 6. 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 7. ADJUSTMENT IN UTILITY SERVICE RATES FOR 2025 THRU 2027, AND METHOD OF ANNUAL ADJUSTMENTS THEREAFTER.

(a). The rates involving monthly base and usage charges and bulk rates relating to the Systems of the City, as set forth herein, shall be adjusted effective April 1, 2025, October 1, 2025, October 1, 2026, October 1, 2027, with annual automatic adjustments beginning effective October 1, 2028, as shown in bold in Exhibit A.

(b). The rates involving monthly base and usage charges and bulk rates relating to the Systems of the City as set forth herein shall be adjusted annually on October 1st of each year, commencing on October 1, 2028, and thereafter, by the higher rate of 4.0% or the June US-CPI Water and Sewerage Maintenance Services Index.

(c). The City Manager is hereby authorized and directed to calculate and implement said revised rates on an annual basis, based on the rate study. Notwithstanding the foregoing, at any time that it elects to do so, the City Council may adopt a resolution establishing rates, and such resolution shall take precedence over the previously established rates then in effect.

SECTION 8. INITIAL ADJUSTMENT IN CHARGES & OTHER REIMBURSED EXPENSES FOR 2025, AND METHOD OF ANNUAL ADJUSTMENTS THEREAFTER.

(a). The charges for violations and the provision of utility services relating to the Systems of the City, as set forth herein, shall be adjusted effective April 1, 2025 with automatic adjustments effective October 1, 2025, as shown in bold in Exhibits B.

(b). The charges for violations and the provision of utility services relating to the Systems of the City as set forth herein shall be adjusted annually on October 1st of each year, commencing on October 1, 2025, and thereafter, by the higher rate of 4.0% or the June US-CPI Water and Sewerage Maintenance Services Index.

(c.) The increase will only be implemented if the City Manager or designee determines that an increase in fees is necessary based on the cost increase to the City for materials, equipment, and services.

(d). Fees shall be reviewed periodically but no less than every 5-years to determine if any changes are necessary.

(e). The City Manager is hereby authorized and directed to calculate and implement said revised charges on an annual basis. Notwithstanding the foregoing, at any time that it elects to do so, the City Council may adopt a resolution establishing charges, and such resolution shall take precedence over the previously established charges then in effect.

SECTION 9. CAPACITY FACILITY (CONNECTION) FEE (aka IMPACT FEES).
The City Council finds that the Capital Facility (Connection) Fees, which are impact fees will be increased and adjusted as codified in Ordinance 2024-10.

SECTION 10. EXHIBITS. The exhibits (A & B) to this are hereby adopted and attached to the text of this Ordinance as if fully set forth herein verbatim.

SECTION 11. 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.

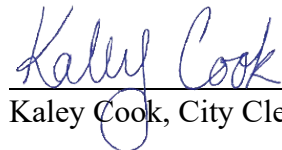
SECTION 12. CONFLICTS. All resolutions and ordinances or part of resolutions or ordinances in conflict with this Ordinance are hereby repealed.

SECTION 13. 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 7(a) & 8(a) of this Ordinance.

APPROVED on first reading after due public notice and hearing this 4th day of March 2025.

ADOPTED on the second reading after due public notice and hearing this 18th day of March 2025.

ATTEST:


Kaley Cook, City Clerk

CITY OF PALM COAST


Michael Norris, Mayor

APPROVED AS TO FORM
AND LEGALITY:


Marcus Duffy, City Attorney



EXHIBIT A
UTILITY SERVICE RATES – MOD A

	Current Rates	Effective 04.01.25	Effective 10.01.25
Increase		8.00%	8.00%
<u>WATER SYSTEM</u>			
Monthly Private Fire Protection Service:			
Meter Size 5/8"	\$ 1.85	\$ 2.00	\$ 2.16
3/4"	\$ 1.85	\$ 2.00	\$ 2.16
1"	\$ 4.60	\$ 4.97	\$ 5.37
1-1/2"	\$ 9.27	\$ 10.01	\$ 10.81
2"	\$ 14.78	\$ 15.96	\$ 17.24
3"	\$ 29.63	\$ 32.00	\$ 34.56
4"	\$ 46.34	\$ 50.05	\$ 54.05
6"	\$ 92.64	\$ 100.05	\$ 108.06
8"	\$ 148.21	\$ 160.07	\$ 172.87
10"	\$ 213.06	\$ 230.10	\$ 248.51
12"	\$ 398.33	\$ 430.20	\$ 464.61
Monthly Base Charge:			
Residential, Commercial and Multi-Family Service			
Meter Size 5/8", 3/4", 3/4"	\$ 22.22	\$ 24.00	\$ 25.92
1"	\$ 55.54	\$ 59.98	\$ 64.78
1-1/2"	\$ 111.08	\$ 119.97	\$ 129.56
2"	\$ 177.74	\$ 191.96	\$ 207.32
3"	\$ 355.42	\$ 383.85	\$ 414.56
4"	\$ 555.33	\$ 599.76	\$ 647.74
6"	\$ 1,110.71	\$ 1,199.57	\$ 1,295.53
8"	\$ 1,777.16	\$ 1,919.33	\$ 2,072.88
10"	\$ 2,554.65	\$ 2,759.02	\$ 2,979.74
Irrigation Service			
Meter Size 5/8", 3/4", 3/4"	\$ 11.09	\$ 11.98	\$ 12.94
1"	\$ 55.54	\$ 59.98	\$ 64.78
1-1/2"	\$ 111.08	\$ 119.97	\$ 129.56
2"	\$ 177.74	\$ 191.96	\$ 207.32
3"	\$ 355.42	\$ 383.85	\$ 414.56
4"	\$ 555.33	\$ 599.76	\$ 647.74
6"	\$ 1,110.71	\$ 1,199.57	\$ 1,295.53
Monthly Usage per 1,000 Gallons:			
Single-Family and Duplex			
0 - 5,000 gallons	\$ 6.02	\$ 6.50	\$ 7.02
5,001-10,000 gallons	\$ 6.62	\$ 7.15	\$ 7.72
10,001-20,000 gallons	\$ 8.44	\$ 9.12	\$ 9.84
Above 20,000 gallons	\$ 10.83	\$ 11.70	\$ 12.63
General and Multi-Family	\$ 6.90	\$ 7.45	\$ 8.05
Irrigation			
0 - 5,000 gallons	\$ 6.62	\$ 7.15	\$ 7.72
5,001-10,000 gallons	\$ 6.62	\$ 7.15	\$ 7.72
10,001-20,000 gallons	\$ 8.44	\$ 9.12	\$ 9.84
Above 20,000 gallons	\$ 10.83	\$ 11.70	\$ 12.63
		\$ -	
Bulk Water:	\$ 6.24	\$ 6.74	\$ 7.28

EXHIBIT A
UTILITY SERVICE RATES – MOD A

	Current Rates	Effective 04.01.25	Effective 10.01.25
Increase		8.00%	8.00%
<u>WASTEWATER SYSTEM</u>			
Monthly Base Charge:			
Residential, Commercial and Multi-Family Service:			
Meter Size 5/8 x 3/4", 3/4"	\$ 21.83	\$ 23.58	\$ 25.46
1"	\$ 54.51	\$ 58.87	\$ 63.58
1-1/2"	\$ 108.99	\$ 117.71	\$ 127.13
2"	\$ 174.39	\$ 188.34	\$ 203.41
3"	\$ 348.83	\$ 376.74	\$ 406.88
4"	\$ 544.99	\$ 588.59	\$ 635.68
6"	\$ 1,090.03	\$ 1,177.23	\$ 1,271.41
8"	\$ 1,744.08	\$ 1,883.61	\$ 2,034.29
10"	\$ 2,507.09	\$ 2,707.66	\$ 2,924.27
Monthly Usage per 1,000 Gallons:			
Single-Family and Duplex	\$ 5.65	\$ 6.10	\$ 6.59
General and Multi-Family	\$ 6.79	\$ 7.33	\$ 7.92
Bulk Wastewater	\$ 5.44	\$ 5.88	\$ 6.35
<u>RECLAIMED WATER SYSTEM</u>			
Monthly Base Charge:			
Wholesale (Secondary Treatment Only)	N/A	N/A	N/A
Retail			
Monthly base charge	\$ 8.70	\$ 9.40	\$ 10.15
Monthly Usage per 1,000 Gallons:			
Wholesale (Secondary Treatment Only)			
Dunes CDD per 1,000 gallons (Low Pressure)	\$ 0.36	\$ 0.39	\$ 0.42
Grand Haven CDD per 1,000 gallons (Low Pressure)	\$ 0.50	\$ 0.54	\$ 0.58
All Other Wholesale per 1,000 gallons (Low Pressure)	\$ 0.84	\$ 0.91	\$ 0.98
Retail			
0-10,000 gallons	\$ 1.31	\$ 1.41	\$ 1.53
10,001-20,000 gallons:	\$ 1.93	\$ 2.08	\$ 2.25
over 20,000 gallons	\$ 2.62	\$ 2.83	\$ 3.06
<u>SURCHARGE FOR OUTSIDE CITY LIMITS</u>			
(Excluding Wholesale Customers)			
All Rates:	25%	25%	25%
<u>NOTES:</u>			
1. All rates shall be adjusted annually on October 1st of each year, commencing on October 1, 2026, and thereafter, by the higher rate of 4.0% or the June US-CPI Water and Sewerage Maintenance Services Index.			

EXHIBIT B CHARGES

WATER SYSTEM (continued)	Current Rates	Effective 04.01.25
Back-flow Preventer Annual Inspection:		
Residential	\$ 50.00	\$ 50.00
Commercial/Industrial	\$ -	\$ 100.00
Fire System Maintenance (annual):	\$ 145.00	\$ 145.00
Meter Installation With Tap:		
5/8" & 3/4" Meter	\$ 672.77	\$ 2,326.93
Any Other Size Meter	Full City Cost	Full City Cost
Meter Installation With No Tap:		
5/8" & 3/4" Meter	\$ 514.49	\$ 965.03
Any Other Size Meter	Full City Cost	Full City Cost
Irrigation Meter Installation:	\$ 514.49	\$ 965.03
Permit Review	\$ -	\$ 25.00
Permit Inspection/Reinspection	\$ 25.00	\$ 40.00
Any and All Other Work:	Full City Costs	Full City Costs
WASTEWATER SYSTEM	Current Rates	Effective 04.01.25
Customer Deposit, Wastewater:		
5/8" & 3/4" Meter (Owner)	\$ 50.00	\$ 50.00
5/8" & 3/4" Meter (Renter)	\$ 80.00	\$ 80.00
1"	\$ 125.00	\$ 125.00
1-1/2"	\$ 250.00	\$ 250.00
2"	\$ 400.00	\$ 400.00
3"	\$ 750.00	\$ 750.00
4"	\$ 1,250.00	\$ 1,250.00
6"	\$ 2,500.00	\$ 2,500.00
8"	\$ 4,000.00	\$ 4,000.00
10"	\$ 5,750.00	\$ 5,750.00
Premise Visit:	\$ 25.00	\$ 50.00
After Hour Premise Visit:	\$ 25.00	\$ 100.00
Late Payment:	1.5% of bill with \$5.00 Minimum	1.5% of bill with \$10.00 Minimum
Returned Check:	Maximum Amount Allowed by Law	Maximum Amount Allowed by Law
Collection Fee:	Maximum Amount Allowed by Law	Maximum Amount Allowed by Law
Account Suspension:	\$ 25.00	\$ 25.00
Wastewater Pressure Test:	\$ 60.00	\$ 250.00
PEP Tank Connection:	\$ -	\$ 756.74
Permit Review:	\$ -	\$ 25.00
Permit Inspection/Reinspection:	\$ 25.00	\$ 40.00
Any and All Other Work:	Full City Costs	Full City Costs

EXHIBIT B CHARGES

RECLAIMED WATER SYSTEM	Current Rates	Effective 04.01.25
Turn on/Reconnect:	\$ 25.00	\$ 50.00
Turn off/Disconnect:	\$ 25.00	\$ 50.00
Transfer Service	\$ 25.00	\$ 25.00
Reconnect/Premise Visit (after hours):	\$ 25.00	\$ 100.00
Violation Connection (Plus Full City Cost):	\$ 125.00	\$ 250.00
Premise Visit:	\$ 25.00	\$ 50.00
Late Payment:	1.5% of bill with \$5.00 Minimum	1.5% of bill with \$10.00 Minimum
Returned Check:	Maximum Amount Allowed by Law	Maximum Amount Allowed by Law
Collection Fee:	Maximum Amount Allowed by Law	Maximum Amount Allowed by Law
Account Suspension:	\$ 25.00	\$ 25.00
Meter Installation:		
5/8" & 3/4" Meter	\$ 427.42	\$ 874.47
Any Other Size Meter	Full City Costs	Full City Costs
Permit Reviews:	\$ -	\$ 25.00
Permit Inspections/Reinspections:	\$ 25.00	\$ 40.00
Any and All Other Work:	Full City Costs	Full City Costs
INDUSTRIAL WASTEWATER PRETREATMENT	Current Rates	Effective 04.01.25
Annual Surveillance Fee:		
Inspection, Administrative Fees and Equipment	\$ 70.00	\$ 200.00
Inspection for Noncompliance:		
Inspection, Administrative Fees, Sampling and Equipment	\$ 80.00	\$ 250.00
Lab Fees for Sample Analysis Due to Noncompliance:	Full City Costs	Full City Costs
Jet/Vac Truck Service for Cleaning Due to Noncompliance:	Full City Costs	Full City Costs
Administrative Penalty for Continued Noncompliance:	\$ 125.00	\$ 250.00
UTILITY SERVICE AGREEMENT	Current Rates	Effective 04.01.25
(minimum charge of (\$3,500.00))		
Water: Charge per ERU	Varies	\$ 75.00
Wastewater: Charge per ERU	Varies	\$ 75.00
<u>SURCHARGE FOR OUTSIDE CITY LIMITS</u>		
All Charges:	25%	25%
NOTES:		
1. All charges may be adjusted annually on October 1 st of each year, commencing on October 1, 2025, and thereafter, by the higher rate of 4.0% or the June US-CPI Water and Sewerage Maintenance Services Index. The increase will only be implemented if the City Manager or designee determines that an increase in fees is necessary based on the cost increase to the City for materials, equipment, and services.		