MINUTES
City of Cocoa
City Council Utilities Workshop

February 1, 2021

A City Council Utilities Workshop was held on Monday, February 1, 2021 in City Council Chambers, located in Cocoa City Hall, 65 Stone Street, in Cocoa, Florida 32922, as publicly noticed.

I. Mayor Blake called the Workshop to order at 4:44 p.m.

Councilmember Dyal provided the invocation and Mr. Aleck Greenwood led the assembly in the Pledge of Allegiance to the Flag of the United States of America.

PRESENT:	Michael C. Blake	Mayor
	James Goins	Deputy Mayor
	Rip Dyal	Councilmember
	Lavander Hearn	Councilmember
	Lorraine Koss	Councilmember
	Anthony Garganese	City Attorney
	Stockton Whitten	City Manager
	Monica Arsenault	Assistant City Clerk

OTHER STAFF MEMBERS PRESENT:

Matthew Fuhrer, Assistant City Manager; Tammy Gemmati, Administrative Services Director; Jack Walsh, Utilities Director; John Hankins, Interim Chief of Police; Jonathan Lamm, Fire Chief; Samuel Byrd, Deputy Fire Chief; Bryant Smith, Public Works Director; Rebecca Bowman, Finance Director; Nancy Bunt, Community Services Director; Rob Beach, Chief Technology Officer; Lora Howell, Deputy Finance Director; and Samantha Senger, Assistant to the City Manager/PR Specialist.

II. WORKSHOP ITEMS:

1. Discussion of 5-Acre Parcel at the Corner of Rosa L. Jones & Florida Ave.

City Manager Whitten wished to point out that he had not met with any members of Council regarding low income housing being built on the 5-acre parcel located

at the corner of Rosa L. Jones and Florida Ave. He provided clarification that the rumor that low income housing would be built on this parcel is false and was miscommunicated.

He further mentioned the Cottages at Cocoa Village and discussed concerns regarding the project and the length of time it is taking to complete.

Mayor Blake added that he has no desire to put low income housing on that property and would like to maximize the potential of this parcel.

Councilmember Koss added that it is unfortunate that this distraction happened and we need to come together to create a more focused vision.

Councilmembers Hearn and Dyal agreed with Mayor Blake and reiterated that they would like to maximize the use of the 5-acre property.

Deputy Mayor Goins added that he would like to see the City come together and feels that these miscommunications are causing too much of a distraction and we need to focus on moving forward.

City Manager Whitten advised that before moving forward with this topic, Chief Lamm would like to give an update on Covid-19.

Chief Lamm provided contact information for anyone who would like to set up an appointment for the vaccination. He added that on Wednesday, February 3rd, from 9am-1pm, Cocoa City Hall and the Joe Lee Smith Center will offer "helpdesk" services to help those who do not have access to a computer to come and get registered to be put on a waiting list to be vaccinated.

City Manager Whitten pointed out that if anyone wants to make an appointment with him personally they can contact Executive Secretary Kathy Frederick. He added that no one needs to ask him if he wants to meet with them or if he has time to meet with them, and that he has stressed to Ms. Frederick to go ahead and add them to his schedule.

Ms. Bunt provided a presentation[1] regarding the former Oaks Mobile Home Park. She provided background history of the parcel, an update on the project across the street including outstanding issues as well as what is being proposed at this time, including the developer's proposed timeline.

[1] Exhibit A: Historic Cocoa Village Redevelopment Project

City Manager Whitten asked Ms. Bunt to explain the process of project phasing and further asked her to elaborate on what a plat is, to which Ms. Bunt provided clarification.

Ms. Bunt shared staff's concerns on the proposed timeline. She also provided the requests of the developer. Ms. Bunt noted that staff is seeking direction from City Council on how to proceed forward.

Deputy Mayor Goins asked Ms. Bunt if she could explain what she meant by "open ended timeline". In response, Ms. Bunt explained that a proper timeline could not be reached between staff and the developer at this time.

Councilmember Dyal shared his concerns regarding the process and added that there were a number of things that should not have been put in phases. He noted that he had stopped by the work site and has never seen anything like this.

Mayor Blake asked Ms. Bunt how the City got to this point with this project. He felt that this project should have already been completed.

Deputy Mayor Goins asked Attorney Garganese about the current contract. In response, Attorney Garganese provided clarification on the contract and touched briefly on the terms.

There being no further comments from the Council, Mayor Blake opened the hearing to the public.

Mr. Jack Brown, 102 Riverside Dr., Cocoa, shared how he became involved in Cocoa. He pointed out that he is interested in the 5-acre site and explained that he has laid out some ideas to the Mayor and City Manager.

Mr. Michael Dear, legal counsel for the Villas, discussed the bid process that was discussed in the presentation. He feels that they met the requirements of the City back in 2014 and were awarded the bid. He added he would like to work on a draft with staff to include the terms and timelines that staff is concerned about.

Mr. Robert Dietz, 905 Great Bend Rd., Altamonte Springs, pointed out that a lot of the issues seem to revolve around the Development Agreement and that there is still no signed agreement. He added that they have been pursuing an agreement and they have been trying to conclude this. They have yet to receive

one and they are the ones who have been aggressively chasing an agreement. This is not a lack of effort on their part and they are the ones who have been reaching out to the City to express the urgency of this contract.

Deputy Mayor Goins asked Mr. Dietz if he is insinuating that the agreement is being "held hostage" by the City. In response, Mr. Dietz stated that he does not know what the intent of the City is, however he would like to get moving on this project.

City Manager Whitten provided insight to the meeting that he attended with Mr. Dietz regarding this project. He reiterated that one of the biggest issues is the open ended timeline. In response, Mr. Dietz explained that all of these issues would have been addressed if they would have had a Development Agreement.

City Attorney Garganese shared details of the initial draft and initial meetings that they had. There are issues that have not been resolved and until such a time that the business terms have been addressed these items will remain outstanding.

Erin Trauger, Civil Engineer for this project, explained that this is a very challenging site and it is a very specific product with the lots being very specific to the project. She shared some insight to the process of the design and the infrastructure of the project that has brought them to where they are today.

Mr. George Brown Jr., 555 King St., Cocoa, asked about the property on Stone St. and Fiske Blvd. and asked when something would be done with that property. In response, Ms. Bunt shared a brief history of the ownership of that parcel and added that there is an RFP out for bid now for that parcel.

Mr. Michael DiChristopher, 1777 Wavecrest St., Merritt Island, wished to share a suggestion to build condos instead of townhomes which he feels would alleviate some of the issues.

Mr. Aleck Greenwood, 640 Brevard Ave., Cocoa, stated that before we can move forward, we need to know if this is still a legally binding project. He noted that in regard to the earlier conversation about the miscommunication surrounding this project, he has proof in an email that was sent to former Mayor Jake Williams, Jr. that low to mid-income housing was being discussed for this property. In response, Deputy Mayor Goins asked who sent the email. Mr. Greenwood stated that he would share this information with him later.

Mr. Ed Lanni, 939 N. Indian River Dr., Cocoa stated that when people leave their businesses they leave them looking like trash and they need to be policed to keep the appearances of their property up. He added that Cocoa Village is a unique place that you don't see all the time and we need to keep our City clean. Lastly, he pointed out that he would like to see high end homes put on this parcel because he doesn't want just any project being developed there.

Jim Stripling, 10 South St., an owner of one of the condos being built at the Cottages, noted that he has a copy of the draft Development Agreement from August 23, 2018. He shared his concerns regarding the project and wanted to know who has final authority. In response, Mayor Blake shared that the Council has final say.

Mr. Dietz asked for thirty additional seconds to speak which was granted by Council.

Mr. Dietz expressed that he would like nothing more than to meet in order to reach an agreement with the City so that they can move forward.

Deputy Mayor Goins asked why a timeline cannot be reached. In response, Mr. Dietz added that they are not against agreeing to a timeline. He noted that they gave the City a timeline but it may not have been one that they wanted.

Further discussion was held regarding the issues of the project and various delays that have occurred.

There being no further questions or comments, the public portion of the hearing was closed and was brought back to the Council.

City Manager Whitten clarified the email mentioned previously by Mr. Aleck Greenwood. This email was sent by a developer to former Mayor Jake Williams, Jr. regarding a proposal that was never brought before the Council.

Additionally, City Manager Whitten stated that he is open to meeting regarding a development agreement and turning this project around, however this agreement will include timelines and will not remain open ended. He will also not recommend to the Council of giving up ownership of the 0.54 acres on this property. Furthermore, he will not be held accountable for any promises made by the previous City Manager[2].

[2] Council recessed for a 20-minute break at 6:30pm and reconvened at 6:50pm

2. Utility Rate Study Overview - Stantec

City Manager Whitten shared a FYI to Council regarding a request from Brevard County to utilize the old Joe Lee Smith Center as they have $18 million dollars for rental and rehab assistance and would like to use the center for signups.

Jeff Dykstra, Stantec, provided a presentation[3] regarding the study of the City's water and sewer rates.

Mr. Dykstra provided a final summary, including their recommendations which are as follows:

Revenue Sufficiency Analysis:

- FY 2022 analysis starting in February/March

Rate Structure Review/Design

- Proposed modifications effective April 1, 2021

Miscellaneous Service Charges

- 3-year phase-in to full cost recovery:
  - April 1, 2021
  - October 1, 2022
  - October 1, 2023

Impact Fees

- Water: $1,750
- Water with reclaimed service: $1,300
- Sewer: $2,500
- Review in 3-5 years to compare to current costs

City Manager Whitten asked permission from the Council to continue discussions with Doug Baldwin to discuss parking in the Village.

Consensus by Council to accept the proposed rates presented by Stantec and for staff to move forward and present a final presentation at the March 9, 2021 City Council meeting.

* **MOTION by Councilmember Dyal; Seconded by Deputy Mayor Goins, to adjourn the Workshop.**

AYES: Blake, Goins, Dyal, Hearn, Koss

[3] Exhibit B: City of Cocoa Water & Sewer Rate Study

THE MOTION CARRIED (5-0)

The Workshop adjourned at 7:35 p.m.

Michael C. Blake, Mayor

ATTEST:

Carie E. Shealy, MMC, City Clerk
(Transcribed by M. Arsenault, Asst. City Clerk)

Historic Cocoa Village Redevelopment Project

915 Florida Avenue Parcel

(4.86 acre site)

February 1, 2021

915 Florida Avenue



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History of the Project

- The Property is formerly the Oaks Mobile Home Park at the SW corner of Rosa L Jones & Florida Avenue

- 2 parcels, totaling 4.86 acres
  - 4.32-acre parcel is located within the City of Cocoa
  - .54-acre parcel is located within the City of Rockledge

- 2/19/2016 - The parcels were purchased for $800,000 by the City for redevelopment purposes in accordance with the Florida Community Redevelopment Act of 1969

History of the Project

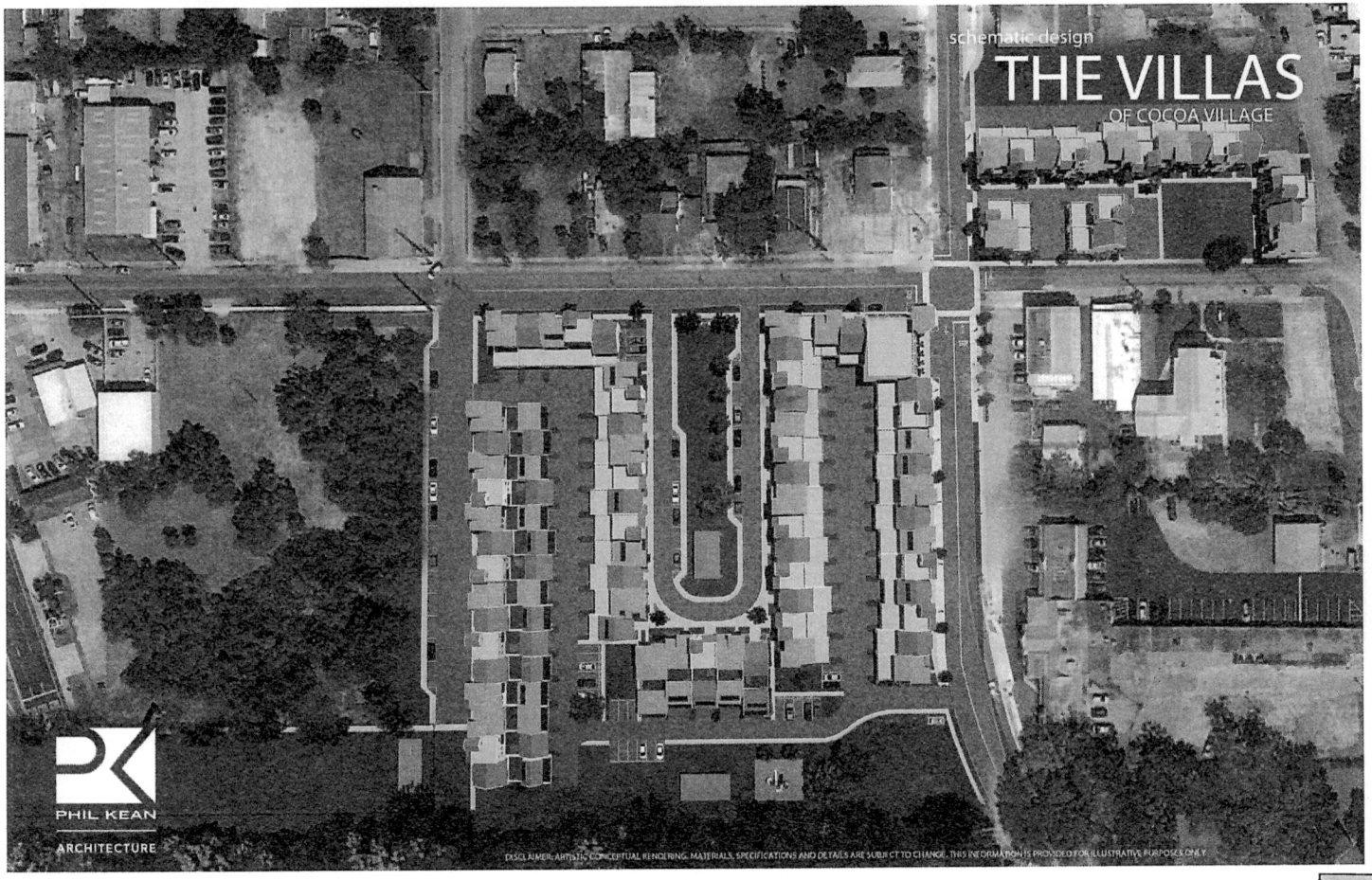
- 10/16/2017 - Appraisal determined Market Value was $780,000
- 1/22/2018 - Request for Proposals (RFP) was issued
- 3/05/2018 - 2 responses were received, based on the recommendation of the Review Committee the Villas of Cocoa Village, LLC project was ranked #1.
- 4/24/2018 - City Council authorized City Attorney/City Manager to negotiate a Redevelopment Agreement
- 8/23/2018 – the City Attorney drafted a Redevelopment Agreement.

History of the Project

- The Villas of Cocoa Village, LLC is currently constructing The Cottages, an 18-unit Townhome Subdivision located at the NE corner of Rosa L Jones & Florida Avenue
  - Proposed renderings were submitted to City on 4/10/2018
  - Early Release Permit for site work was issued 3/15/2019, first foundation permit issued on 4/14/2019
  - Currently 8 of 18 units under vertical construction, no Certificates of Occupancy (CO) have been issued to date
- <u>Time Frame Provided in the Developer's Proposal</u>
  - Purchase Agreement to be signed within 60 calendar days of Proposal Acceptance
  - The Villas of Cocoa Village Master Development Plan shall be approved within 60 calendar days of Proposal Acceptance
  - Submission of permitting requests within 30 calendar days of signing Purchase Agreement and Master Development Plan Approval
  - Construction to begin on or before July 15, 2018 (if quick start permits are issued)
  - Villas Project completion within 24 months from Proposal Acceptance

COCOA FLORIDA

Original Design Submitted in RFP



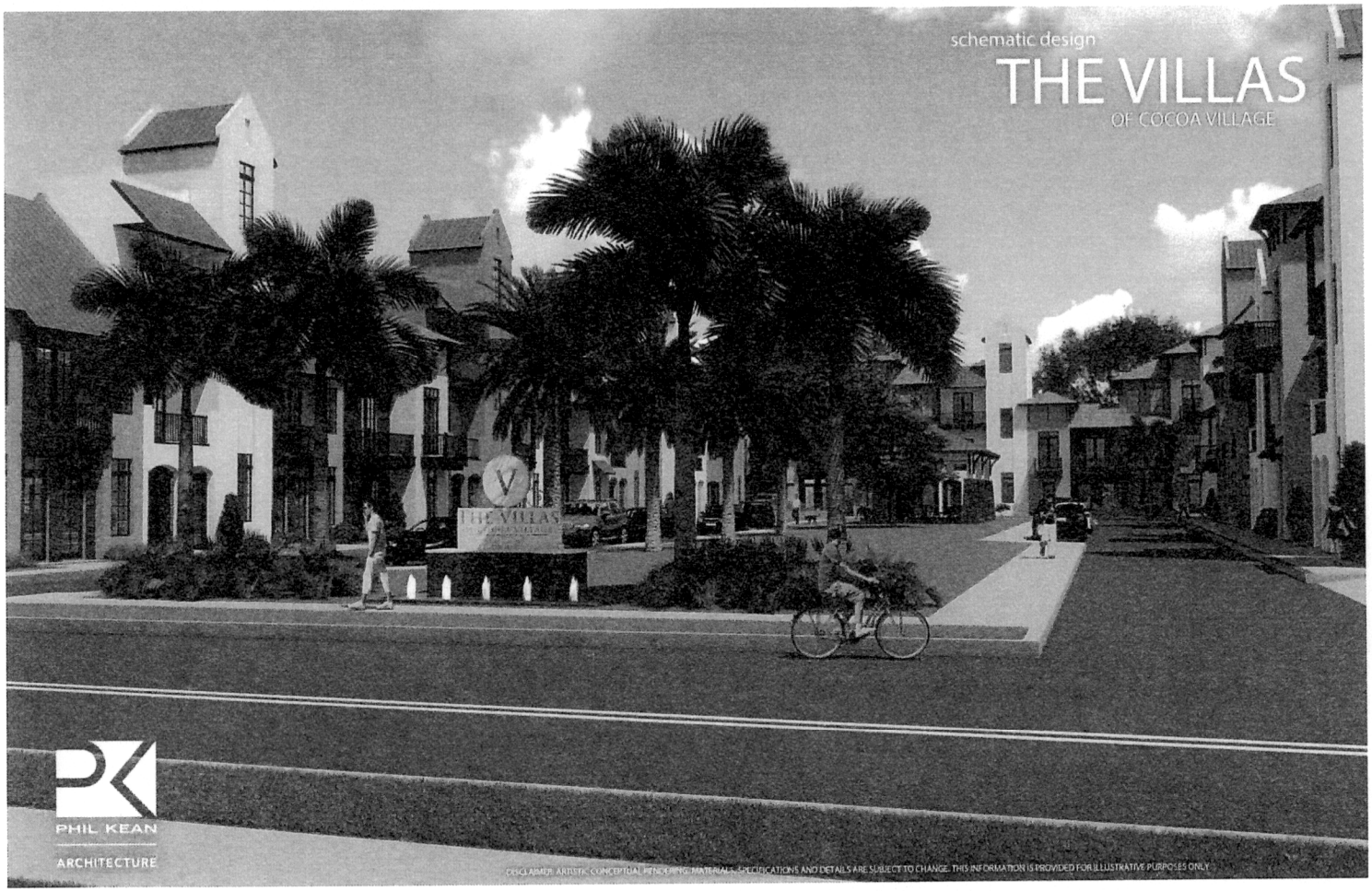
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Corner of Rosa L Jones & Florida Avenue



COCOA
FLORIDA

Facing South on Rosa L Jones



COCOA
FLORIDA

Facing North on Florida Avenue



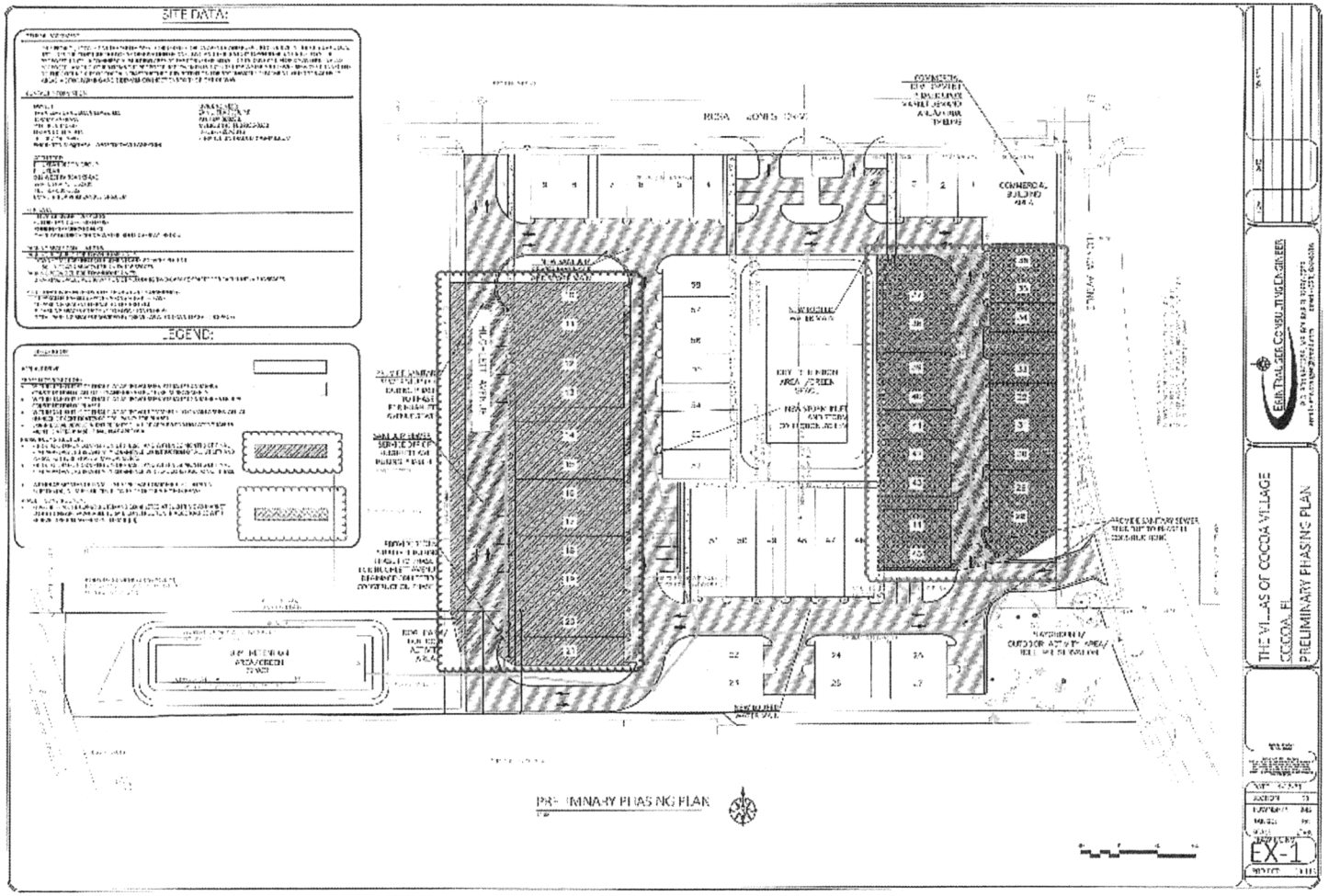
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2020 – 2021 Updates

- April 20, 2020 - the development team met with the Interim City Manager and staff to provide update on the project
- May 15, 2020, a Development Review Committee (DRC) meeting was assembled so that the DRC could review and provide feedback on the proposed plans, plans were revised based on the DRC review.
- June 2020 – the Developer requested a variance on behalf of the Interim City Manager to reduce the stormwater requirements from 100-year/24-hr event to 25-year/24-hr event so that the entire site would have the same stormwater requirements.
- June 10, 2020 – An update on The Villas Project was presented at the request of City Council. Direction by Council was to request an updated timeline and obtain a current appraisal.

COCOA FLORIDA

7/2020 Preliminary Phasing Plan



2020-2021 Update (continued)

- November 18, 2020 & January 26, 2021– the Villa's team met with current City Manager and staff. There was significant discussion in regard to the proposed timeline submitted by the Villa's team, draft Development Agreement and the Zoning conflicts.
- Staff received an updated timeline but have concerns on the phasing and the timeframe for completion of the entire project.
- An updated appraisal should be received by mid February.

Outstanding Issues

- Resolution of Two (2) Zoning Conflicts
- Resolution of Developers Proposed Timeline
- Resolution of sales price, terms and conditions
- Resolution as to whether the .54-acre parcel is sold

Two Zoning Conflicts

- Current Zoning is Core Commercial (CC)
- Core Commercial Zoning is generally bound on the north by Mitchell St., on the east by Forest Ave. and Brunson Blvd., on the south by the city limits and on the west by U.S. 1.
- The CC zoning district regulations would need to be amended to remove “single family homes and duplexes” from prohibited uses and include them under Special Exceptions as regulated in Article XI, Section 5, RU-2-15.
- Section 22, the Cocoa Waterfront Overlay District (CWOD) Use Tables would need to be amended to allow Single Family Attached and Detached by Special Exception in the South End Subdistrict under Core Commercial Zoning.

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Developers Proposed Timeline

PHASE I CONSTRUCTION:

- WITHIN 12 MONTHS OF FINAL PLAT APPROVAL SUBSTANTIALLY COMMENCE CONSTRUCTION OF ALL UTILITY AND INFRASTRUCTURE IMPROVEMENTS.
- WITHIN 15 MONTHS OF FINAL PLAT APPROVAL SUBSTANTIALLY COMMENCE VERTICAL CONSTRUCTION OF PHASE I.
- WITHIN 24 MONTHS OF FINAL PLAT APPROVAL COMMENCE TO OBTAIN A SUBSTANTIAL NUMBER OF CERTIFICATES OF OCCUPANCY FOR PHASE I.
- COMMERCIAL DEVELOPMENT PERMITS SHALL BE APPLIED FOR NO LATER THAN 18 MONTHS AFTER PHASE I FINAL PLAT APPROVAL.

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Developers Proposed Timeline

PHASE II CONSTRUCTION:

- PRIOR TO OR UPON COMPLETION OF PHASE I AND WITHIN 36 MONTHS OF FINAL PLAT APPROVAL, SUBSTANTIALLY COMMENCE CONSTRUCTION OF ALL UTILITY AND INFRASTRUCTURE PHASE 2 IMPROVEMENTS.
- PRIOR TO OR UPON COMPLETION OF PHASE I AND WITHIN 39 MONTHS OF FINAL PLAT APPROVAL, SUBSTANTIALLY COMMENCE VERTICAL CONSTRUCTION OF PHASE II.
- WITHIN 48 MONTHS OF FINAL PLAT APPROVAL COMMENCE TO OBTAIN A SUBSTANTIAL NUMBER OF CERTIFICATES OF OCCUPANCY FOR PHASE II.

COCOA FLORIDA

Developers Proposed Timeline

PHASE III CONSTRUCTION:

- PHASE III SHALL BE CONSTRUCTED AND COMPLETED AT SUCH TIME AS MARKET CONDITIONS ARE FAVORABLE TO SAID CONSTRUCTION IN ACCORDANCE WITH REDEVELOPMENT AGREEMENT ITEM (B)(3).

Staff Concerns on the Proposed Timeline

- Staff recommends the project be completed in one phase.
- Staff believes that the developers timeline should follow the City's Code for Final Plat Approval and all of the utilities and infrastructure, including the stormwater management facilities and roadways for the entire project should be completed and accepted prior to recording of final plat.
- Staff recommends an 18-month timeframe to complete construction of the entire project.

Developers Request

- The developer is seeking to continue the project and is requesting a final draft Redevelopment Agreement be provided to them by the City Attorney;
- for staff to proceed forward with addressing the two zoning conflicts;
- and to incorporate the developers Timeline within the Redevelopment Agreement.

Other Staff Concerns

- Since this project was purchased by the City of Cocoa for redevelopment purposes, staff has concerns with the capacity of the builder to complete the project in a timely manner based on the quality of the construction and the construction timeframe of The Cottages project, which is 18 townhomes.
- Staff strongly recommends that the utilities and infrastructure, including the stormwater management facilities and roadways for the entire project should be completed and accepted prior to recording of final plat.
- Staff has concerns about the phasing of the project, and recommends the project be completed in one phase. However, if the project is phased, the stormwater facilities need to be completed in phase 1 and the commercial parcel needs to have a timeline for development. Also, staff is concerned that Phase 3 fronts Florida Avenue and is the last phase to be developed.

Other Staff Concerns

- The Villa's timeframe is considered too open ended and staff is concerned about the developer's proposed timeframe to complete the project.
- The updated appraisal will also look at "the highest and best use," potentially this may have changed since the initial 2017 appraisal.
- With respect to the .54-acre parcel located in Rockledge, the RFP clearly states that "The City will retain ownership of the site." However, the Villa's proposal has a purchase price which includes the .54-acre parcel. City Council will need to decide if the .54-acre parcel will be sold as part of the project and who has rights to and maintenance of the billboards on this parcel.

Other Staff Concerns

The Villas proposal provided for two (2) Land Acquisition Options:

- *Their preferred option would allow the developer to purchase the site for $1,040,000 and repay in 65 equal payments of $16,000 within 26 months from date of sale. The higher purchase price hinges on the ability to rezone and replat the site into 65 individual fee-simple lots and approximately 33,700 square feet of common-areas.*
- *Alternatively, the secondary option would facilitate the sale of the site for the appraised value of $750,000. Details about repayment terms, ownership structure and amount of common-area were not included in this option. Staff assumed the development would be marketed as townhomes with a shared/HOA maintenance structure.*
- With the reduction of the units from 65 to 58 and pending an updated appraisal, City Council would need to provide direction as to the purchase price and terms.

COCOA FLORIDA

Council Direction

- Page 9 of the Request for Proposals states:

  Section XIII. Redevelopment Agreement

  Subsequent to the award, the Proposer and the City and/or Cocoa CRA will be required to negotiate and enter into a binding redevelopment agreement setting forth the terms and conditions of the development project.

- To date, there has not been a final draft Redevelopment Agreement where all outstanding items have been addressed and agreed upon by both parties.
- Staff is seeking Council's direction before proceeding further.



City of Cocoa Water & Sewer Rate Study

Utility Workshop

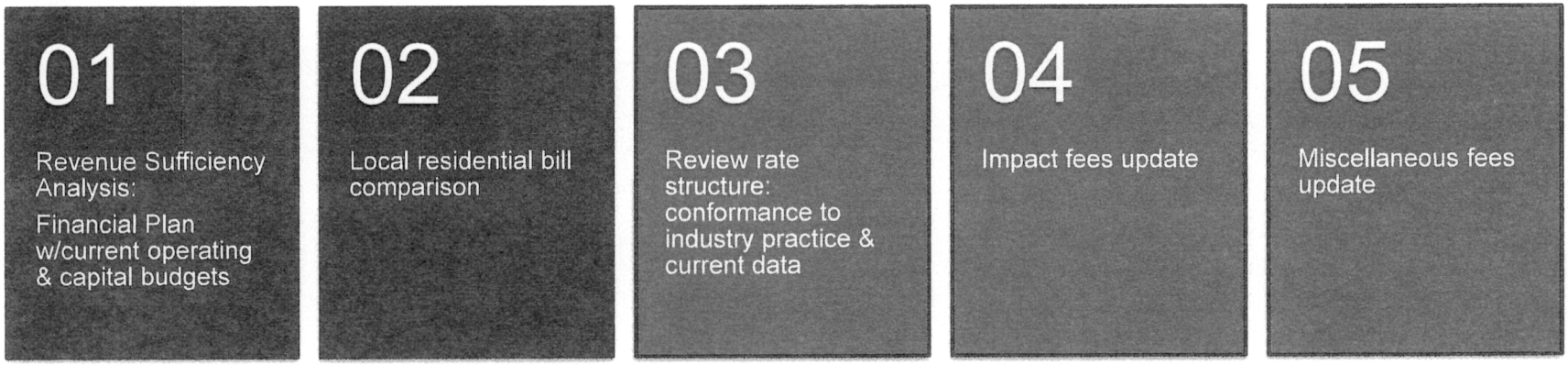
February 1, 2021

Stantec

Rate Study Components

Updated ***annually*** during the City's Budget Process:
Focus is financial sustainability

Updated less frequently:
Focus on specific rates & fees



"How much revenue is needed?"

"How will revenue be collected?"

2020 Revenue Sufficiency Analysis Results

FAMS Financial Analysis & Management System | By Stantec

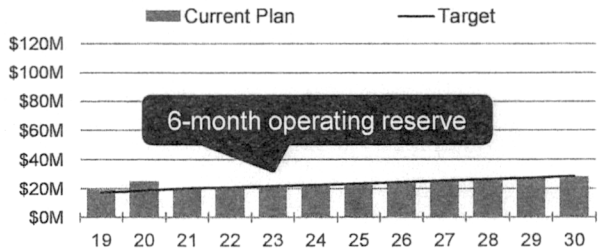
City of Cocoa, FL — Water & Sewer Fund

Stantec

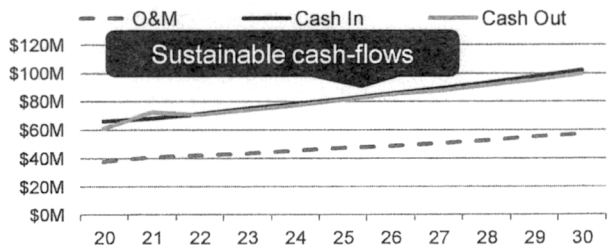
CALC | SAVE | CTRL | LAST | OVR

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2025	FY 2030
No rate increase this year		0.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	16.97%	42.36%
Senior-Lien DSC	3.63	3.40	2.78	2.65	2.80	2.96	2.50	2.72	2.88	2.84	2.90		
Subordinate DSC	7.63	6.97	7.45	8.30	9.75	14.01	20.62	22.98	25.07	26.34	30.19		

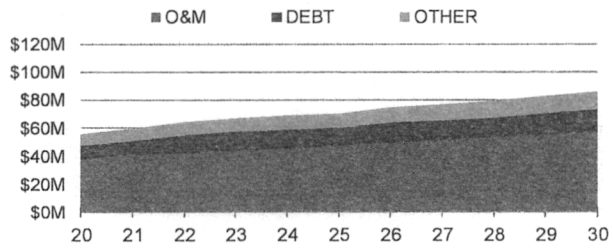
Operating Fund



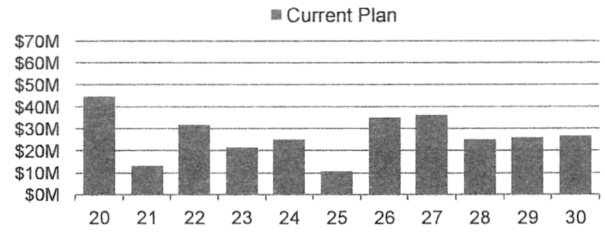
Revenues vs. Expenses



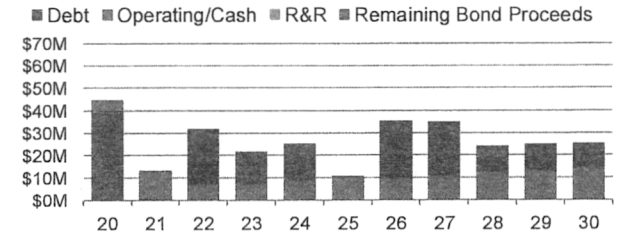
Expenses by Type



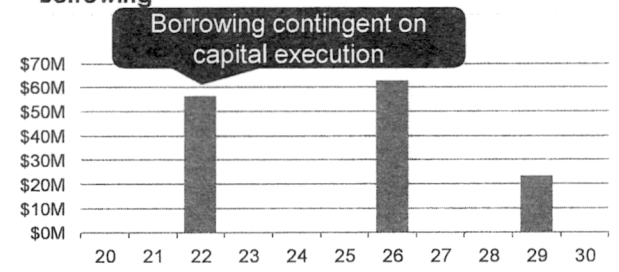
CIP Spending



CIP Funding



Borrowing



Rate Structure Review

Best practice: periodic review of current demands and industry trends

Findings: existing rate structure generally conforms to industry practices

Minor modifications recommended to achieve:

- Locally comparable base charges & strong level of revenue stability
- Base charges reflecting current industry standards for capacity of larger meters
- Tiers reflecting current usage patterns & typical irrigation needs
- Tier scaling by meter size based on current customer data



Proposed rates are "revenue neutral" overall

- No system-wide rate increase
- Customer bill impacts vary by meter size and monthly demand, but…

Approximately 70% of total system bills will decrease

Reclaimed Water Rate Structure Modifications

Base Charges:

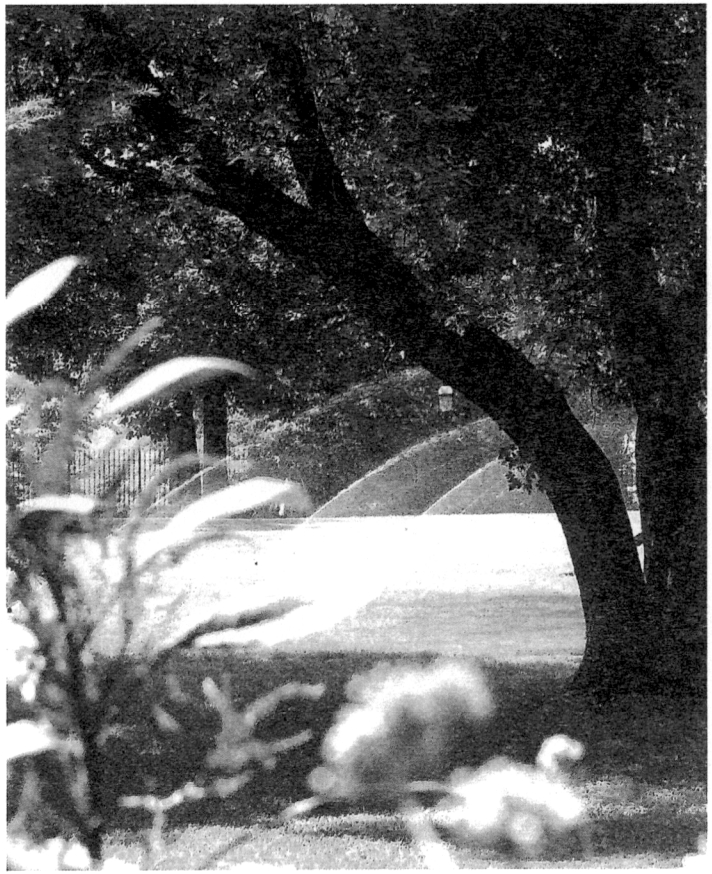
- Updated pricing ratios by meter size

Meter Size	Current Monthly Base Charge*	Proposed Monthly Base Charge*
3/4"	$9.65	$9.05
1"	$9.65	$9.05
1.5"	$48.29	$54.29
2"	$64.38	$85.96
3"	$257.50	$196.81
4"	$386.25	$339.33

* Reflects Inside-City Rates

Volumetric Charges:

- No changes to rates or tiers



Water Rate Structure Modifications

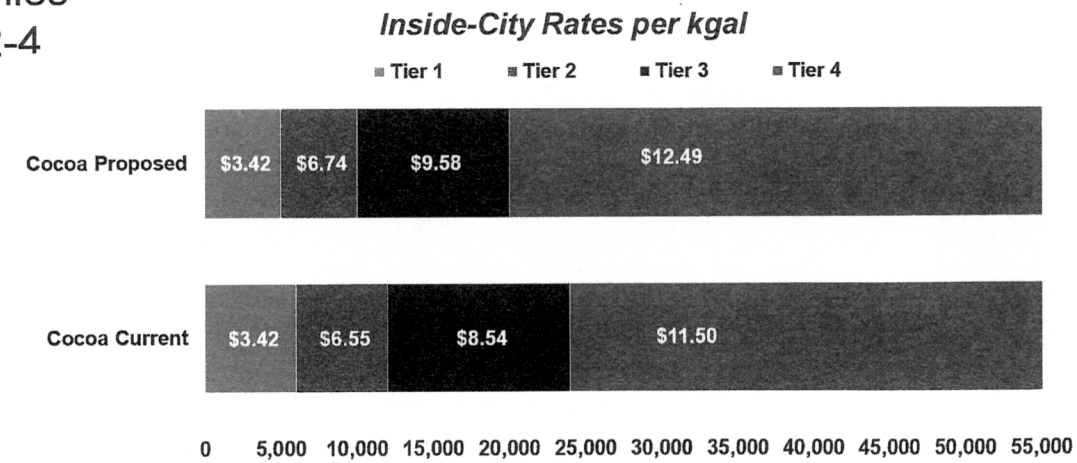
Base Charges:

- Slight reduction in overall fixed charge revenues
- Updated customer cost portion (not scaled by meter size)
- Updated readiness-to-serve portion (scaled by meter size) pricing

Volumetric Charges:

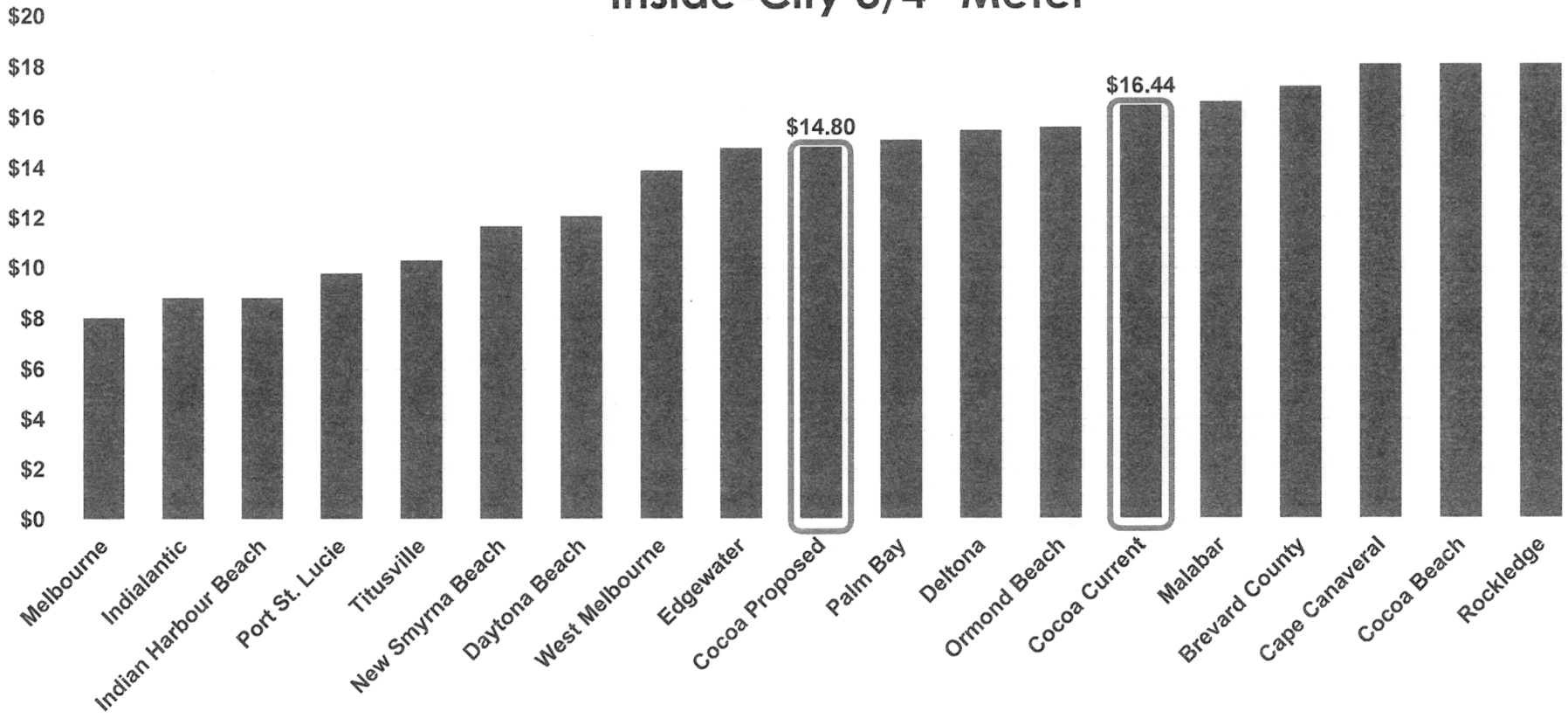
- Tiers reflect current customer use profiles
- Send stronger pricing signal for tiers 2-4

Tier	Existing (kgals per month)	Proposed (kgals per month)
Tier 1	0-6	0-5
Tier 2	7-12	6-10
Tier 3	13-24	11-20
Tier 4	Above 24	Above 20



Water Monthly Fixed Charge

Inside-City 3/4" Meter



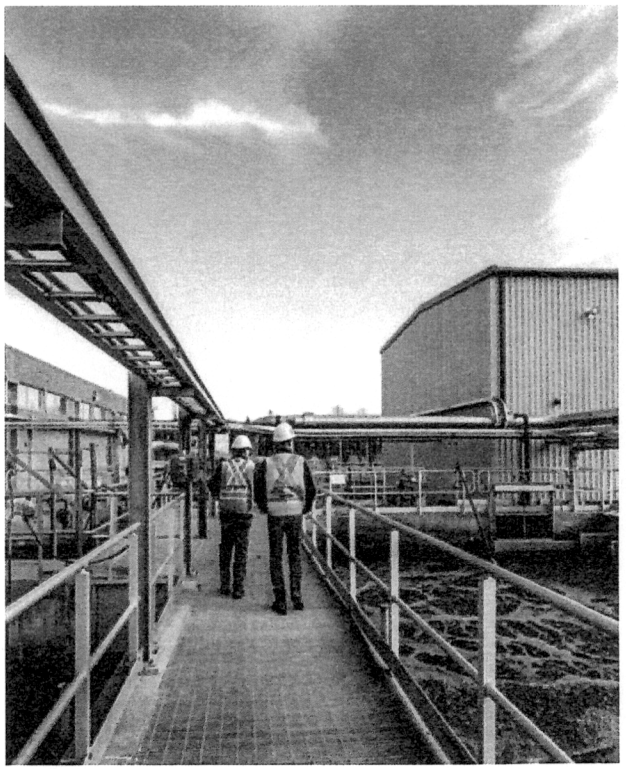
Sewer Rate Structure Modifications

Base Charges:

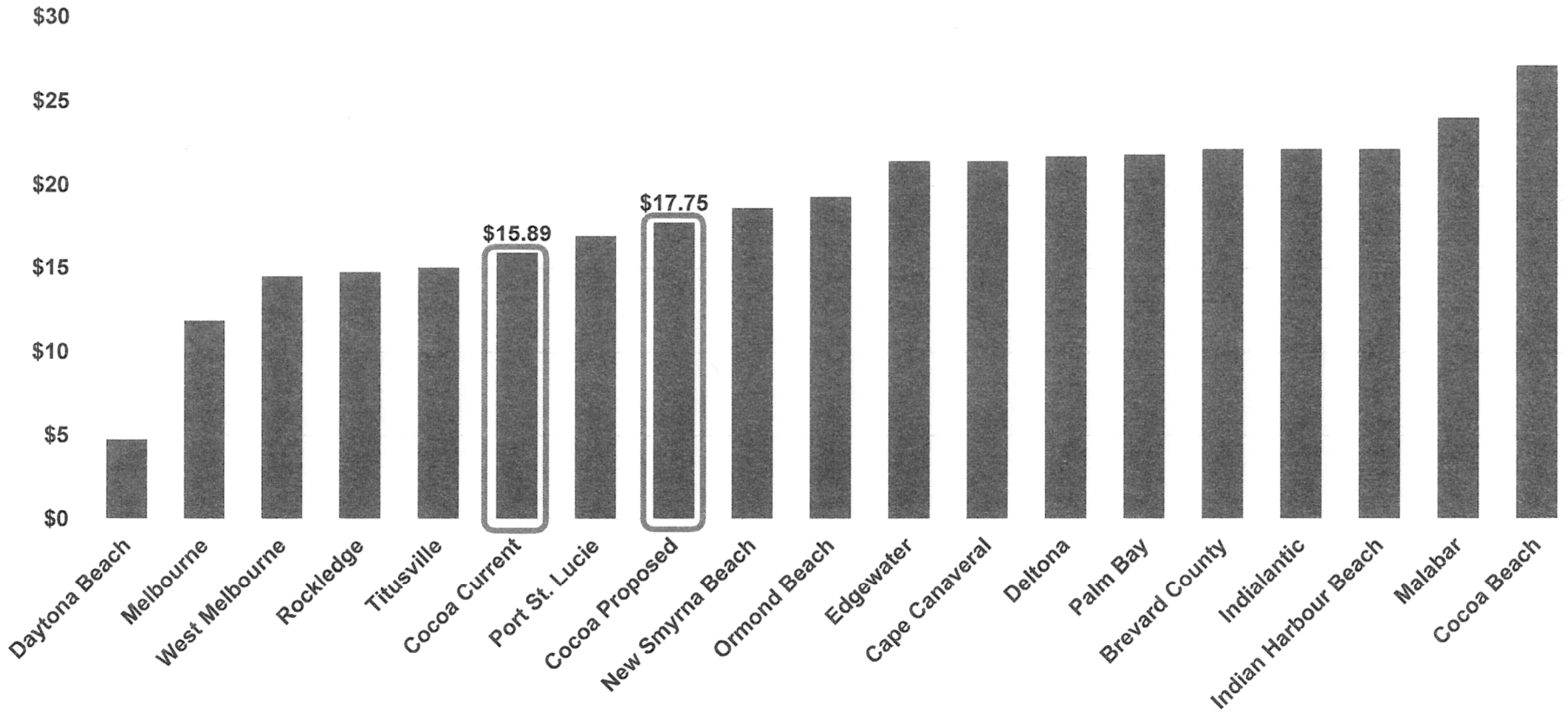
- Increase in overall fixed charge revenues
- Updated customer cost portion (not scaled by meter size)
- Updated readiness-to-serve portion (scaled by meter size) pricing

Volumetric Charges:

- Decrease rate per kgal from $7.53 to $7.19 (Inside-City)

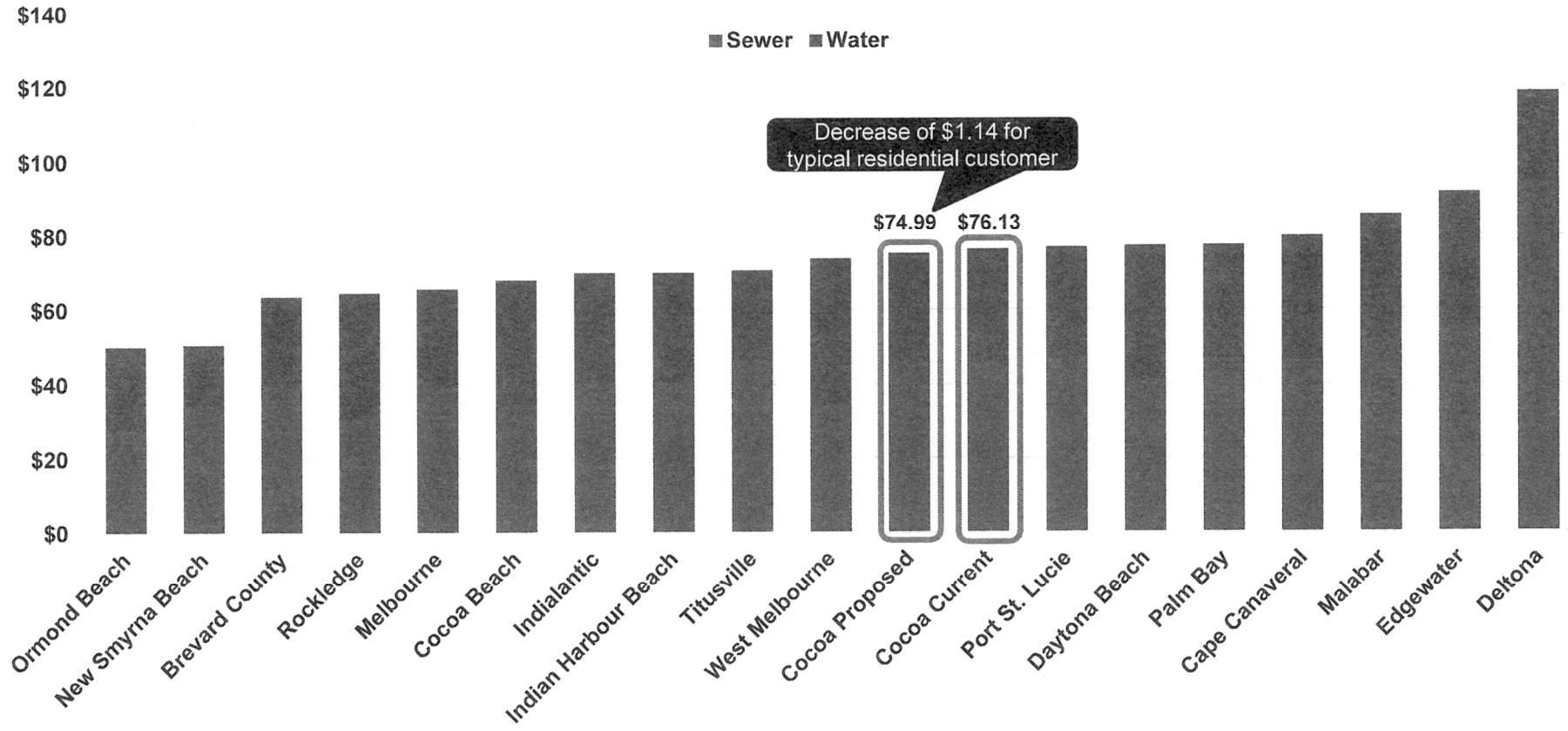


Sewer Monthly Fixed Charge
Inside-City 3/4" Meter



Water & Sewer Monthly Bill

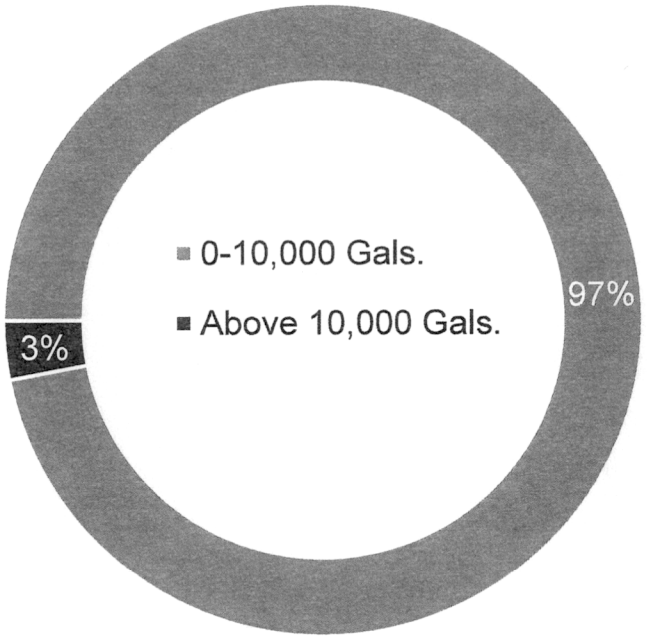
Inside-City ¾" Meter @ 4,000 gallons



Residential Customer Bill Impacts

Inside City – Water & Sewer ¾" Meter: Approx. 6% of the Utility's Bills

Bills > 10,000 gallons *(3%) will see increases*



97% of bills will see slight reductions or increases of *less than $1.50*

Residential Customer Bill Impacts

Inside City – Water & Sewer ¾" Meter: Approx. 6% of Customers

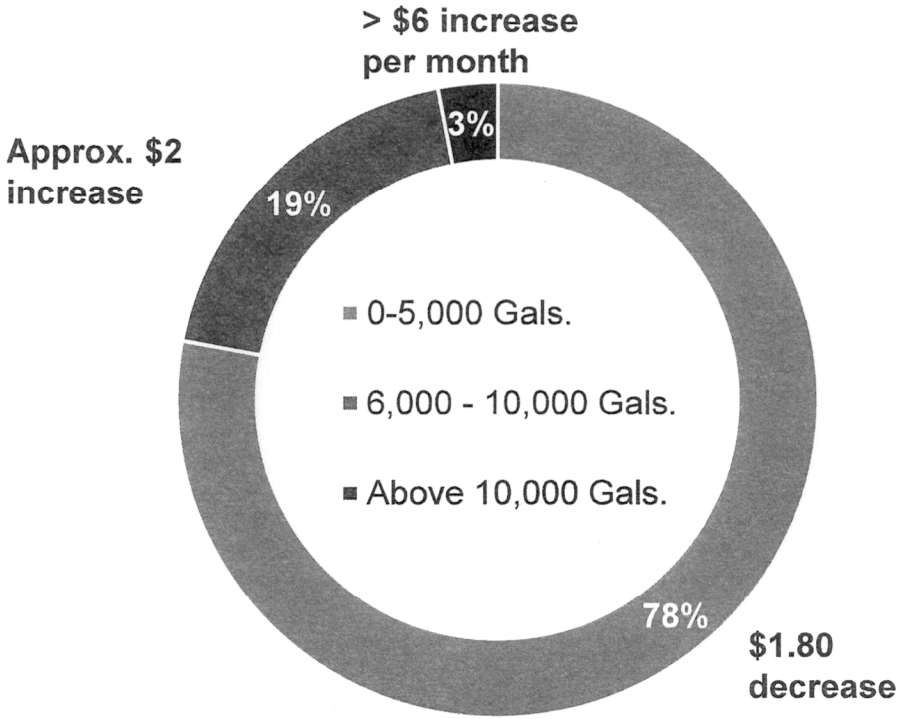
Usage Level (kgal)	Current Total Bill	Proposed Total Bill	Total Monthly Bill Impact ($)	Total Bill Impact (%)	Cumulative % of Total Bills
0	$ 32.33	$ 32.55	$ 0.22	0.7%	9.1%
1	$ 43.28	$ 43.16	$ (0.12)	-0.3%	25.0%
2	$ 54.23	$ 53.77	$ (0.46)	-0.8%	44.2%
3	$ 65.18	$ 64.38	$ (0.80)	-1.2%	61.8%
Typical Usage 4	$ 76.13	$ 74.99	$ (1.14)	-1.5%	74.4%
5	$ 87.08	$ 85.60	$ (1.48)	-1.7%	82.9%
6	$ 98.03	$ 99.53	$ 1.50	1.5%	88.7%
7	$ 112.11	$ 113.46	$ 1.35	1.2%	92.2%
8	$ 126.19	$ 127.39	$ 1.20	1.0%	94.5%
9	$ 140.27	$ 141.32	$ 1.05	0.7%	96.0%
10	$ 154.35	$ 155.25	$ 0.90	0.6%	97.0%
11	$ 168.43	$ 172.02	$ 3.59	2.1%	97.6%
12	$ 182.51	$ 188.79	$ 6.28	3.4%	98.1%
13	$ 191.05	$ 198.37	$ 7.32	3.8%	98.4%
14	$ 199.59	$ 207.95	$ 8.36	4.2%	98.7%
15	$ 208.13	$ 217.53	$ 9.40	4.5%	98.9%
16	$ 216.67	$ 227.11	$ 10.44	4.8%	99.0%
17	$ 225.21	$ 236.69	$ 11.48	5.1%	99.1%
18	$ 233.75	$ 246.27	$ 12.52	5.4%	99.1%
19	$ 242.29	$ 255.85	$ 13.56	5.6%	99.2%
20	$ 250.83	$ 265.43	$ 14.60	5.8%	99.3%

97% of bills will see reductions or increases no more than $1.50

Top 3% of bills will increase absent changes in use

Residential Customer Bill Impacts

Outside City – Water Only ¾" Meter: Approx. 85% of the Utility's Bills



Residential Customer Bill Impacts

Outside City – Water Only ¾" Meter: Approx. 85% of Customers

Usage Level (kgal)	Current Total Bill	Proposed Total Bill	Total Monthly Bill Impact ($)	Total Bill Impact (%)	Cumulative % of Total Bills
0	$ 18.08	$ 16.28	$ (1.80)	-10.0%	0.3%
1	$ 21.84	$ 20.04	$ (1.80)	-8.2%	13.7%
2	$ 25.60	$ 23.80	$ (1.80)	-7.0%	31.4%
3	$ 29.36	$ 27.56	$ (1.80)	-6.1%	50.8%
Typical Usage 4	$ 33.12	$ 31.32	$ (1.80)	-5.4%	66.7%
5	$ 36.88	$ 35.08	$ (1.80)	-4.9%	77.9%
6	$ 40.64	$ 42.49	$ 1.85	4.6%	85.8%
7	$ 47.85	$ 49.90	$ 2.05	4.3%	90.5%
8	$ 55.06	$ 57.31	$ 2.25	4.1%	93.6%
9	$ 62.27	$ 64.72	$ 2.45	3.9%	95.5%
10	$ 69.48	$ 72.13	$ 2.65	3.8%	96.8%
11	$ 76.69	$ 82.67	$ 5.98	7.8%	97.6%
12	$ 83.90	$ 93.21	$ 9.31	11.1%	98.2%
13	$ 93.29	$ 103.75	$ 10.46	11.2%	98.6%
14	$ 102.68	$ 114.29	$ 11.61	11.3%	98.9%
15	$ 112.07	$ 124.83	$ 12.76	11.4%	99.2%
16	$ 121.46	$ 135.37	$ 13.91	11.5%	99.2%
17	$ 130.85	$ 145.91	$ 15.06	11.5%	99.4%
18	$ 140.24	$ 156.45	$ 16.21	11.6%	99.5%
19	$ 149.63	$ 166.99	$ 17.36	11.6%	99.6%
20	$ 159.02	$ 177.53	$ 18.51	11.6%	99.6%

78% of bills (low volume and common use) will go down by $1.80

19% of bills will go up by approx. $2

Top 3% of bills will increase by >$6 without any changes in use

Non-Residential Customer Bill Impacts

Outside City – Water Only

Description	Number of Customers	Monthly Usage (kgal)	Current Total Bill	Proposed Total Bill	Total Monthly Bill Impact ($)	Total Bill Impact (%)
3/4" Lower Usage		3	$ 29.36	$ 27.56	$ (1.80)	-6.1%
3/4" Medium Usage	2,678	7	$ 47.85	$ 49.90	$ 2.05	4.3%
3/4" Higher Usage		15	$ 112.07	$ 124.83	$ 12.76	11.4%
1" Lower Usage		7	$ 70.12	$ 64.02	$ (6.10)	-8.7%
1" Medium Usage	1,216	15	$ 100.20	$ 101.40	$ 1.20	1.2%
1" Higher Usage		30	$ 208.35	$ 228.20	$ 19.85	9.5%
1.5" Lower Usage		25	$ 173.44	$ 181.67	$ 8.23	4.7%
1.5" Medium Usage	870	45	$ 258.99	$ 264.17	$ 5.18	2.0%
1.5" Higher Usage		90	$ 596.52	$ 613.27	$ 16.75	2.8%
2" Lower Usage		60	$ 424.29	$ 363.24	$ (61.05)	-14.4%
2" Medium Usage	720	110	$ 639.89	$ 587.74	$ (52.15)	-8.1%
2" Higher Usage		210	$1,373.97	$ 1,360.04	$ (13.93)	-1.0%
3" Lower Usage		225	$1,322.98	$ 1,158.54	$ (164.44)	-12.4%
3" Medium Usage	66	350	$1,792.98	$ 1,811.04	$ 18.06	1.0%
3" Higher Usage		620	$3,498.18	$ 3,874.34	$ 376.16	10.8%

Bill impacts vary based on water use.

Bills with water use in Tier 2 or higher will generally see increases.

Large User Customer Bill Impacts

Outside City – Water Only

Meter Size	Customer Class	Service(s)	Average Usage per Month (kgal)	Current	Proposed	Total Monthly Impact ($)	Total Monthly Impact (%)
10"	Com. - Outside	Water	19,000	$ 73,848.23	$ 74,440.28	$ 592.05	0.8%
10"	Com. - Outside	Water	600	$ 4,664.23	$ 5,256.28	$ 592.05	12.7%
10"	Com. - Outside	Water	15,000	$ 58,808.23	$ 59,400.28	$ 592.05	1.0%
10"	Com. - Outside	Water	20,000	$ 77,608.23	$ 78,200.28	$ 592.05	0.8%
6"	Com. - Outside	Water	3,000	$ 12,631.49	$ 12,424.21	$ (207.28)	-1.6%
6"	Com. - Outside	Water	3,500	$ 15,201.49	$ 15,216.71	$ 15.22	0.1%
3"	Com. - Outside	Water	200	$ 1,228.98	$ 1,064.54	$ (164.44)	-13.4%

Large users = relatively minor impacts

Miscellaneous Service Charges & Fees

What are they?

- Account processing fees, service initiation fees, meter installations, meter testing, field service fees, delinquency, tampering, & others.
- Reflect <2% of overall system revenues

Purpose

- Recover the cost of specific services from the customer or to promote positive customer behavior

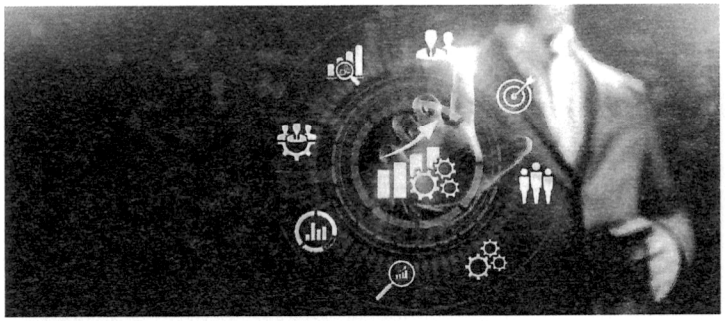
Goal

- Identify costs associated with activities to inform fee adjustments

Process

- Staff identified costs and activities for each service and populated in Stantec's cost template

Time (Labor, vehicles, & equipment) X Hourly/Unit Costs (Labor, vehicles, & equipment)



Miscellaneous Service Charges & Fees

Findings: Current fees are generally under recovering costs

Recommendations:

- 3-year phase-in for fees not currently close to full cost recovery
- For 10% of fees currently higher than costs = reduce to reflect current cost
- Removal of 2 fees (Directional Push & Service Call Fee-After Hours) that are duplicative/captured in the updated calculation of other fees
- Perform periodic reviews (3-5 years)



Impact Fees

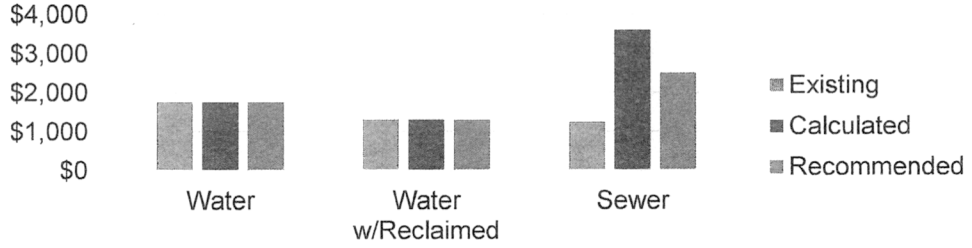
Different names...capacity fees, impact fees, capital charges, system development charges/fees

Similar purpose...one-time fees for cost of capacity to new development ("growth pays for growth")

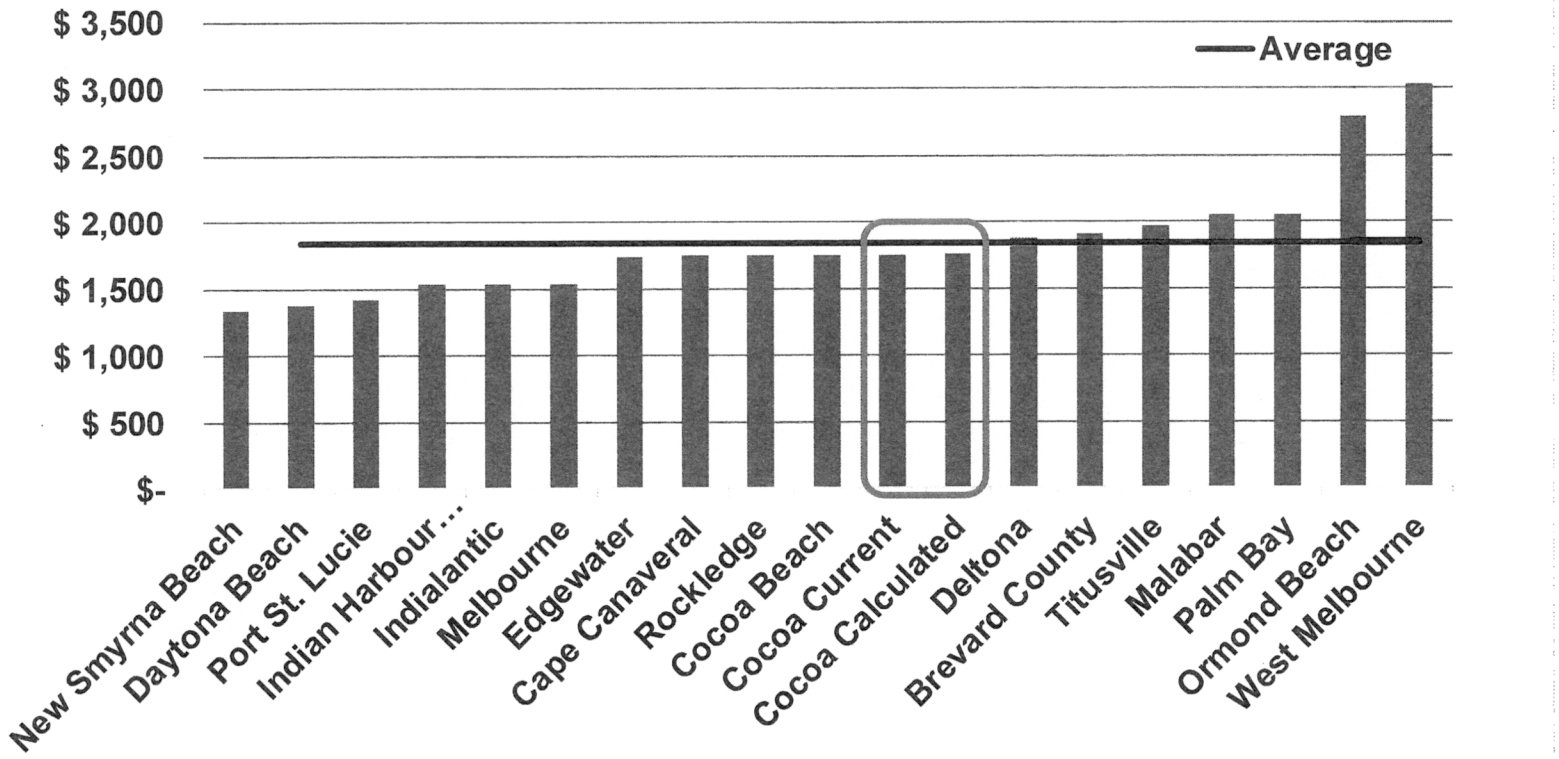
Cost Basis:

- Replacement cost new less depreciation (RCNLD) of existing assets (excl. small distribution/collection mains)
- Less: outstanding debt to be repaid with user fees to avoid double recovery of costs

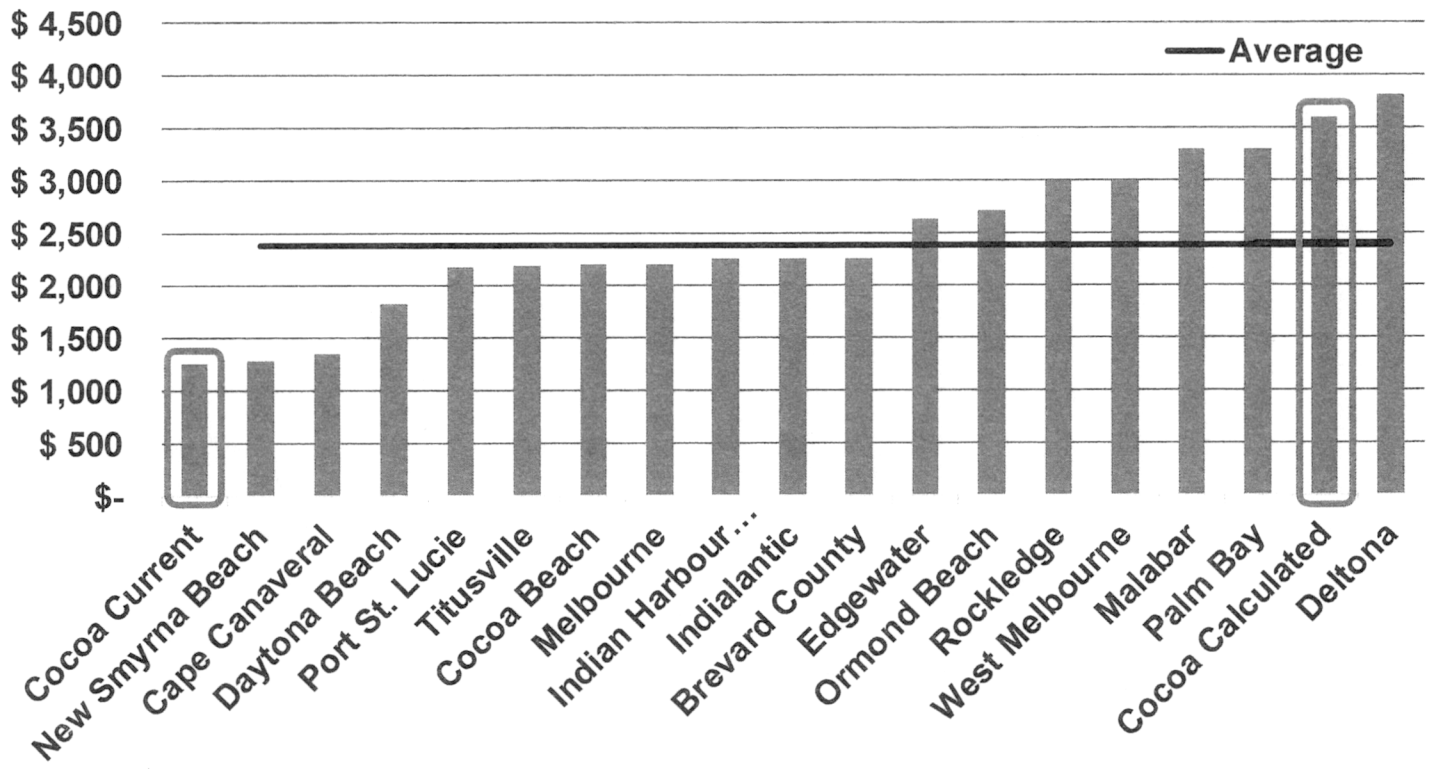
Results:



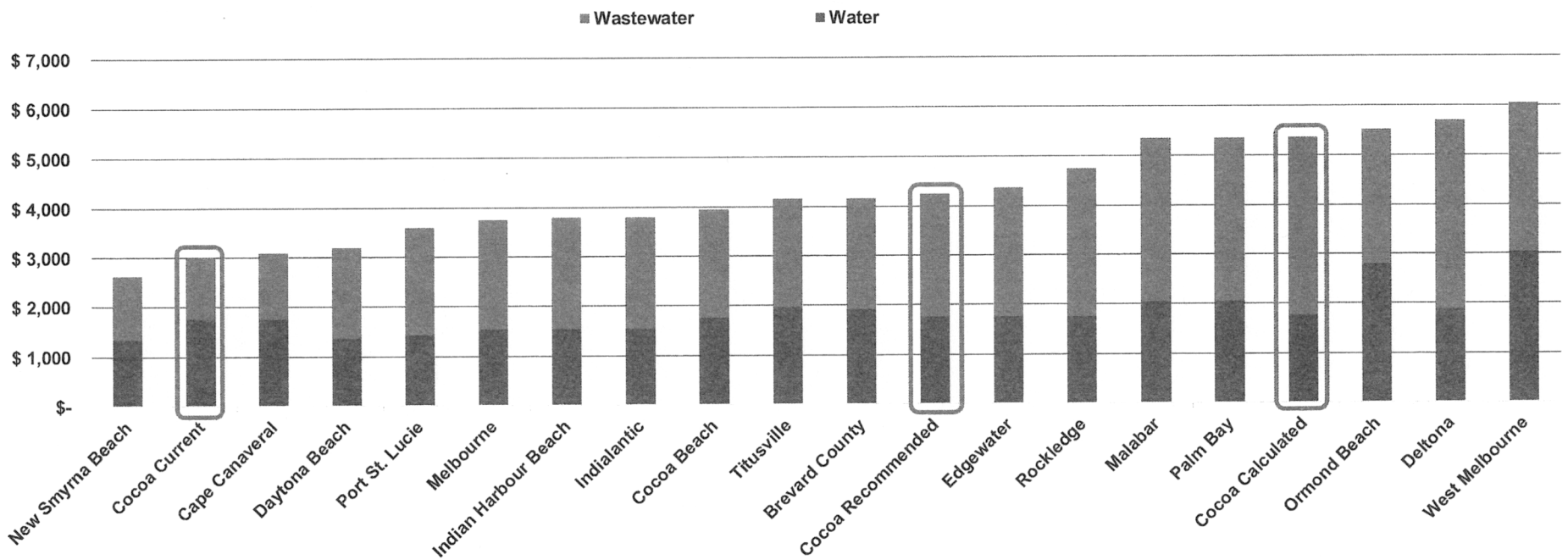
Water Impact Fee



Sewer Impact Fee



Water and Sewer Impact Fee



Summary

Revenue Sufficiency Analysis:

- FY 2022 analysis starting in February/March

Rate Structure Review/Design

- Proposed modifications effective April 1, 2021

Miscellaneous Service Charges

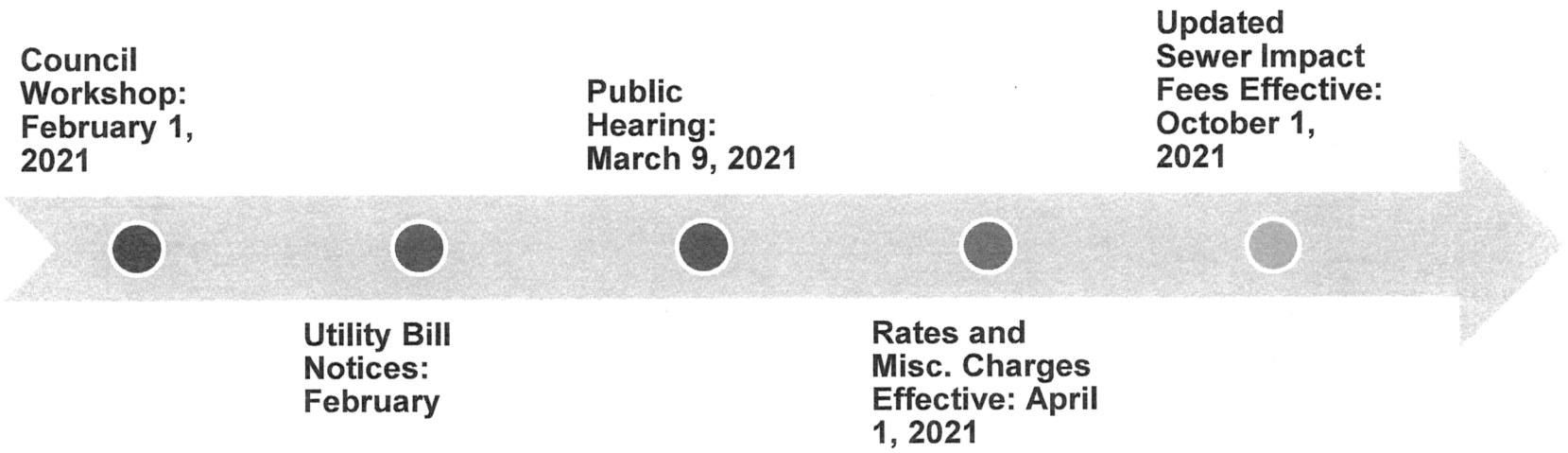
- 3-year phase-in to full cost recovery:
  - April 1, 2021
  - October 1, 2022
  - October 1, 2023

Impact Fees

- Water: $1,750
- Water with reclaimed service: $1,300
- Sewer: $2,500
- Review in 3-5 years to compare to current costs



Next Steps & Timeline





Questions & Discussion

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