SUBJECT:

SUMMARY:

BACKGROUND:
The rate structure for the City’s utilities, stormwater and solid waste management were designed to support the ongoing operations of each Enterprise fund. The rate structure was developed assuming annual rates would be adjusted based upon a defined index. The purpose of an index is to ensure that the rates stay sustainable, without requiring major rate or structure changes in the future, assuming no major changes in operations or capital improvements.

The rates are to be increased every October 1 by the percentage increase of the United States Consumer Price Index. The United States Consumer Price Index increased by 2.2% based on the Annual CPI-U. This percentage represents the difference between the April 2016 and the April 2017 rates.

Section 30-9 (a) of the Code of Ordinances provides the water and sewer rates are increased annually. Application of this index will change a residential customer’s monthly water and sewer base fees from $27.74 to $28.35 for a ¾” water meter. A multifamily customer’s monthly water and sewer base fees will change from $21.01 to $21.47. A commercial customer’s monthly water and sewer base fees will change from $27.74 to $28.35 for a ¾” water meter. The average reuse customer’s monthly base fee will increase from $10.01 to $10.23 for a 1” meter.

The increase for potable water consumption is:
- Block 1 – from $1.37 to $1.40
- Block 2 – from $2.40 to $2.45
- Block 3 - from $3.41 to $3.49
- Block 4 - from $4.09 to $4.18

The increase for irrigation water consumption is be:
- Block 1 - from $2.40 to $2.45
- Block 2 - from $3.41 to $3.49
- Block 3 - from $4.09 to $4.18
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BACKGROUND (cont.):

The increase for sewer consumption is from $3.84 to $3.93. The increase for reclaimed water consumption is from $0.66 to $0.67 for general users; bulk users with storage from $0.43 to $0.44; and, bulk users without storage from $0.49 to $0.50.

Section 30-336 of the Code of Ordinances provides that stormwater rates are increased annually. Application of this index will change the monthly stormwater rate from $13.06 to $13.35.

Section 32-71 of the City Code establishes an annual adjustment for Solid Waste fees. The single family residential solid waste rate is made up of three components. Type I (Household waste), Type II (Horticulture/yard waste) and Tipping fees.

This resolution will apply the current year CPI (2.2%) to the current Type I and Type II rates, and will also pass on the Collier County solid waste tipping fee increase of 2.9%. The annual residential single-family rate will therefore be increasing from $272.17 (Garbage collection= $138.75 + Horticultural Collection $56.09+ Recycling $9.24 + tipping $68.09) to $278.63 (Garbage collection= $141.80 + Horticultural Collection $57.32+ Recycling $9.44 + tipping $70.07).

FUNDING SOURCE:
The revenue derived from the indexed rates is reflected in the proposed FY 2017-18 budget.

RECOMMENDED ACTION: