

## City of Apalachicola Current and Proposed Rate Comparison

USAGE	CURRENT RATE				TOTAL		PROPOSED RATE				TOTAL
	WATER	SEWER	SUF	TOTAL			WATER	SEWER	SUF	TOTAL	
Base	\$ 10.20	\$ 16.74	\$ 10.75	\$ 37.69		Base	\$ 11.60	\$ 19.00	\$ 29.00	\$ 59.60	
2000	\$ 17.44	\$ 25.94	\$ 10.75	\$ 54.13		2000	\$ 19.80	\$ 30.48	\$ 29.00	\$ 79.28	
4000	\$ 25.04	\$ 34.72	\$ 10.75	\$ 70.51		4000	\$ 28.42	\$ 40.94	\$ 29.00	\$ 98.36	
6000	\$ 32.83	\$ 43.72	\$ 10.75	\$ 87.30		6000	\$ 37.26	\$ 51.66	\$ 29.00	\$ 117.92	
8000	\$ 40.81	\$ 52.94	\$ 10.75	\$ 104.50		8000	\$ 46.32	\$ 62.64	\$ 29.00	\$ 137.96	
10000	\$ 48.99	\$ 62.39	\$ 10.75	\$ 122.13		10000	\$ 55.61	\$ 73.89	\$ 29.00	\$ 158.50	

*\* Rates do not include garbage or stormwater fees*

# Troubled Waters

In July 1995, the City of Apalachicola and the State of Florida's Department of Environmental Protection (DEP) entered into a Loan Agreement for wastewater collection system improvements and wastewater treatment plant improvements. The loan principal is \$9,348,000 payable semiannually over 25 years beginning June, 2001 and ending June, 2026. DEP has fully completed their financial obligations for this loan. The City has not.

1995

In 2008 and again in 2012, the City formally acknowledged this obligation and a debt repayment schedule.

2008

In 2013-2014, the City initiates a Sewer Use Fee to cover the debt on the loan. This fee resulted in revenues of only \$90,000, while the amount owed on the loan during the year was \$140,000.

2013-14

In 2017, annual debt service payments rise to \$432,000. The City continues to make only partial payments of \$150,000. Loan default prohibits the City from borrowing money, receiving grants and securing lines of credit.

2015

In 2015, debt service payments begin to rise and City only makes partial payments on loan.

Auditor issues finding 2016-003 declaring "Deteriorating Financial Condition."

2016

2017

Findings of 2017 Report by Office of Inspector General

"Water and Sewer rates and charges are not sufficient to provide the supplemental pledged revenues as required."

"If the City chooses to maintain its current billing policies and practices... the Division should take progressive steps to enforce its rights through remedies provided..."

2017

Florida Rural Water Association – October 2017 Report states:

"Residential water and wastewater revenue are not adequate to meet the projected expenditure and significant debt service requirements for the system."

Study recommends three year rate increase plan.

2017

2018

In January of 2018, water and sewer rates were increased by the first-year amounts recommended in the 2017 FRW plan. Also in January, the SUF was increased for non-seniors and commercial accounts. This resulted in annual SUF fees of \$160,000, while the amount owed on the loan was \$482,000.

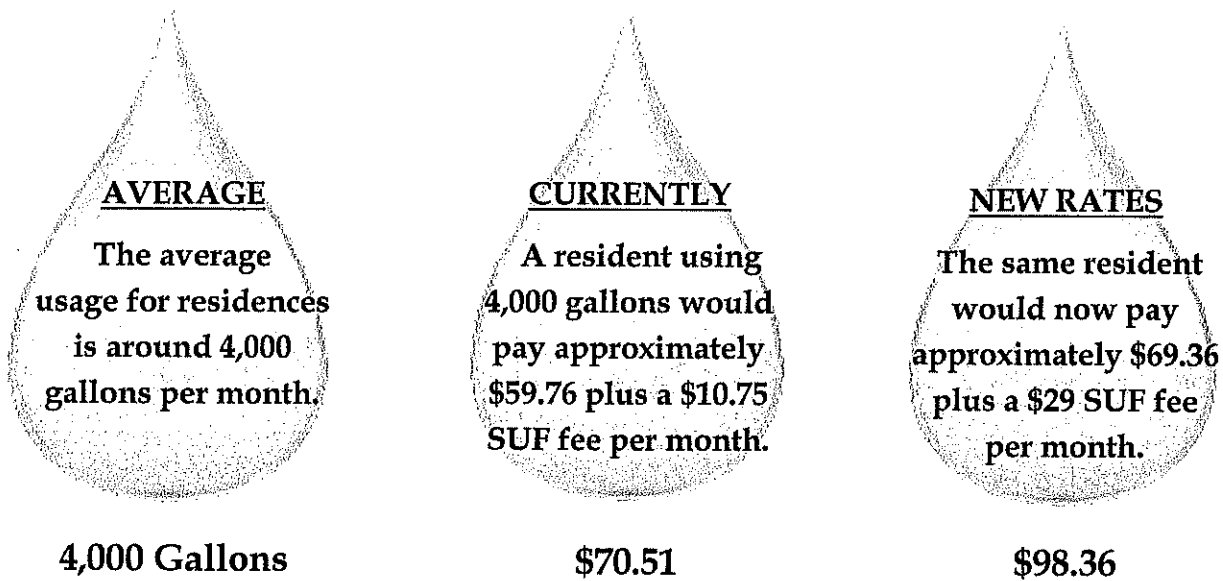


Presently, the City of Apalachicola owes \$754,764.24, not including interest and fines. In keeping with the Florida Rural Water Association Study, the City announced an annual budget which proposes a 13.5% rate increase in water and sewer and a per month increase of the existing Sewer Use Fees of \$18.25 for residential customers and \$74 increase for commercial customers.

# City of Apalachicola

## Rising Residential Rates

The City of Apalachicola proposed budget recommends new water and sewer rates for residential and commercial customers. If approved, the rates will go into effect during the October billing cycle. On average, homeowners should expect to see their bills increase around 13.5% and their Sewer User Fee (SUF) to increase by \$18.25.



**Residential Water & Sewer Rate Comparison**

