

FLORIDA RURAL WATER ASSOCIATION

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October 17, 2017

Mayor and City Council
City of Apalachicola
1 Avenue E
Apalachicola, FL 32320

Re: Water & Wastewater Rate Study Findings and Recommendations: City of Apalachicola Water and Wastewater System: Franklin County: PWS: 1190150

Dear Mayor, City Council, and City Clerk:

The Florida Rural Water Association (FRWA) is pleased to provide this rate study report and recommendations on the City of Apalachicola Water and Wastewater System (Apalachicola) as a free membership benefit, and through USDA Rural Development support. The FRWA is dedicated to assisting water and wastewater systems in order to provide Floridians with an ample and affordable supply of high quality water and wastewater services, while protecting natural ecosystems.

You and your staff should be congratulated for the role they played in gathering the required information and data required for the rate study. With unfunded mandates continuing to roll down from state and federal governments, along with the aging of pipes, pumps and plants, you have risen to the challenge and continue to operate the systems, by providing consistent water and wastewater services. To make a very difficult job more challenging, nearly statewide, revenues have lagged behind expenses. Utility operators have done more with less each year as measured in real dollars. They have shouldered the responsibility of operating the system in a responsible manner and in compliance with state rules and regulations.

Executive Summary: The Rate Study used revenues and expenses from the Fiscal Year 2016-2017 Financial Audit and information provided by City staff. Revenues include; rates, connection fees, and other fees and/or charges. Expenses include operating costs, debt service requirements, and reserves.

The Financial Statements from the Audit found that the combined water and wastewater systems had a gross income loss of \$239,701 and a net change in position of a negative \$850,503. This number includes combined depreciation of \$882,956. **Depreciation was not included in the rate study as this is a number created by the auditors and may not reflect actual conditions.** Without depreciation, the combined systems have a positive cash flow of \$651,255. However, this is before any combined debt service payments of \$728,856 are taken into consideration, resulting in a cash loss of \$77,601. The rate study included an American Water Works Association (AWWA) recommendation of adding 18.5% of expenses into the base rate to fund capital needs and contingencies.

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Residential water rates are insufficient to cover expenses and an adjustment in the in-city base rate of \$9.13 to \$12.33, or 35%, and an adjustment in the per-1,000 gallon rate from \$3.43 to \$4.00, or 16.5% is necessary to cover debt service and operating expenses. For a user of 4,000 gallons per month the bill now is \$22.85; with the rate adjustment, the bill would be \$28.32, or 24%. The water loss is approximately 36.2%. The Northwest Florida Water Management District regards a 10% water loss as acceptable. A Water Audit is recommended. The FRWA can provide this service at no charge as a membership benefit.

Residential wastewater revenues are not adequate to meet the projected expenditure and significant debt service requirements for the wastewater system. The rates are insufficient to cover total expenses and an adjustment in the in-city base rate of \$15.22 to \$37.21, or 144.5%, and an adjustment in the per-1,000 gallon rate from \$4.18 to \$12.66, or 203% is necessary to cover debt service and operating expenses. For a user of 4,000 gallons per month the bill now is \$31.94; with the rate adjustment, the bill would be \$87.87, or 174%.

The City has several rate classification that include residential and commercial users that have different rates for in and out of the city. Each rate schedule has but one rate for a Unit that is 1,000 gallons. Since it costs more to produce water and treat wastewater, the city should recover that expense by charging more for more water consumer or wastewater treated.

The Commercial base rates are based on meter size as recommended by the America Water Works Association. The base rates should remain unchanged. The Unit water and wastewater rates should be replaced with the same tier rates as shown for both In-City and Out-City water and wastewater rates.

For out-city rates, the city rates are multiplied by 25% as allowed by section 180.191(1) (a), F.S. The recommended rate use this factor to set Out-City rates.

The monthly cost now for water and wastewater for a user of 4,000 gallons is now \$54.79.

The new rates would increase the combined water and wastewater service cost for a user of 4,000 gallons to \$69.79, an increase of \$15.00 or 25%.

Presently, the significant annual debt service payment of \$532,000± in the wastewater system is what causes the rate to be so high. The Circuit Rider was informed that this debt is being considered to be eliminated therefore the proposed rates will be reduced accordingly. The elimination of the debt however will not result in the rates remaining the same, as other factors must be considered which include rising treatment expenses caused by regulations and increased costs in operational expenses.

How the rates were calculated – The base rates are a function of the fixed costs such as debt service and reserve creation divided by the number of customers.

The per-1,000 gallon rates are a function of operating expenses divided by the gallons pumped/treated by 1,000.

Since there is currently no creation of reserves for capital improvements and contingencies as defined in the American Water Works Association (AWWA) M26 Manual of Practice, it is recommended that this fund should be obtained from an analysis of system assets, or at least 15% to 26% of the total system budget recommendation. For the purpose of this rate study, the FRWA recommends that 18.5% of the systems expenditures be used as the reserve constant.

The base rate recommended increases are a function of the City's has high debt, and has fallen behind in budgeting for capital asset repair and replacement infrastructure; the per-1000 gallon rates were increased due increasing costs associated with the production of water and treatment of wastewater.

A rational goal is to establish rates incrementally over time that will furnish sufficient funds to both operate the systems and provide for reserves for system repairs and improvements. Additionally, a gradual increase will avoid customer "rate shock".

It is proposed that each year the rates be adjusted using the verifiable index published by the Florida Public Service Commission.

1. **Finding** – Apalachicola presently charges water and wastewater connection or "tap" fees for new customers. Both fees are designed to offset out-of-pocket costs for installing a new water service or wastewater lateral and cleanout from the existing water or wastewater main to the customer's property.
2. **Recommendation** – Connection or "tap" fees are used to connect a new service to the water or wastewater systems. This charge is used to offset the actual expense in material and labor from the operating budget. These fees should be checked each budget year to insure they are collecting the proper amount. Basically, they should never cause any increase or decrease in the operational budget. The connection fee should be called what it is - a connection fee.
3. **Finding** – The system charges deposits, late fees, meter maintenance, reconnection, and service call fees, as documentation for these fees were presented during the rate study.
4. **Recommendation** – Continue to adopt an annual fee schedule based on actual cost to offset the expense to Apalachicola of providing these services. The FRWA Circuit Rider can provide sources to document the increases to provide these services.
5. **Rate Study Request** – The FRWA Circuit Rider was requested to review the current rate and present the findings to the City Council.
6. **Current Residential Water Rates** - The water rate comparisons are shown below.

Current In-City Residential Rate Structure

Volume	Rate	Increments
0	\$9.13	Base Rate
Units	\$3.43	Per 1,000 gal

Current Out-City Residential Rate Structure

Volume	Rate	Increments
0	\$11.40	Base Rate
Units	\$4.27	per1000 gal

7. **Rate Study Results.** The out-of-city rates are a function of multiplying the base rates by a factor of 25% per Section 180.191(1) (a), F.S.

In-City Rate Study Findings

Volume	Rate	Increments	Difference Over Current	
0	\$12.33	Base Rate	\$3.20	35.10%
Units	\$4.00	Per 1,000 gal	\$0.57	16.54%

Out-City Rate Study Findings

Volume	Rate	Increments	Difference Over Current	
0	\$15.42	Base Rate	\$4.02	35.25%
Unit	\$5.00	per 1000 gal	\$0.73	17.02%

8. **Finding-Water** - The current water rates are not sufficient to support a financially viable system with built-in reserves. The water system had operating revenue of \$857,407 and expenses of \$786,591 including depreciation. When depreciation is removed, there is a positive cash flow of \$70,815 before debt service of \$197,060, a loss of \$126,245 thus eliminating the creation of reserves for capital projects and contingencies. The system has a water loss of 36.4%, which represents a cost to the system of \$450,622 for water produced with no revenue captured. A water loss of 10% is considered reasonable by the Northwest Florida Water Management District. A Water Audit is recommended and can be conducted by the FRWA at no cost as a membership benefit.
9. **Recommendation – Water Rates** – Implement the rates over a three (3) year period of time to avoid “rate shock”. Implement the proposed tiered rate structure that will protect low-end customers from an immediate expense and cover the cost of producing more water.
10. **Methodology Computation For Three-Year Recommended Residential Water Rates**

The recommended three-year adjustment in residential water rates for both In-City and Out-City were derived by subtracting the current base rate and per 1,000-gallon rate from the rate study finding rates and dividing that number by three. That number was then added to the current rate to obtain the first year rate, and then added to those rates in each successive year.

In-City Per Year Adjustment Factors		Out-City Per Year Adjustment Factors	
Base	\$1.07	Base	\$1.34
1000 gal	\$0.19	1000 gal	\$0.24

11. Recommended Adjustment- Water

For In-City and Out-City Residential Water Customers Over Three Years

As mentioned above, in order to avoid rate shock to the customer, and to re-establish system financial sustainability, the following rate structure is recommended to be implemented for In-City and Out-City water customers.

Water

Three Year In-City Residential Rate Adjustment

Year 1	Volume	Rate	Increments	Adjustment Over Current	
	0 gal	\$10.20	Base Rate 3.00	\$1.07	11.70%
	0 to 2000 gal	\$3.62	per 1000 gal		
	2001 to 5000 gal	\$3.80	per 1000 gal		
	5001 to 9000 gal	\$3.99	per 1000 gal		
	9001-12000 gal	\$4.19	per 1000 gal		
	12001 gal up	\$4.40	per 1000 gal		
	4000 gal	\$25.04		\$2.19	9.57%

Year 2	Volume	Rate	Increments	Adjustment Over Current	
	0 gal	\$11.27	Base Rate	\$2.14	9.35%
	0 to 2,000 gal	\$3.81	per 1000 gal		10.50%
	2001 to 5000 gal	\$4.00	per 1000 gal		
	5001 to 9000 gal	\$4.20	per 1000 gal		
	9001 to 12000 gal	\$4.41	per 1000 gal		
	12001 gal and up	\$4.63	per 1000 gal		
	4000 gal	\$26.88		\$4.03	17.64%

Year 3	Volume	Rate	Increments	Adjustment Over Current	
	0 gal	\$12.33	Base Rate	\$3.20	35.10%
	0 to 2000 gal	\$4.00	per 1000 gal		
	2001 to 5000 gal	\$4.20	per 1000 gal		
	5001 to 9000 gal	\$4.41	per 1000 gal		
	9001 to 12000 gal	\$4.63	per 1000 gal		
	12001 gal and up	\$4.86	per 1000 gal		
	4000 gal	\$28.72		\$5.87	25.71%

0.50%
10.20

Senior

Three Year Out-City Residential Rate Adjustment

Year 1	Volume	Rate	Increments	Adjustment Over Current	
	0	\$12.75	Base Rate	\$1.35	11.82%
	0 to 2000 gal	\$4.52	per 1000 gal		
	2001 to 5000 gal	\$4.75	per 1000 gal		
	5001 to 9000 gal	\$4.99	per 1000 gal		
	9001-12000 gal	\$5.24	per 1000 gal		
	12001 gal up	\$5.50	per 1000 gal		
	4000 gal	\$31.30		\$2.82	9.89%
Year 2	Volume	Rate	Increments		
	0	\$14.08	Base Rate	\$2.68	23.54%
	0 to 2000 gal	\$4.76	per 1000 gal		
	2001 to 5000 gal	\$5.00	per 1000 gal		
	5001 to 9000 gal	\$5.25	per 1000 gal		
	9001-12000 gal	\$5.51	per 1000 gal		
	12001 gal up	\$5.79	per 1000 gal		
	4000 gal	\$33.60		\$5.12	17.98%
Year 3	Volume	Rate	Increments		
	0	\$15.42	Base Rate	\$4.02	35.25%
	0 to 2000 gal	\$5.00	per 1000 gal		
	2001 to 5000 gal	\$5.25	per 1000 gal		
	5001 to 9000 gal	\$5.51	per 1000 gal		
	9001-12000 gal	\$5.78	per 1000 gal		
	12001 gal up	\$6.07	per 1000 gal		
	4000 gal	\$35.90		\$7.42	26.07%

12. Residential Wastewater Rate Comparisons - The residential wastewater rate comparisons below show the current rates, the study base rate, and the proposed tiered rates. The out-of-city rates are a function of multiplying the base rates by a factor of 25% per Section 180.191(1) (a), F.S.

Current In-City Residential Rate Structure

Volume	Rate	Increments
0	\$15.22	Base Rate
Unit	\$4.18	per 1000 gal

Current Out-City Residential Rate Structure

0	\$19.01	Base Rate
Unit	\$5.25	per 1000 gal

13. Wastewater Rate Study Findings.

Volume	Rate Study Findings		Increase	
	Rate	Increments	\$	%
0	\$37.21	Base Rate	\$21.99	144.50%
Unit	\$12.66	Charge per 1000 gal	\$8.48	202.96%

14. Finding– Wastewater- Residential wastewater revenues are not adequate to meet the projected expenditure and significant debt service requirements for the wastewater system. The rates are insufficient to cover total expenses and an adjustment in the in-city base rate of \$15.22 to \$37.21, or 144.5%, and an adjustment in the per-1,000 gallon rate from \$4.18 to \$12.66, or 203% is necessary to cover debt service and operating expenses. For a user of 4,000 gallons per month the bill now is \$31.94; with the rate adjustment, the bill would be \$87.87, or 174%. This indicates that not only is the system losing cash, it is not accruing any reserves for contingencies or capital improvements. One reason for the shortfall is there are 1,393, or 42%, fewer water customers than wastewater customers.

15. Recommendation – Wastewater Rates – It is impossible to increase rates to the degree identified by the rate study for both In-City and Out-City customers. In anticipation of the reduction of the DEP State Revolving Fund debt service and realizing even with that debt removed, the wastewater system rates are too low to provide sustainability, adjust the rates at ten percent (10%) per year to achieve sustainability and protect low end users. Implement the rates over a three (3) year period of time to avoid “rate shock”. The proposed tiered rate structure will protect both residential and small businesses from excessive expense.

The wastewater rates necessarily need to be sufficient to cover operating expenses and create reserves for future capital expenses that otherwise would otherwise need to be funded by loans. The recommended rates then would include percentages of the operating expenses to be placed in restricted reserve accounts and designated for short and long-term capital needs, with a contingency account for emergencies.

16. Recommended Adjustment For In-City and Out-City Residential Wastewater Customers Over Three Years.

Year 1	Volume	Rate	Increments	Adjustment Over Current Rates	
	0	\$16.74	Base Rate	\$1.52	10.00%
	0 to 2000 gal	\$4.60	per 1000 gal		
	2001 to 5000 gal	\$4.39	per 1000 gal		
	5001 to ,9000 gal	\$4.61	per 1000 gal		
	9001 to 12000 gal	\$4.84	per 1000 gal		
	12001 and up gal	\$5.08	per 1000 gal		
	4000 gal	\$34.72		\$2.78	8.69%
Year 2	Volume	Rate	Increments	Adjustment Over Current Rates	
	0	\$18.42	Base Rate	\$3.20	21.00%
	0 to 2000 gal	\$5.06	per 1000 gal		
	2001 to 5000 gal	\$4.61	per 1000 gal		10.5% over current \$16.74
	5001 to 9000 gal	\$4.84	per 1000 gal		3.6%
	9001 to 12000 gal	\$5.08	per 1000 gal		
	12001 and up gal	\$5.08	per 1000 gal		
	4000 gal	\$37.75		\$5.81	18.19%
Year 3	Volume	Rate	Increments	Adjustment Over Current Rates	
	0	\$20.26	Base Rate	\$5.04	33.10%
	0 to 2000 gal	\$5.56	Base Rate		
	2001 to 5000 gal	\$4.84	per 1000 gal		
	5001 to 9000 gal	\$5.08	per 1000 gal		
	9001 to 12000 gal	\$5.33	per 1000 gal		
	12001 and up gal	\$5.60	per 1000 gal		
	4000 gal	\$41.06		\$9.12	28.56%

**Out-City Residential Rate Structure
3 Year Adjustment @ 10% Per Year**

Year 1	Volume	Rate	Increments	Adjustment Over Current Rates	
	0	\$20.93		\$1.92	10.09%
	0 to 2000 gal	\$5.75	per 1000 gal		
	2001 to 5000 gal	\$6.03	per 1000 gal		
	5001 to ,9000 gal	\$6.34	per 1000 gal		
	9001 to 12000 gal	\$6.65	per 1000 gal		
	12001 and up gal	\$6.99	per 1000 gal		
	4000 gal	\$44.49		\$4.48	11.20%
Year 2	Volume	Rate	Increments		
	0	\$23.02		\$4.01	21.10%
	0 to 2000 gal	\$6.32	per 1000 gal		
	2001 to 5000 gal	\$6.64	per 1000 gal		
	5001 to ,9000 gal	\$6.97	per 1000 gal		
	9001 to 12000 gal	\$7.32	per 1000 gal		
	12001 and up gal	\$7.68	per 1000 gal		
	4000 gal	\$48.94		\$8.93	22.32%
Year 3	Volume	Rate	Increments		
	0	\$25.32		\$6.31	33.21%
	0 to 2000 gal	\$6.95	per 1000 gal		
	2001 to 5000 gal	\$7.30	per 1000 gal		
	5001 to ,9000 gal	\$7.67	per 1000 gal		
	9001 to 12000 gal	\$8.05	per 1000 gal		
	12001 and up gal	\$8.45	per 1000 gal		
	4000 gal	\$53.84		\$13.83	34.56%

17. Proposed Combined Residential Water and Wastewater Costs For A 2,000 And 4,000 Gallon In-City Customer.

Combined Bill @ 2000 Gallons

	Now	Increase Over Now	
Year 1	\$39.57	\$2.02	5.09%
Year 2	\$41.59	\$5.76	14.56%
Year 3	\$45.33	\$9.77	23.49%

Combined Bill @ 4000 Gallons

	Now	Increase	Over Now
Year 1	\$54.79	\$4.96	9.06%
Year 2	\$59.75	\$9.84	17.96%
Year 3	\$64.63	\$15.00	25.10%

18. **Recommendation** – The FRWA recommends that Apalachicola implement the proposed three (3) year rate plans to reach the goal of the system sustainability. Implement annual cost of living adjustments in rates without fail or Apalachicola will be facing this same situation again in a few years.

The FRWA recommends that Apalachicola consider an alternative rate structure with tiers that will encourage conservation and increase revenue.

19. **Commercial Rates** – The Commercial base rates are based on meter size as recommended by the America Water Works Association. The base rates should remain unchanged. The Unit water and wastewater rates should be replaced with the same tier rates as shown for both In-City and Out-City water and wastewater rates.
20. **Finding** - The water and wastewater systems need to have an Asset Management Plan, or Capital Improvement Plan (CIP) to identify system components and the need, cost and timing for replacement. The depreciation amount is a number that Apalachicola’s financial auditors have assigned to the aging of the systems. That number is an indicator of the life expectancy of the system, and is directly related to the need to create reserves for replacement and repair of the system’s assets. This plan provides a logical relationship to the need and amounts for reserves.
21. **Finding** – Apalachicola adjusts the rates on an ongoing yearly basis at 3%. Continue this practice in order to offset inflationary trends.
22. **Recommendation** – The Apalachicola City Council has the power and responsibility to make adjustments to the financial burden on low and high end users – the mechanism for performing this adjustment simply through altering the base and block usage rates.

Going forward, the FRWA recommends that an annual evaluation of the Apalachicola’s water and wastewater enterprise funds be performed to determine if the rate increases are attaining the system financial goals. This examination should include revenue and expense predictions; current financial position; uses of capital and depreciation funds and other budget sustainability indicators.

23. **Recommendation** – Once the annual budget for the water and wastewater enterprise fund has been prepared by the Apalachicola staff and approved by the Apalachicola City Council, it is a reasonable procedure to monitor revenues and expenses monthly or quarterly and a financial report be submitted to the City Council for their fiduciary oversight. This will forestall future financial issues in the utility enterprise fund.

Rate Study Objectives: Ideally utility rate setting should meet a number of goals and objectives. *The single most important goal of the study is to develop proposed utility rates that meet the projected expenditure requirements of the utility system in order to*

maintain sound financial operations and to fund the anticipated capital needs of the system. The other goals and objectives considered in the study include the following:

- Proposed rates should be equitable among customer classes;
- Proposed rates should minimize “rate shock” to customers if possible;
- Proposed rates should promote the conservation of utility resources; and
- Proposed rates should maintain adequate reserves for emergencies capital needs.

The original mission for creation and ownership public water and wastewater utilities include many compelling objectives: (1) health and safety of citizens; (2) protect most vulnerable residents (aged, young, poor health, economically disadvantaged, etc.); (3) ability to return the profit ordinarily collected by a private entity to the customer in the form of reserve creation; (4) provide fire protection; (5) direct and control growth.

Rate Study Standards: The FRWA uses contemporary industry standards for recommending and establishing utility rates that include American Water Works Association (AWWA) Manuals of Practice, Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards City Council (GASB), and Florida Public Service Commission guidelines.

Utility Revenue Requirements: The various components of costs associated with operating and maintaining a utility system, as well as the costs of financing the renewals and replacements of existing facilities and the capital improvements for upgrades and expansions, are generally considered the revenue requirements of a public utility such as the Apalachicola water & wastewater system. The sum of these costs, after adjusting for other income and other operating revenues available to the utility, represents the net revenue requirements to be recovered from rates.

Operating Expenditures – These expenditures include the cost of utilities, chemicals, salaries and benefits, materials and supplies, allocated administrative charges, and other items necessary for the daily operations and maintenance of the water and wastewater systems.

Renewal and Replacement Fund / Capital Replacement Account – This component of cost includes:

- Funding of the utility’s renewal and replacements as defined in AWWA M26 manual of practice, it is recommended that this fund should be obtained from an analysis of system assets¹, or at least 15% to 26% of the total system budget; and

¹ Analysis of system assets for state and local governments per Governmental Accounting Standards City Council (GASB) 34. *GASB White Paper: Why Governmental Accounting and Financial Reporting Is -- And Should Be -- Different*, www.gasb.org/white_paper_mar_2006.html, p. 26-27

- Funding of an ongoing capital replacement account to provide for the continued renewal, upgrade, and betterment of utility system assets. These requirements are funded annually from utility rates and have been identified as a separate revenue requirement for rate determination purposes.²

Proposed Cost Recovery Plan and Rate Recommendations. Based on the goals as outlined above, which include establishing rates sufficient to meet the projected expenditure requirements of the utility system in order to maintain sound financial operations and to fund the anticipated capital needs of the system, the rate study revealed the below calculations. A rate study is a mathematical analysis of revenue less operating expenses, costs, reserve funding, and debt, if any exists.

Results of Rate Study: The EPA recommends that water & wastewater systems set rates to ensure that there are sufficient revenues in place to support the costs of doing business. The full-cost pricing for rates shall include the costs for operating, maintaining, repairing, rehabilitating, and replacing infrastructure.³

The FRWA recommends that Apalachicola revisit the revenue/expense predictions, current financial position and, other indicators during the annual budget approval process, and adjust the rates as needed. One of three things will happen:

1. If the predicted and current financial positions match closely, and if future needs are like those anticipated in the analysis, Apalachicola should increase rates by the factors recommended in the analysis.
2. If the two diverge modestly, Apalachicola should adopt rates that will get the system back on track. The Staff does the simple math and provides the recommended rate adjustment. This is only slightly more complex than the previous methodology.
3. If the predicted financial performance diverges wildly from the actual, a simple math calculation will not suffice. It is time for a new comprehensive analysis – please call FRWA to run the numbers, we will perform this service as a membership benefit. The analysis is complex, but Apalachicola’s part is still easy to do.

Scheduling Presentation of Rate Study Findings and Recommendations: The FRWA is always ready to come to a City Commission meeting to explain our analysis and this report. We anticipate that you will have questions to discuss and options to

² GASB 34 “requires that governments report their capital assets in a statement of net assets and requires that the report show the depreciation in value of those assets. Specific asset reporting requirements include: (1) depreciation of assets must begin when the asset, equipment, or facilities are acquired or put into service; (2) accumulated depreciation for all assets must be reported; and (3) assets acquired or built prior to 1980 are not required to be reported.” Lee, et. al., *Public Budgeting Systems, 8th Edition*, (Jones & Bartlet Publishers) 2006, Table 2-4, p. 510-513.

⁶ *Case Studies of Sustainable Water and Wastewater Pricing*: USEPA Document No. EPA 816-R-05-007. (December 2005). See: www.epa.gov/safewater

consider. My presentation is between 20 to 30-minutes in length, which would be followed by City Commission discussion. This process typically takes from 45 to 90-minutes and can be held at a workshop, or a regular City Commission meeting. This is an informative meeting and decisions about rates are usually taken at subsequent meetings. It is important that all City Commission members be in attendance since the adoption of rate increases can produce public comment.

Adopting The Rate Study Recommendations: Your legal counsel will confirm the requirements for your public notice and hearing(s). It is recommended that the enacting ordinance contain wording that future rate adjustments be adopted by Resolution with the stipulation that the Resolution be held as a public hearing with due notice to the public.

We have enjoyed serving you and wish your water and wastewater system the best. Please feel free to contact me if you have any further questions at 850-543-2087, bob.mearns@frwa.net, or Sterling Carroll at 850-668-2746 ext. 118, Sterling.Carroll@frwa.net.

Sincerely,

RTM/s

Bob Mearns
Financial / Management Circuit Rider
Florida Rural Water Association

Copy: Sterling L. Carroll, FRWA State Engineer