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City of Naples

City Council Minutes

Special Meeting Nov. 28, 1984

City Council Chambers
735 Eighth Street South
Naples, Florida 33940

-SUBJECT-	Ord. No.	Res. No.	Page
<u>DISCUSSION OF WATER AND SEWER RATES</u>			2
<u>REPORT ON BIDS RECEIVED FOR CONSTRUCTION OF WASTEWATER TREATMENT PLANT EXPANSION</u>			1

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COUNCIL MEMBERS	M O T I O N	S E C O N D	VOTE		A B S E N T
			Y E S	N O	

DISCUSSION OF WATER AND SEWER RATES

ITEM 1

City Manager Jones distributed various information sheets and a copy of the official statement of the Water & Sewer Revenue Refunding Bonds, Series 1984-A, all of which are on file in the meeting packet in the City Clerk's office. He reviewed the steps taken to date concerning the financing of the proposed wastewater treatment plant expansion and noted that the refunding bond issue would reduce the water rate to existing customers. He further explained that the use of the system connection charges toward the debt service would become an important aspect of the financing of the project. He reviewed the information on the water and sewer rate calculations for 1982 and 1984 (Attachments #2 and #3), and noted that all customers would receive a sample bill showing the new rates prior to passage of the rate increase ordinances. He also noted that the sample bill would notify customers of a public hearing to be held prior to the passage of the ordinances.

ADJOURN: 10:22 a.m.

Janet Cason
Janet Cason
City Clerk

Stanley R. Billick
Stanley R. Billick, Mayor

Ellen Marshall Weigand
Ellen Marshall Weigand
Deputy Clerk

These minutes of the Naples City Council approved 12/19/84

Supplemental Attendance list - Special Meeting, November 28, 1984

Bob Ortiz, Camp Dresser & McKee
Larry Adams, Camp Dresser & McKee
Marian DeForest

Arthur King, Twin Construction, Inc.
Gary Rogers, Twin Construction, Inc.

News Media

Todd Holzman, Naples Daily News
Anna-Marie Carsello, TV-9
Randy Sell, TV-9
Brian Grinonneau, WNOG

Don Goodwin, Naples Star
Mary Armbruster, WEVU, TV-26
Bev Cameron, WINK, TV-11

Other interested citizens and visitors.

1972

Fiscal year 1982-83 Water Service Calculations

Total Water Budget	\$5,910,160
Add Debt Service Coverage 25% (1,392,766)	348,192
	<u>\$6,258,352</u>

Revenue Offsets:

Systems Development	\$775,000
County Revenues	850,000
Interest Revenues	758,000
Tapping Charges	95,000
Connection Fees	40,000
Depreciation	642,205
	<u>\$3,160,205</u>

Recoverable From Utility Bills \$3,098,147

Billing Costs

Capacity Costs

Commodity Costs

Meter Readers \$65,004

Data Processing 18,316

Customer Service 42,664
\$125,984

\$3,185,340

Debt Service \$1,392,766

Debt Service Coverage 348,192

CIP 1,200,570

Capital Outlay 5,500

Systems Development (775,000)

County Revenue (355,800) (494,200)

Interest (758,000)

Tapping Fees (95,000)

Connection Fees (40,000)

Depreciation (642,205)
\$923,228 \$2,048,935

$\frac{125,984}{12,303} = 10.24 \div 6 = 1.71$ (= billing cost) (# customers)

$\frac{2,048,935}{3,150,000} = .65$ (# gallons produced above minimum)

$\frac{923,228}{42,000} = 21.98 \div 6 = 3.67$ (# equivalent 5/8" meters)

5/8 x 3/4	=	3.67
1 & 1/4	=	14.68
1 1/2	=	36.70
2	=	91.75
3	=	165.15
4	=	330.30
6	=	623.90

WATER RATE CALCULATION

1989

Based on Approved Budget ATTACHMENT #2 - page 2
and D/S from D/S

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	<u>Billing</u>	<u>Capacity</u>	<u>Commodity</u>
Meter Readers	\$ 53,518		
Data Processing	24,000		
Customer Service	31,865		
Debt Service + Coverage (859,000x120%x85%)	\$ 876,180		
Securities Purchase (284,500x85%)	241,825		
CIP	1,554,450		
Interest (DSR, R&R, Avg Rev Bal)	(433,000)		
Tapping	(60,000)		
Conn., Reinst. Hydrant	(31,000)		
Systems Development	(228,000)		
'77 Reserves + R&R reserves (784,099, 191,726)	(975,825)		
County Revenues	(171,738)		\$ (277,762)
Water Distribution			602,674
Water Production			1,862,301
Administration Costs			394,753
Employee Services			18,532
	<u>\$109,383</u>	<u>\$ 772,892</u>	<u>\$2,600,498</u>

$$\frac{109,383}{12,769} = \frac{772,892}{46,500} = \frac{2,600,498}{3,316,828} = .78/1,000$$

\$1.43 per Billing	5/8 & 3/4	2.77
	1 & 1-1/4	11.08
	1-1/2	27.70
	2	41.55
	3	83.10
	4	110.80
	6	138.50

Budget	\$5,660,098
	5,674,439
	<u>\$ 14,431</u>
D/S Budget	\$1,132,347
	1,118,005
	<u>\$ 14,342</u>

	<u>Actual 83-84</u>	<u>Estimated 84-85</u>
Billable Water =	4,751,420	5,500,000,000 x 85% =
Sold to County	1,092,878	4,675,000 Less (470,278) = 4,204,722
Minimum (VII-3 of Rpt.)		(1,028,500) (558,222)
		(809,992) (329,670)
		<u>2,836,508</u> <u>3,316,828</u>

Fiscal year 1982-83 Sewer Service Calculation

Total Sewer Budget	\$2,257,166
Add Debt Service Coverage	58,955
	<u>\$2,316,121</u>

Revenue Offsets	
Interest Revenue	(168,000)
Depreciation	(245,605)
Recoverable From Utility Bills	<u>\$1,902,516</u>

<u>Billing Costs</u>	<u>Capacity Costs</u>	<u>Commodity Costs</u>
Data Processing		
\$16,573		
Customer Service		
17,204		
<u>\$33,777</u>		\$1,640,420
Debt Service	\$235,819	
Debt Service Coverage	58,955	
CIP	340,500	
Capital Outlay	6,650	
Interest	(168,000)	
Depreciation	<u>\$473,924</u>	<u>(245,605)</u>
		<u>\$1,394,815</u>

$\frac{33,777}{(\# \text{ sewer connections}) 7,010} = 4.82 \div 6 = .80 (= \text{billing cost})$

$\frac{473,924}{(\# \text{ equivalent residential units}) 19,200} = 24.69 \div 6 = 4.12$

$\frac{1,394,815}{(\text{Billable Gallons}) 1,800,000} =$

