

Utility Systems Department Updates



2026
City Council
Summer
Workshop





DANIEL M. SEGUI

Senior Assistant Director, Utility Systems

29

PROFESSIONAL YEARS

29

GOVERNMENT YEARS

CERTIFICATIONS

- Florida Class C Wastewater Treatment Operator's License

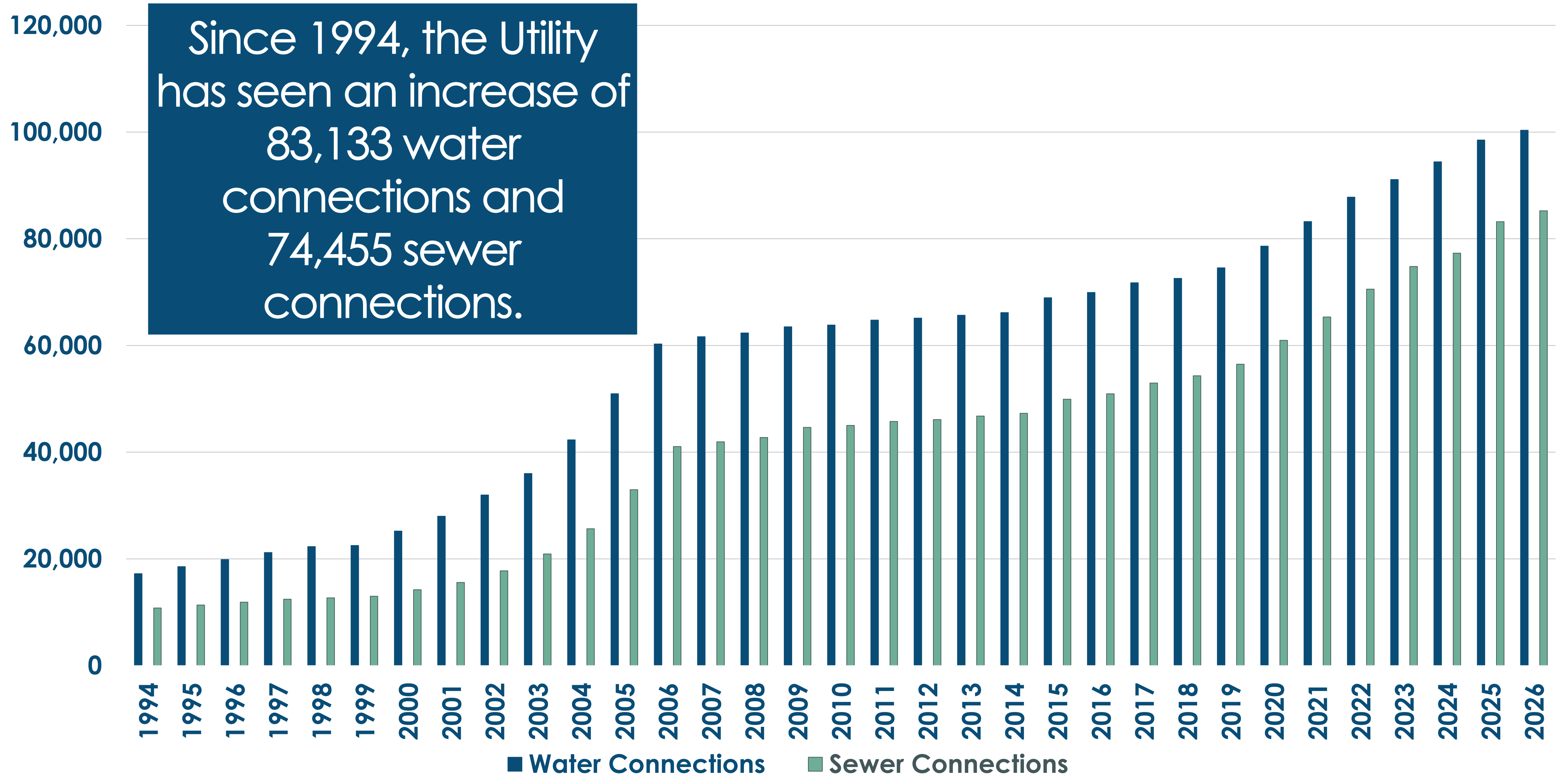
DEGREES

- B.S. in Professional Administration from Barry University

Agenda

- Customer Growth
- Water & Sewer Rate Adjustments
- Water Connection Fees
- Sewer Connection Fees
- Septic to Sewer Conversion Program





Miscellaneous Fees & Monthly Rate Studies

- 2024 studies conducted by Raftelis Financial Consultants outlined a series of suggested increases for rates, fees, and charges spanning a five-year period.
- The comprehensive analysis of the day-to-day operating costs for treatment plants, field operations, and customer services suggested incremental annual increases would be needed.
- Ongoing increases to market prices continue to affect the overall cost of operations.



5-Year Forecast for Rate Increases Outlined in the 2024 Studies

<u>Forecast %</u>	<u>FY 24-25</u>	<u>FY 25-26</u>	<u>FY 26-27</u>	<u>FY 27-28</u>	<u>FY 28-29</u>
Water Rates	5.50%	3.50%	3.50%	2.75%	2.75%
Sewer Rates	0.00%	0.00%	0.00%	2.75%	2.75%
Net % for 5k Gal. Water & Sewer Bill	2.02%	1.33%	1.34%	2.73%	2.72%

Effect of Rate Increases on Customer Bills

<u>Monthly Bills</u>	<u>Current</u>	<u>FY 26-27</u>	<u>FY 27-28</u>	<u>FY 28-29</u>
Water Rates	\$37.31	\$38.60	\$39.62	\$40.70
Sewer Rates	\$59.00	\$59.00	\$60.64	\$62.29
Total Bill	\$96.31	\$97.60	\$100.26	\$102.99
Based on 5k Gal Usage				
Monthly Increase		+ \$1.29	+ \$2.66	+ \$2.73



3.5% Increases on Certain Fees Proposed			
	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
Treatment Plant Capacity	\$4,925.00	\$4,925.00	\$0.00
Meter & Installation	\$1,320.00	\$1,366.00	\$46.00
Security Deposit	\$70.00	\$70.00	\$0.00
Total	\$6,315.00	\$6,361.00	+ \$46.00

Water Connection
Fees for New
Residential
Construction Within
Special Assessment
Districts (SAD's) and
Assessed Utility
Service Areas (USA's)



Water Connection Fees for New Residential Construction

Outside of
SAD's/USA's: in the
SW & NW
Annexation Areas,
and
Unincorporated
County

3.5% Increases on Certain Fees Recommended	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
Treatment Plant Capacity	\$4,925.00	\$4,925.00	\$0.00
Line Charge	\$780.00	\$780.00	\$0.00
Meter & Installation	\$1,320.00	\$1,366.00	\$46.00
Security Deposit	\$70.00	\$70.00	\$0.00
Total	\$7,095.00	\$7,141.00	+ \$46.00



Residential Well to Water Conversion Fees

3.5% Increases on Certain Fees Proposed	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
Treatment Plant Capacity	\$4,925.00	\$4,925.00	\$0.00
Meter & Installation	\$1,320.00	\$1,366.00	\$46.00
Conversion Costs	\$941.00	\$974.00	\$33.00
Security Deposit	\$70.00	\$70.00	\$0.00
Totals	\$7,256.00	\$7,335.00	+ \$79.00
Monthly amount over 10 years	\$59.88	\$60.54	+ \$0.66

Note: Less than 300 wells are estimated to still be in use that could convert to City water.

- 52 well conversions averaged per year during the last 5 FY's.*
- 16 well conversions are estimated for FY25-26.*



Sewer Connection Fees for New Residential Construction

Sewer with
Grinders in
SAD's/USA's

Increases Proposed to System and Installation Fees Only	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
Treatment Plant Capacity	\$3,250.00	\$3,250.00	\$0.00
Grinder System & Installation	\$4,844.00	\$4,977.00	\$133.00
Security Deposit	\$110.00	\$110.00	\$0.00
Total	\$8,204.00	\$8,337.00	+ \$133.00



No Increase to Fees Proposed for New Gravity Connections			
	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
Treatment Plant Capacity	\$3,250.00	\$3,250.00	\$0.00
Line Charge	\$1,972.00	\$1,972.00	\$0.00
Security Deposit	\$110.00	\$110.00	\$0.00
Total	\$5,332.00	\$5,332.00	\$0.00

Sewer Connection Fees for New Residential Construction

Gravity Outside of SAD's/USA's, in the SW & NW Annexation Areas, and Unincorporated County



Increases Proposed to System Installation and Abandonment Fees Only	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
Treatment Plant Capacity	\$3,250.00	\$3,250.00	\$0.00
Grinder System & Installation	\$4,289.00	\$5,459.00	\$1,170.00
Septic Abandonment	\$609.00	\$626.00	\$17.00
Security Deposit	\$110.00	\$110.00	\$0.00
Total	\$8,258.00	\$9,445.00	\$1,187.00
Monthly amount over 10 years	\$67.90	\$77.79	\$9.89

Residential
Septic
Conversion
Fees Within
SAD's/USA's



Conclusion & Recommendation for Rates, Fees & Charges

- Proposed increases to monthly usage rates are required to cover the cost of daily operations and to ensure debt service coverage.
- The proposed Connection Fee increases impact new construction and customers who are adding services; i.e., well and septic conversions.
- **Recommendation:** Approve the proposed rates, fees, and charges as presented
 - Ordinances will be forwarded for adoption each Fiscal Year

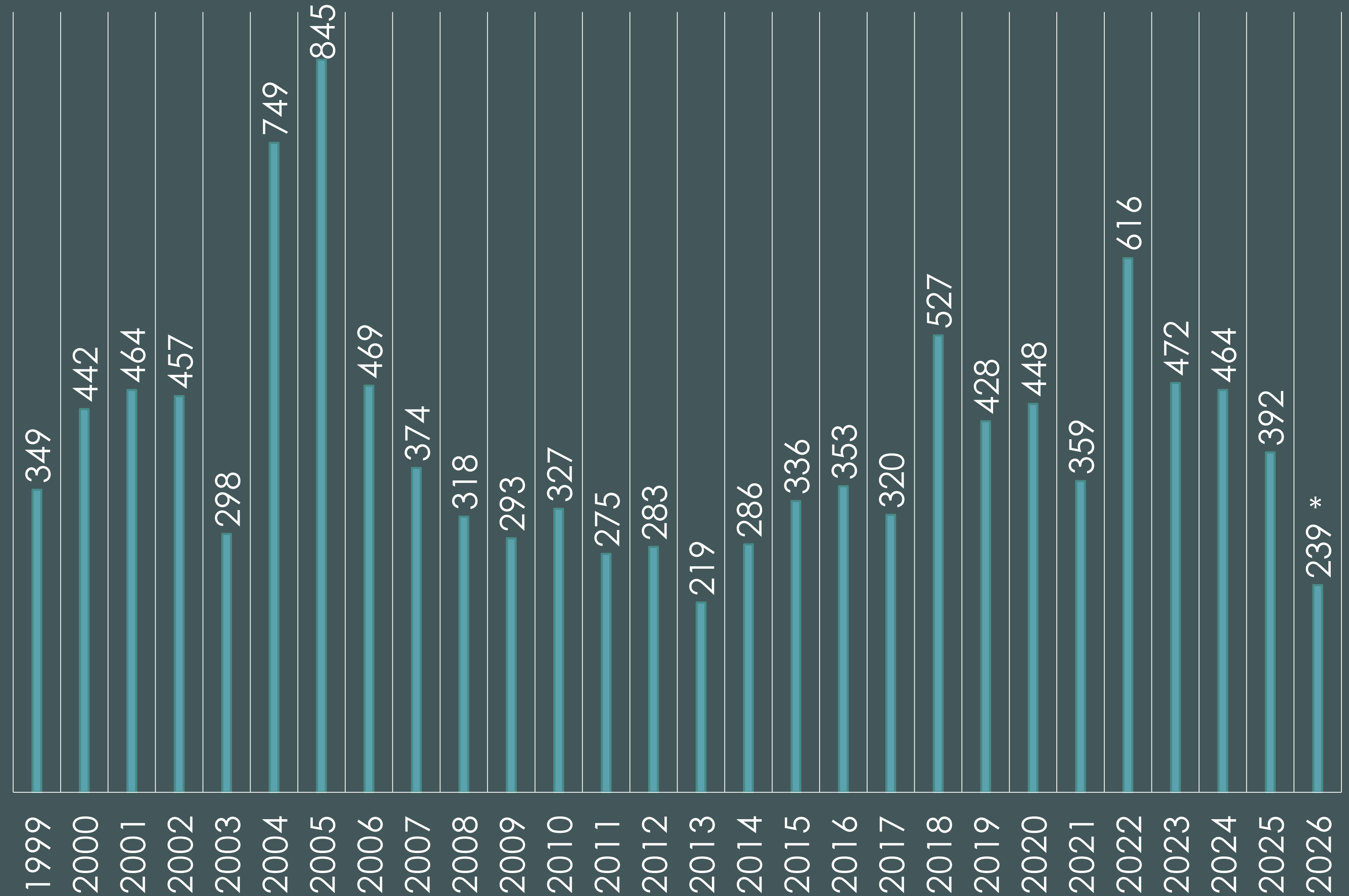




Protecting By Connecting

Septic Conversions

11,402
Residential
Septic
Conversions
have been
completed
since the
program began
in 1999

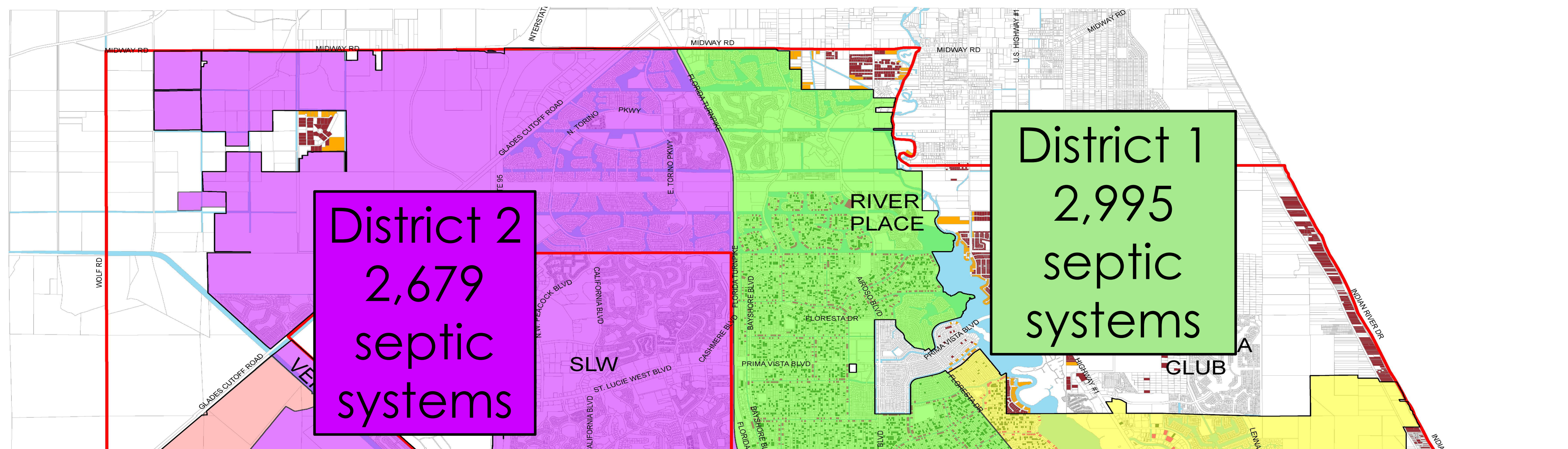


* Data through May 2026

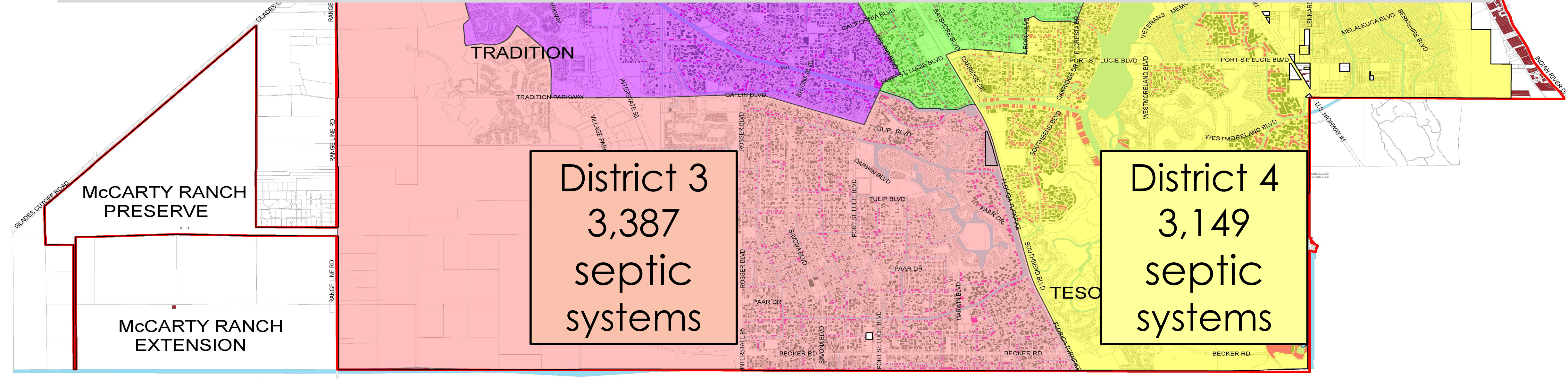


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Septic Systems within Council Districts as of May 2026



12,210 Remaining Septic Systems Within the City



Residential Septic Conversions: 50% Grant Program Summary

<u>FY</u>	<u>Grants Awarded</u>	<u>Location</u>	<u>Amount USD Received</u>	<u>Funding Source</u>
20-21	17	Sagamore Phase 1	\$100,000	City's General Fund
20-21	36	Elkcam Phase 1	\$100,000	FDEP
21-22	38	Elkcam Phase 2	\$100,000	City's General Fund
21-22	29	Elkcam Phase 3	\$100,000	Indian River Lagoon Council
22-23	33	Monterrey Phase 1	\$100,000	City's General Fund
23-24	16	Monterrey Phase 2	\$50,000	Indian River Lagoon Council
23-24	31	Sagamore Phase 2	\$100,000	City's General Fund
24-25	13	Elkcam Phase 4	\$50,500	Indian River Lagoon Council
24-25	5	Elkcam Phase 4	\$100,000	City's General Fund
24-25	18	Kingsway		
24-25	1	Sagamore		
25-26	13	Howard Creek	\$159,135	City's General Fund
25-26	30	Darwin Area		
Total to Date	280	The Utility will continue to seek Grant opportunities		



Questions & Comments

