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RESOLUTION 030223
PASSED July 28, 2003
AMENDED _____

A RESOLUTION SPECIFYING THAT ONE HALF OF SURCHARGES IMPOSED ON WATER AND WASTEWATER CONNECTION FEES BE USED FOR EXPANSION OF THE WATER, WASTEWATER, OR RECLAIMED WATER SYSTEM AND DESCRIBING THE IDENTIFICATION AND PRIORITIZATION OF SUCH PROJECTS.

WHEREAS, the City of Gainesville owns, operates, and maintains a utility system which provides electric power, water, wastewater, natural gas and telecommunication services to a region within and beyond the municipal boundaries of the City; and

WHEREAS, the City of Gainesville charges surcharges on water, wastewater, and electric service provided beyond the municipal boundaries of the City; and

WHEREAS, effective October 1, 2001 by the adoption of Ordinance No. 001622 such surcharges apply to all water and wastewater connection charges.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA:

1. Effective October 1, 2002, one-half of surcharges collected on water and wastewater connection fees pursuant to Ordinance No. 001622 shall be used to assist in the expansion of water, wastewater and reclaimed water facilities in the incorporated area of the City of Gainesville.

DRAFT v1

2. The primary intent of such water and wastewater system expansions shall be to enhance the provision of these services to areas of the City where they would otherwise be cost-prohibitive.
3. The City Manager and General Manager for Utilities or their respective designees shall jointly identify and prioritize water, wastewater and reclaimed water facilities to be expanded using this source of funding in accordance with these guidelines.
4. It is the intent of the City Commission that funds expended hereunder :
 - ~~A. may only be used to fund on-site or off-site facilities that are to be dedicated and accepted by the City for ownership and maintenance;~~
 - ~~B. A. are to be used to assist with the payment of costs associated with the extension of, construction of, or connections to the City's water, wastewater, or reclaimed water systems, including costs for on-site plumbing modifications;~~
 - ~~C. B. will be used only to make central water, wastewater, and reclaimed water service available to residential areas;~~
 - ~~D. C. should be allocated as follows:
20% - Health/Safety/Environment – projects to address public health, safety, or environmental issues;~~

DRAFT v1

20% - Affordable Housing – projects to provide central water/wastewater service to existing or proposed affordable housing, existing housing will be given priority over proposed housing. Owner occupied housing will be given priority over rental housing;

60% - Programmed Extensions – projects to make central water, wastewater, and reclaimed water available to every resident of the City.

DRAFT v1

5. Programmed Water and Wastewater Extensions will be prioritized as follows, and each category will be completed before moving to the next category:

PROJECT AREA	FUNDING TO PROVIDE
CDBG Target Area	Water Connection Charge Only
CDBG Target Area	WW Connection Charge Only
CDBG Target Area	Water Extensions
Enterprise Zone	Water Connection Charge Only
Enterprise Zone	WW Connection Charge Only
Enterprise Zone	Water Extensions
Other	Water Connection Charge Only
Other	WW Connection Charge Only
Other	Water Extensions
CDBG Target Area	WW Extensions
Enterprise Zone	WW Extensions
Other	WW Extensions

6. In the event that percentages identified above are not encumbered annually for Health/Safety/Environment or for Affordable Housing, such funds shall be used the subsequent year for the Programmed Extensions.

DRAFT v1

7. This Resolution shall become effective immediately upon adoption.

Passed and adopted this _____ day of _____, 2003.

Pegeen Hanrahan Thomas D. Bussing
Mayor

ATTEST:

By: _____
Kurt M. Lannon
Clerk of the Commission

Approved as to form and legality.

By: _____
Raymond O. Manasco, Jr.
Utilities Attorney

**Proposed Amendments To
Resolution 030223
Additional Backup Documentation**

I. City of Gainesville “ConnectFree” Implementation Team

Staff has formed a committee in order to carry out the program as designated in the July 28, 2003 Resolution (030223). This committee includes staff from the following areas:

- A. General Government
 - 1. Community Development Dept.
 - a. Housing Division
 - b. Block Grants Division
 - 2. Public Works

- B. GRU
 - 1. Water/Wastewater Engineering
 - 2. Community Relations
 - 3. Strategic Planning

II. Private Wells and Septic Tanks Within Gainesville City Limits

Approximate number of wells and septic tanks within the City of Gainesville are as follows:

**Table 1
Wells & Septic Tanks Within City Limits**

Area	Wells	Septic Tanks
CDBG	373	723
Enterprise	69	132
Other	532	1690
Total	974	2545

Approximate locations are shown on the attached maps.

iii. Comparison of Outside Funding for On-Site Plumbing with Use of Surcharge Funds

The resolution contains a prioritization schedule for making programmed extensions. Connections will first be made to provide water service to residents in CDBG areas where water distribution lines already exist (i.e. no extension of water distribution lines is necessary, and the only off-site cost is connection charges). Once these residents are served the program will be extended to the next priority, etc. Table 2 presents the estimated timeline for making water and

wastewater connections for the first three priority areas under two different scenarios: (1) Outside funding is secured and used to fund on-site costs, and (2) No outside funding is received, and surcharge funds are used to pay for on-site costs. The lack of availability of outside funding will increase the timeline for providing service.

Table 2
Estimated Timeline for Making Water & Wastewater Connections With & Without Outside Funding for On-Site Costs

Area	Annual Additional Outside Funding Required	Completion Year with Additional Outside Funding	Completion Year Using Connection Charge Proceeds Only
CDBG Water CC	\$310,000	1	2
CDBG WW CC	\$254,000	6	22
CDBG Water Extension	\$14,000	8	24

IV. Current Budget Status

The current budget status is summarized below. The Estimated FY2006 Available Funds include the proceeds from surcharges on connection charges received in FY2003, FY2004 and FY2005.

Table 3
Current Budget Status of Surcharge Connection Charge Fund (Fund 117)

Account	Available Funds at end of FY2005	Est. FY2006 Available Funds**
Programmed Extensions	\$268,508	\$444,285
Health, Safety & Env.	\$31,328	\$46,857
Affordable Housing	\$75,879*	\$46,857
Total	\$375,715	\$538,000

Notes:

* Includes \$72,000 formerly encumbered for Tiger Bay Development.

** Estimated FY2006 Available Funds based on:

1. Addition of \$234,285 from surcharge proceeds received in FY2005. This amount is split between accounts at 60%/20%/20% ratio as per Resolution 030223.
2. Re-allocation of the \$72,000 from the Affordable Housing fund that was formerly encumbered for Tiger Bay to another project.
3. Rollover of unspent FY2005 amounts from Health, Safety & Env. and Affordable Housing funds into Programmed Extensions fund.