

A. CURRENT SITUATION – FIRE HYDRANTS

City of Gainesville and Alachua County billed by Gainesville Regional Utilities. City fire hydrants paid for by City of Gainesville (\$583,342). Unincorporated fire hydrants paid for by Alachua County (\$452,658). Alachua County then bills City of Gainesville, who reimburses Alachua County.

	City of Gainesville Residents	Unincorporated Area Residents	City of Gainesville	Alachua County
Surcharge	NA	25% (General Fund)	To City General Fund	NA
Utility Tax	10% (goes to Gainesville General Fund)	10% (goes to Alachua County)	To City General Fund	To County General Fund
General Fund Transfer (GFT)	14.65% of gross revenues from the second preceding year plus surcharge		GFT goes into the General Fund	NA
IMPACT ON CUSTOMER				
Water Rates	Same in both jurisdictions		Set By City Commission	
Water Price (rate plus taxes and fees)	Rate + City utility tax (10%)	Rate + County utility tax (10%) + surcharge (25%)	City Commission sets utility tax	County Commission sets utility tax
Fire Hydrants	Billed to City of Gainesville	Billed to Alachua County	City of Gainesville pays \$1,036,000 for City, and unincorporated area fire hydrants	County pays \$452,658 for unincorporated area fire hydrants, which is reimbursed by City

B. FIRE HYDRANT COST IN BASE RATES

Customers billed for water, including an amount for Fire Hydrants by Gainesville Regional Utilities. City and Unincorporated fire hydrants paid for by customers. General Fund increase from reduced expenditure for fire hydrants, (\$1,036,000) plus increased utility tax and surcharge.

	City of Gainesville Residents	Unincorporated Area Residents	City of Gainesville	Alachua County
Surcharge	NA	Surcharge increases due to rate increase	General Fund increases	NA
Utility Tax	City Utility Tax increases due to rate increase	County Utility Tax increases due to rate increase	General Fund increases	Alachua County Utility tax Revenue increases
General Fund Transfer (GFT)	Gross revenue stays the same, surcharge increases		General Fund increases by surcharge	NA
IMPACT ON CUSTOMER				
Water Rates	Rates Increase 9.48% (\$0.97)	Rates Increase 9.48% (\$0.97)	New Rates Set By City Commission. Competitive Disadvantage for GRU	
Water Price (rate plus taxes and fees)	Price Increases 9.48% (\$1.07) for average customer*	Price Increases 9.48% (\$1.33) for average customer*	City Commission sets City utility tax	County Commission sets County utility tax
Fire Hydrants	Billed to Customer	Billed to Customer	No longer responsible for hydrants. Recognizes General Fund benefit (\$1,036,000 + utility tax and surcharge)	No longer billed for hydrants. Alachua County Utility Tax Revenue increases

* Average residential customer uses 7,000 gallons of water per month

C. FIRE HYDRANTS IN BASE RATES WITH AD VALOREM TAX ROLL BACK
 Customers billed for water, including an amount for Fire Hydrants by Gainesville Regional Utilities. City and Unincorporated fire hydrants paid for by customers. Ad valorem tax decrease to Gainesville property owners to offset General Fund increase from reduced expenditure for fire hydrants, (\$1,036,000) plus increases in utility tax and surcharge.

	City of Gainesville Residents	Unincorporated Area Residents	City of Gainesville	Alachua County
Surcharge	NA	Increases due to rate increase	General Fund increase	NA
Utility Tax	Utility Tax increases due to rate increase	Utility Tax increases due to rate increase	General Fund increase	General Fund increase
General Fund Transfer (GFT)	Gross revenue stays the same, surcharge increases		General Fund increases by surcharge	NA
IMPACT ON CUSTOMER				
Water Rates	Rate increase 9.48% (\$0.97)	Rates Increase 9.48% (\$0.97)	New Rates Set By City Commission	
Water Price (rate plus taxes and fees)	Price Increases 9.48% (\$1.07) for average customer* less 0.45 mill Ad Valorem decrease**	Price Increases 9.48% (\$1.33) for average customer*	City Commission sets City utility tax and millage rate	County Commission sets County utility tax
Fire Hydrants	Billed to Customer	Billed to Customer	Not responsible for hydrants. Recognizes General Fund benefit (utility tax and surcharge) Reduction of 0.45 mills equivalent to \$1,036,000	No longer billed for hydrants. Alachua County Utility Tax Revenue increases, which could be use to roll back Ad Valorem Taxes

D. UNINCORPORATED FIRE HYDRANT COST REMOVED FROM SURCHARGE

City of Gainesville and Alachua County billed by Gainesville Regional Utilities. City fire hydrants paid for by City of Gainesville (\$583,342). Unincorporated fire hydrants paid with surcharge proceeds (\$452,658). Surcharge reduced for General Government by amount for unincorporated fire hydrants (\$452,658).

	City of Gainesville Residents	Unincorporated Area Residents	City of Gainesville	Alachua County
Surcharge	NA	No Change	Surcharge revenue (less unincorporated fire hydrants) to General Fund	NA
Utility Tax	No Change	No Change	No Change in General Fund	No Change in General Fund
General Fund Transfer (GFT)	Decreased by the unincorporated fire hydrant cost (\$452,658)		General Fund decrease	NA
IMPACT ON CUSTOMER				
Water Rates	No Change	No Change	No Change	
Water Price (rate plus taxes and fees)	No Change	No Change	No Change	No Change
Fire Hydrants	No Change. Customer does not pay for fire Hydrants	No Change. Customer does not pay for fire Hydrants	No longer responsible for unincorporated area hydrants, reduced from General Fund Transfer (surcharge) = Neutral	No longer billed for unincorporated area hydrants

Note: GRU pays unincorporated area fire hydrant charges for use of County Rights-of-Way.

E. FIRE HYDRANT COSTS IN BASE RATES WITH A CORRESPONDING REMOVAL FROM GENERAL FUND TRANSFER BY ALTERING FORMULA
 Customers billed for water, including an amount for Fire Hydrants by Gainesville Regional Utilities. City and Unincorporated fire hydrants paid for by customers. General Fund Transfer component of the base rate decreased by formula for fire hydrant costs (\$1,036,000)

	City of Gainesville Residents	Unincorporated Area Residents	City of Gainesville	Alachua County
Surcharge	NA	No change	No change	NA
Utility Tax	No change	No change	No change	No change
General Fund Transfer (GFT)	Transfer formula altered so that base rates remain unchanged		No change	NA
IMPACT ON CUSTOMER				
Water Rates	Rate Increase 9.48% fully offset with reduced GFT amount in rate (no net change)	Rate Increase 9.48% fully offset with reduced GFT amount in rate (no net change)	No change	
Water Price (rate plus taxes and fees)	No change	No change	No change	No change
Fire Hydrants	Billed to Customer	Billed to Customer	No longer responsible for hydrants. Recognizes General Fund Transfer reduced by formula by \$1,036,000 = Neutral	No longer billed for hydrants.

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SUMMARY OF IMPACTS

Case	City of Gainesville Customer Impact	Unincorporated Alachua County Customer Impact	City of Gainesville Ad Valorem Tax Payer	City of Gainesville	Alachua County
A. Current Situation	NA	NA	NA	NA	NA
B. Fire Hydrants in Base Rates	Cost	Cost	Neutral	Savings	Additional Revenue
C. Fire Hydrants in Base Rates with Ad Valorem Roll Back	Cost	Cost	Savings	Neutral	Neutral
D. Unincorporated Area Fire Hydrants paid for with Surcharge Proceeds	Neutral	Neutral	Neutral	Neutral	Neutral
E. Fire Hydrant Costs in Base Rates with equal reduction in GFT Formula	Neutral	Neutral	Neutral	Neutral	Neutral

Appendix J – Public Street Light Policy Survey, Fall 2004

<p>County street lights owned by Clay County are charged directly to the county. Individuals have rental lights billed to them. Developers may request street lights in new subdivisions, and those are paid for in the rates charged to residents of the subdivision.</p>	<p>Clay Electric</p>
<p>No city/county distinction. Public street lights are billed to the city, not to base rates. No franchise fees or surcharges to franchise areas like Baldwin or Atlantic Beach. JEA sends the city one bill for street lights.</p>	<p>JEA</p>
<p>City's streetlights are included in GFT (\$3 million of \$21 million transfer). Polk County is billed directly by JE and pays bill. Outside the city, also Lighting Districts and the residents are charged on their tax bill.</p>	<p>Island Electric</p>
<p>Only service inside city, and bill the city directly. Public streetlights not built into rates for base rates.</p>	<p>Tallahassee</p>
<p>KUA bills city and county directly for poles used in given areas. Nothing in base street lights. There is a surcharge of 5% for streetlights outside the city limits, same as other electric classes.</p>	<p>KUA</p>
<p>OUC bills the City directly for Street lights in the Incorporated Area. In the Unincorporated areas, OUC bills the County and the County bills the residents for the street lights as part of their taxes. The County has set up MSTU (Municipal Street Light Taxing Units), the basic they charge the residents for the street lights, and this is the same charge that OUC bills to the county; thus the streetlight charges are passed through the county to the residents. Also have subdivisions that were set up under agreements several years ago, where the residents are billed by OUC for their share of their neighborhood street lights. They are no longer creating accounts this way, but continue the old agreements.</p>	<p>OUC</p>

Public Street Light Policy Survey, Fall 2004

- Clay Electric** County street lights owned by Clay, monthly usage charged directly to the county. Individuals have rental lights billed to them. Developers may request street lights in new subdivisions, and those are paid for in the rates charged to residents of the subdivision.
- JEA** No city/county distinction. Public street lights all billed to the city, not in base rates. No franchise fees or surcharges to franchise areas like Baldwin or Atlantic Beach. JEA sends the city one bill for street lights.
- Lakeland Electric** City's streetlights are included in GFT (\$3 million of \$21 million transfer). Polk County is billed directly by LE and pays bill. Outside the city, also Lighting Districts and the residents are charged on their tax bill.
- Tallahassee** Only service inside city, and bill the city directly. Public streetlights not built into rates for base rates.
- KUA** KUA bills city and county directly for poles used in given areas. Nothing in base street lights. There is a surcharge of 6% for streetlights outside the city limits, same as other electric classes.
- OUC** OUC Bills the City directly for Street lights in the Incorporated Area. In the Unincorporated areas, OUC Bills the County and the County bills the residents for the street lights as part of their Taxes. The County has set up MSTU (Municipal Street Light Taxing Units), the basis they charge the residents for the street lights, and this is the same charge that OUC bills to the county; thus the streetlight charges are passed through the county to the residents. Also have subdivisions that were set up under agreements several years ago, where the residents are billed by OUC for their share of their neighborhood street lights. They are no longer creating accounts this way, but continue the old agreements.