



Legislation Text

File #: 030223, Version: 0

Resolution Specifying use of Proceeds From Surcharges on Water/Wastewater Connection Charges (B)

On September 24, 2001 the City Commission authorized the preparation of an ordinance to establish the collection of a 25 percent surcharge on Water/Wastewater connection charges for connections within the unincorporated area. At the time that the City Commission authorized the preparation of this ordinance, they directed Staff to "designate that half of the revenues from the surcharge on water and wastewater connection charges be accounted for in General Government funds for the purpose of assisting in the expansion of water, wastewater and reclaimed water facilities in the incorporated areas of the City of Gainesville". The surcharge became effective starting October 1, 2001.

Initial estimates in 2001 were that the surcharge on connection charges would yield approximately \$700,000 per year, and designating half of revenues for utility extensions would yield \$350,000. The first year, a total of approximately \$198,000 was collected, well below the initial estimate. Due to the relatively low first year revenues, the entire 198,000 was retained in the General Fund.

A total of approximately \$232,000 of connection charge surcharge has been collected through June 30, 2003 for FY03. Based on the amount of surcharge collected to date, the connection charge surcharge collection is projected to be \$309,000 for FY03. Designating half of this amount for extensions will amount to approximately \$155,000 for FY03. Based on future connection charge revenue projections, and the amount of development occurring in the unincorporated portion of GRU's service area, FY03 connection charge surcharge revenues are the best indicator of future revenues.

The purpose of the attached resolution is to define the types of projects that will be funded using the connection charge surcharge revenues described above. In summary, it is our intent that services will be made available to citizens on a voluntary basis, and the primary emphasis will be to serve existing residents on wells and/or septic tanks. Our recommendation is that 60 percent of available revenues will be used to systematically provide water and wastewater service to City residents. These projects will generally be prioritized as follows: 1) those projects that provide service to CDBG Target Areas; 2) those projects that provide service to Enterprise Zones, and; 3) those projects that provide service to other areas within the City. Twenty percent of funds will be used on projects that address public health, safety, or environmental issues and 20 percent of funds to be used to provide water and/or wastewater service to affordable housing, with priority given to existing and owner occupied affordable housing. The City Commission: 1) hear a presentation from Staff; and 2) Adopt the referenced resolution.

Prepared by: David M. Richardson, Systems Planning Manager

Submitted by: Michael L. Kurtz, General Manager