



## Legislation Text

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File #: 211448., Version: 3

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### **Ordinance amending water/wastewater connection charges and eliminating wastewater winter maximum calculation (B)**

Ordinance No. 211448

An ordinance of the City of Gainesville, Florida, amending the Code of Ordinances relating to utilities; deleting section 27-103, connection charge installment payments; amending sections 27-129 and 27-171 to provide water and wastewater connection credits for certain customers; deleting Section 27-169.1, wastewater winter maximum calculations and adjustments; amending the code of ordinances to make it gender neutral; providing directions to the codifier; providing a severability clause; providing a repealing clause; and providing an effective date.

As a standard industry practice, GRU charges connection charges for new customer connections to the water and wastewater systems. These charges, along with other new development related fees, are reviewed and adjusted on an annual basis. GRU has been using the Engineering News Record Construction Cost Index for annual inflationary adjustments in most years, with detailed reviews of the basis for these charges on a periodic basis. Based on the construction cost index, connection charges and other related fees are proposed to increase by 8.24% from 2022 to 2023.

Staff is also proposing to delete the Connection Charge Installment provision (Section 27-103) from the City ordinance. This provision allowed owners of existing homes connecting to GRU water and/or wastewater to finance connection charges over 10 years. This provision is no longer needed since ConnectFree pays for connection charges to connect existing homes. Also, it is no longer supported by the GRU Customer Information System.

Staff is also proposing an ordinance modification regarding connection charge credits which apply to redevelopment. Under this provision, if applicable connection charges had been paid for a structure that previously existed on a property, GRU will issue a credit toward connection charges for redevelopment of the property. It is proposed that a clarification be added that the previous structure had to have had GRU water and wastewater accounts within last 10 years in order to get credit. The reason for this proposed change is that the billing system can only go back 10 years and it is very difficult to track and verify structures that have not existed for more than 10 years. The proposed policy is consistent with those of other utilities.

This ordinance also eliminates the winter maximum calculation for wastewater in Chapter 27, Code of Ordinances. The use of the winter maximum calculation to determine wastewater charges was removed from Appendix A in 2022, per Ordinance No. 201022. Section 27-169.1 of the Code of Ordinances defining calculation of the winter maximum was not deleted at the same time. Effective October 1, 2021, customers are charged for their actual wastewater use on a monthly basis.

The City Commission, at its meeting of August 4, 2022, authorized the City Attorney to draft the proposed ordinance. A separate ordinance which implements the changes related to water/wastewater connection charges

in Appendix A is being presented simultaneously. This ordinance should be passed prior to the ordinance implementing changes to Appendix A.

There are no significant fiscal impacts. The increase in connection fees would be expected to result in a small increase in revenue. However, connection charge revenues vary from year to year depending on development activity.

The City Commission adopt the proposed ordinance.