



## **AGENDA MEMORANDUM**

<b>FROM:</b>	Ken Cheek, Director, Water Resources Department
<b>SUBJECT:</b>	AMI Water Rate Adjustment Discussion
<b>AGENDA DATE:</b>	<b>May 26, 2020</b>

### **BRIEF OVERVIEW:**

At the December 3, 2019 BOCC meeting, staff made a presentation regarding pumpage from the County's water supply facilities. As part of the resulting discussion, staff was directed to provide information at a future Board meeting concerning the potential for a rate adjustment to allow the ongoing Automatic Metering Infrastructure (AMI) project to proceed at an accelerated pace. The AMI meters make customer more aware of their water usage and provide for a better means for the County to more accurately determine the purpose of water usage. These meters will assist the County in meeting SWFWMD, however, this approach will facilitate this over time through education and not have the immediate impact that reducing from twice a week watering to once per week watering.

In response to the Board direction, staff worked with the County's utility rate consultant (Raftelis) and have prepared a draft Automatic Metering Infrastructure Rate Impact Analysis. This document provides the yearly costs to implement the AMI program over a 2, 3, 4 and 5 year time frame. In addition, it presents the monthly rate adjustments that would be necessary to meet the required funding level. The monthly rate adjustments are given as either a base rate only adjustment, or a combination of a base rate and usage rate adjustments.

Staff is satisfied that the costs and rate scenarios presented in the rate impact analysis are sufficient to achieve the desired purpose and seeks Board direction on whether or not to proceed with the rate hearing, and if so, which rate scenario to base the rate hearing on.

If the Board wants to escalate the installation of the AMI meters we would recommend the 5 year plan as this has the least impact on users. Please note the cost would be in addition to the next automatic CPI adjustment in the fall. The increase to the base rate only would be \$3.91 per month for 5 years. Alternatively the Board could increase the base rate and the consumption rate (cost per 1,000 gallons of water). That rate would be a base rate increase of \$3.16 and an increase of 16% in the cost per 1,000 gallons of consumption. The latter methodology would have the users consuming the most water paying a slightly higher rate.

**BUDGET IMPACT/FUNDING SOURCE:**

**RECOMMENDED ACTION:**

Board discussion and direction on acceleration of the ongoing utility Automatic Metering Infrastructure program and possible rate adjustments to make the necessary funding available.