

City of Coral Gables City Commission Meeting
Agenda Item H-3
August 25, 2015
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Jim Cason
Commissioner Pat Keon
Commissioner Vince Lago
Vice Mayor Frank Quesada
Commissioner Jeannett Slesnick

City Staff

City Manager, Cathy Swanson-Rivenbark
City Attorney, Craig E. Leen
City Clerk, Walter J. Foeman
Deputy City Clerk, Billy Urquia
Management & Budget Director, Keith Kleinman

Public Speaker(s)

Agenda Item H-3 [3:54:12 p.m.]

A Resolution amending Ordinance 2015-17, to revise the Sanitary Sewer Fee Schedule, providing for severability and an effective date.

Mayor Cason: Let's move to H-3. H-3 – this is a Resolution to revise the Sanitary Sewer Fee Schedule.

City Manager Swanson-Rivenbark: And Mayor as Keith steps up, we've been able to brief each one of you. It's a technical item, we support it, but I just want the public to know that you all have spent a lot of time on one-on-one discussions on this item.

Vice Mayor Quesada: So before Keith is presenting on this; before Keith gets into the minutia for the public. This is a topic that a resident brought to me, probably about three or four months

ago....about three or four months ago, and he brought up a great idea and really the question is, I guess I'm framing the issue here. At the time, there is a flat rate that's charged in Coral Gables for people that have their own City water, and really the question was, the complaint from the resident which was well founded, well taken, was that why aren't people that use more water being charged more for water? So it should be if you are using a little bit of water you should pay less than the person who use the well water that's really where the conversation stem from, and obviously we had to look at this from a financial perspective, but I think in the end, I think the end result the recommendation that staff is going to be giving today, if it hasn't changed since I spoke to them yesterday...

Mr. Keith Kleinman: It has.

Vice Mayor Quesada: Oh, it has changed, OK, maybe I should hold back, but I think it promotes sustainability. I think it really promotes people watching how much water they use and we hear things that are happening in California and other states, droughts. I'd like this in the sustainability standpoint that you are being rewarded for using less water from a financial perspective, and it's also more equitable, its more fair in the sense that, hey if you are not using as much water you shouldn't pay as much.

Mayor Cason: I just got back from California and those kinds of measures there lead to something like a 33 percent reduction in residential water use by linking it to consumption, so it works. Go ahead.

Mr. Kleinman: First of all, good afternoon Mayor, Vice Mayor and Commissioners, in keeping with, again I'm just going to repeat what Vice Mayor Quesada said. There are basically three parameters that we try to address. The most important was incentivizing people to consume less water, and therefore from our point of view it's less consumption for our sanitary sewer. It was also to relieve the lowest consumers, the one who use less than 7 CCF's of water, and CCF is 748 gallons, and we'll go into more detail there, and for us budgetarily this whole exercise was to remain revenue neutral. We don't have any increase cost at this point, for a future year going

into FY17, we are going to address capital infrastructure more than it has been addressed to date. We've done that on a lot of items throughout the City and sanitary sewer is one of the ones we are going to address during FY16 planning and FY17. OK. So once again, the fee structure we are recommending right now is just to replace what we have to incentivize the less usage.

Mayor Cason: Do we have any indication the number of small use, under seven (7) in the City, a percentage ballpark figure?

Mr. Kleinman: We don't, but actually if you take a look at the third slide on here, you'll see the amount of revenue we get from them is so minute that we don't – from the consumption numbers that I've seen they are very, very few. Most people including the person who came and was concerned about his bill uses almost the amount of water that's in this slide range, OK, but it's slightly less. He will receive less of a bill if this proposed fee structure is awarded. OK. So if you can just draw your attention to the...and the handouts in front of you, and for the public we have these slides on the table there. The top is called Coral Gables Current Rates, and you are going to see its \$35.26 is a base charge...

Vice Mayor Quesada: So if I use one gallon of water or I use 5,236 gallons of water no matter what, I have to pay \$35.26?

Mr. Kleinman: Per month.

Vice Mayor Quesada: Per month.

Mr. Kleinman: So in other words for a quarterly bill, which is what we have and you can see it on the right, is \$105.78, OK. So, if we have people here who are "snow birds" and if they are not using water, no matter what they are paying \$105.78, which again is not really fair. Again, there aren't a lot of them, but why not fix it now as we can for them, as well as incentivize larger users to use less. OK. So, you can see its \$35.26 for the first CCF's, and every CCF after that is \$5.04. So other than just lowering your bill, there is no real incentive to just getting it down a little bit.

What cities are doing now is going to a tiered system of consumption, OK, so the more you use the higher price per CCF you'll get charged. In addition to that, for the capital infrastructure they are charging certain dollar amounts for different sized metered pipes, OK. Now what we've selected here, we are trying to look at – when we looked at the Miami-Dade rates and we are selecting of their rates what will work for us to be revenue neutral and still incentivize people to use less, plus help give relief to those lower users. So, if you take a look at the Coral Gables proposed and there is going to be a change to this, but I'm going to tell you now we've got more information today from Miami-Dade County and this is what we proposed as of yesterday, and that's going to \$1.38 per CCF for zero to five CCF's, then \$5.32 in change for 6 CCF's to 9 CCF's, and then \$5.41 approximately from 10 CCF's and over. Now on top of that, the cost, the per CCF cost for the lowest user is so low, we need some money to help support the system from those users, and we are adding \$3.25 per month for a five-eighths meter, and \$10.94 per month for...meter. That's just right now to be revenue neutral and to be as fair as we possibly can.

Vice Mayor Quesada: So, it's kind of tough the way you are speaking with the CCF's and all that...

Mr. Kleinman: I'm sorry.

Vice Mayor Quesada: So, I guess let me just rephrase it a different way for those at home who doesn't have the benefit of you walking us through prior to this meeting. So explain as we sit right now, you use one gallon of water or use 5,000 gallons you are paying \$35 a month no matter what. Under the proposal your flat rate is going to be if you have one smaller meter, a five-eighth meter, and use one gallon of water you are paying \$3.25.

Mr. Kleinman: Yes.

Vice Mayor Quesada: If you have the larger meter your base charge is \$10, so obviously that's coming down quite a bit, and then obviously how water you use moving forward will determine how much you pay, rather than just massive flat rate that we have.

Mr. Kleinman: Exactly. Thank you. OK. Now, the only change to this and as of this morning we confirmed this with the county, if you flip to the next chart. Miami-Dade County is proposing a change in fees and we are picking from their change of fees, because it's a very long, long list, is we are upping just that lowest CCF cost to \$2.78. Now as I should have pointed out in the previous slide, the \$105.78 for this particular user drops down to \$29.12 for a five-eighths meter, now that's a nice big change. So the person in particular who did request us to look at this, that household is going to go down from \$105.78 to \$29.12, if we go with our proposed rates on the first chart. Now because it's going to cost us more, Miami-Dade is going to charge us more for the sanitary sewer treatment, it will be \$105.78 down to \$48.78, which is still a tremendous decrease and there are no other changes. So once again this fee structure is revenue neutral, it incentivizes people to use less water and businesses and it does help those lowest users.

Mayor Cason: It's probably helpful for people some of the smaller houses in North Gables who have smaller – a lot of those are one or two person homes, so they are just reasonable using water for showers.

Vice Mayor Quesada: You are absolutely right, but the best part about this is, it penalizes the person for using a lot of water, so it's up to the legislation we are going to change, I guess, the behavior, which is the goal of this.

Commissioner Lago: And you are hopefully seeing a significant change if we adopt F-6, which I'll mention, now is a resolution that I'm proffering in reference to LEED and sustainable construction. And with up to date technology you are seeing that toilets that used to waste five gallons of water per flush now, wasting one and under one gallon per flush – even less, there is one that's point eight (.8), and also you are talking about showers, you are talking about hand washing waste significant amount less water. So the reduction will see less in revenue, but at the end of the day it's better for the environment.

Mr. Kleinman: Right.

Mayor Cason: It will be neutral though for us.

Mr. Kleinman: Yes, because right now its revenue neutral.

Mayor Cason: One of the things for this to work, of course we've got to get the word out to people that it pays for you to be careful about using water. So you have a plan to get this out?

Mr. Kleinman: Yes. Actually, we haven't discussed this at all, but I'm sure we can put this in newsletters and reach out to our businesses and residents.

Commissioner Slesnick: I think this really shows up on your next slide, yes, it really makes it very clear to the public, especially the small users, so it's not until you hit 100 gallons or 100 whatever it is.

Mr. Kleinman: And you can see from the next slide that there is no real increase to some of the larger users, but it does incentivize them to start coming down and you see the greatest savings of those at the bottom of the scale.

Commissioner Keon: Is this in gallons or CCF's?

Vice Mayor Quesada: You are only allowed to use eight gallons of water a month Commissioner Keon.

Commissioner Keon: Oh, no.

Mr. Kleinman: If you look at the left side of the chart...

Commissioner Keon: There is 200 CCF's.

Mr. Kleinman: Yes, that's CCF's.

Commissioner Keon: OK.

Vice Mayor Quesada: One CCF is 748?

Mr. Kleinman: 748 gallons.

Commissioner Keon: 748 – OK.

Mr. Kleinman: Don't ask me why, I really don't know why...gallons would work for me. One thing I do ask the Commission – this resolution can be adjusted for whatever the County actually ends up proposing, that \$2.78 is a proposed. If they chose to go higher then we need to go higher.

Mayor Cason: So they have to have some legislative action at the County level still on the rates?

Mr. Kleinman: Yes. I believe its September 3rd possibly that they are going to be...

Commissioner Lago: If the County fluctuates we can peg into the County to the rate?- can we just leave some room just in case. Are we sure its September, the deadline is September, you said 3rd?

Mr. Kleinman: As far as we know its September 3rd that they are going to vote on this, that's what I was told this morning.

City Manager Swanson-Rivenbark: Sir that is what he is asking that we have the authority to mirror the County.

Commissioner Keon: Can I ask one question? On the proposed, on the second page of this slide where it tells the proposed its \$2.78 for zero to five CCF's, for ten and over is it just five – OK, so its 5.4 CCF's per CCF per month going forward.

Mr. Kleinman: Yes.

Commissioner Keon: OK.

Commissioner Slesnick: How gallons per CCF?

Commissioner Keon: 746?

Commissioner Slesnick: 748 gallons.

Mayor Cason: Five thousand (5,000) gallons roughly.

Mr. Kleinman: 5,200 for ours originally.

Mayor Cason: Alright. On H-3 do we have a motion?

Commissioner Lago: I'll make a motion.

Commissioner Slesnick: Second.

Mayor Cason: Commissioner Lago makes the motion, Commissioner Slesnick seconds it. City Clerk.

Vice Mayor Quesada: Yes

Commissioner Slesnick: Yes

Commissioner Keon: Yes

Commissioner Lago: Yes

Mayor Cason: Yes

(Vote: 5-0)

Mr. Kleinman: Thank you very much.

Commissioner Lago: Thank you.

Commissioner Keon: Thank you.

[End: 4:08:00 p.m.]