

## M E M O R A N D U M

**To:** Howard Tipton, Town Manager

**From:** Sue Smith, Finance Director  
Isaac Brownman, Public Works Director

**Report date:** May 10, 2023

**Meeting date:** June 5, 2023

**Subject:** Resolution 2023-17, Providing for the Pass Through of Manatee County Wholesale Water and Wastewater Rate Increases Effective June 1, 2023 and June 1, 2024

### **Recommended Action**

Pass Resolution 2023-17.

### **Background**

On March 28, 2023, the Manatee County Board of Commissioners enacted Resolution R-23-058 to increase the Town's wholesale water and wastewater rates by 9.75% effective on June 1, 2023 and by another 9.75% effective June 1, 2024. Chapter 51, Sections 51.11 and 51.21 of the Town Code provides for the ability to pass through wholesale rate increases from Manatee County to the Town's utility ratepayers through the adoption of a Resolution. A multi-year schedule of water and wastewater monthly user rates was established by the Town Commission at their September 13, 2021 Regular Meeting by adoption of Resolution 2021-14, and effective for bills rendered on or after October 1, 2021. It was recognized at the time that the multi-year schedule of rates would need to be adjusted to pass-through any future Manatee County wholesale water and wastewater rate increases.

Staff has worked with GovRates, Inc. ("GovRates"), the Town's utility rate consultants, to analyze the impact of the wholesale water and wastewater rate increases. GovRates has recommended adjustments to the adopted multi-year rate schedule of rates in accordance with the pass-through analysis. Based on the pass-through calculations as contained in the GovRates report, customers with different usage levels would have different percentage rate increases.

From an administrative standpoint and since Manatee County wholesale service costs represent over 50% of the water and wastewater utility's annual operating expenses, it makes sense to align the implementation dates of the Town's water and wastewater retail rate increases with the implementation dates of the Manatee County wholesale water and wastewater rate increases. As such, adjustments to the Town's water and wastewater retail rates are proposed to be effective on June 1, 2023 and June 1, 2024 instead of October 1, 2023 and October 1, 2024.

The Town's rates remain very competitive compared to those of utilities in the surrounding region. A report from GovRates is included and demonstrates this

competitiveness. Even with the planned increases, the Town's rates will produce bills considered competitive and affordable.

The Town's rate consultant and staff will be available at the June 5th Regular Meeting to answer any questions.

**Staff Recommendation**

Pass Resolution 2023-17.

**Attachments (Available in the Town Clerk's Office)**

- A. Resolution 2023-17
- B. GovRates Report

**End of Agenda Item**