

CITY OF HAMPTON
Minutes, Council Workshop
Tuesday, April 4th, 2017, 7:00pm
5784 Navarre Ave., Hampton, FL 32044

Roll Call: City Clerk: Mayor Dan Williams, Chairman Bill Goodge, Councilman Douglas Williamson, Councilwoman Lillian Sams. Vice Chairman Mitzel and Councilman Bryant were absent. City Clerk Mary Lou Hildreth was also present. City Attorney John Cooper did not attend.

1. Water Ordinance/Rate Study
Rick Crews, SERCAP

City Clerk

Mayor Williams explained that this was a workshop to review Mr. Crews recommendations and that there would be no vote. Ms. Hildreth advised it would go to First Reading at the next meeting and Second Reading at the May meeting.

Mr. Crews provided the council with packets detailing his research and analysis. The rates account for over \$180,000 debt service the water fund owes the general fund (which is factored in a yearly \$18,000 debt service payment) and a maintenance fund of \$2,100. He noted that our water loss is finally under control – under 6%. He reviewed income versus expenses. We have \$102,000 in expenses with income at \$70,000 which is a big deficit.

It costs the city \$107.30 to produce 1000 gallons of water. That figure is high because we only have approximately 200 connections. In preparing this study he looked at five to ten years in the future. If a system has 20,000 customers the cost would be \$8.00, 2,000 would be \$50.18. The difference is in the volume. The spreadsheets in the packets show the average usage for one year for every connection in town.

He also checked around neighboring cities. Nobody provides any “free” gallons with their base rate. Hampton is too small to be giving away water (current rate of \$28.00 is for up to 3,000 gallons). Chairman Goodge stated we aren’t giving it away. Mr. Crews said we could include it in the base rate but that would simply increase it. Water is a business. We can’t undo the past. The goal is to have the water utility financially self sustainable. It is hard to compare water systems because they are all different and have different needs of maintenance, debt service, etc. Ms. Hildreth observed without the \$130,000 in grant funding the repairs could not have been done.

SRWMB requires that we have a conservation plan. The rate promotes conservation because the less you use the less you pay and the more you use the more you pay. Weather plays a factor.

Discussion regarding fees for outside city limit customers. By Statute you can charge up to 25%. There are about 20 of those connections and they are in a poor area. Former Mayor McCullough spoke from the audience and advised we never charged more for our

out of city limit accounts. She also thought it created a potential for a discrimination law suit and bad press for the city.

Ms. Hildreth discussed a few accounts that owe over \$1,000,, one owes over \$2,000. Working on getting people paid but at \$58.00 per month it barely makes a dent, especially now that we are charging for actual usage. If they have a \$40,00 bill only \$18.00 goes toward their arrears. Mr. Crews said it is a business that has to be run and he is sure their lights are on at night. They have to pay that utility bill so they should pay ours.

A late fee of \$7.50 is included as well.

Mayor Williams stated water is getting more expensive to treat and distribute. He would like to create a system we can grow into. Perhaps have a percentage range that is moving based on council discretion – a rate percentage “not to exceed”. Chairman Goodge suggested 10% residential, 25% commercial. Chairman Goodge pointed out that nobody comes to the meetings.

Mr. Crews stated if we choose not to charge a service fee he would have to increase the original figures. He will provide adjusted figures.

Adjourn

By:

Dan Williams, Mayor

ATTEST:

Mary Lou Hildreth, City Clerk