



MEMORANDUM TO VENICE CITY COUNCIL

THROUGH CHARTER OFFICER: Edward Lavalley, City Manager **E-SIGN:**

FROM: Javier A. Vargas, MPA, Utilities Director

DEPARTMENT: Utilities Department

DATE: August 9, 2023

MEETING DATE: August 22, 2023

SUBJECT / TOPIC: Chapter 74 Utilities Ordinance Revision

BACKGROUND INFORMATION:

Establishing an adequate financial plan is an important component in a well-managed and operated water and sewer utility. A well-designed financial plan provides sufficient funding to allow communities to build, operate, maintain, and reinvest in their utility systems. Properly and adequately funded utility systems also allow for the economic development and sustainability of the local community.

A proposed revision of Chapter 74 Utilities Ordinance containing a five-year (FY 2024 – FY 2028) financial plan will be presented to City Council on August 22, 2023. The first reading of the ordinance change will also be August 22, 2023; with the final reading on September 12, 2023.

Relevant changes to the ordinance include:

- Implementation of Water & Sewer Revenue Sufficiency Analysis recommendations.
- Water rates increase of 5.25% of which 2.25% will be set aside to fund Water Treatment Plant Relocation project until FY 2033 when the Utility borrows, after which time the additional revenue will be used for debt service. Also, sewer and reclaimed rates were increased by 3%.
- Review of Plant Capacity Fees
- Miscellaneous Fee Updates

SUPPORTS STRATEGIC PLAN: Goal Three: Ensure a Fiscally Sound City

COUNCIL ACTION REQUESTED: For Council Adoption by Motion

ec: Linda Senne, Finance Director
 James Clinch, P.E., Assistant City Manager