





MEMORANDUM

City of Venice

Utilities Department

TO: Ed Lavalley, ICMA-CM, MPA, City Manager 

FROM: Javier A. Vargas, MPA, Utilities Director 

Linda Senne, Finance Director 

DATE: March 26, 2019

COUNCIL APPROVAL: Yes

MEETING DATE: April 23, 2019

STRATEGIC PLAN GOAL: Ensure a Financially Sound City

SUBJECT: Utilities Plant Capacity Charge Study and Presentation

Background: The terms plant capacity charge, facility charge, plant investment fee, utilities impact fee and system-development charge all refer to a program of contributions of capital from developers or new customers connecting to a utility system. Plant capacity charges and other growth-related fees became prominent in Florida during the late 1970s because of the need to fund infrastructure as a result of rapid population growth and new development without burdening existing residents. Since that time, impact fees have become a widely accepted method of funding growth-related capital infrastructure in the United States. These capacity fees have become an important part of the comprehensive financing plans of many utilities. Since the City's water plant capacity fees were last updated in 1990 and the sewer plant capacity fees in 1983, the department deemed it necessary to have a consultant conduct a review of current water and wastewater capacity charges. The Utilities Department secured the services of Stantec Consulting Services, the same consultant that performed our Utilities Rate Study in March 2018, and is fully familiar with our capital improvement plan, utility systems and financial plan.

Please find attached a copy of the Water and Sewer Plant Capacity Charge Study and presentation for the City of Venice. This report presents the results of the comprehensive study, including background information, an explanation of the calculation methodology utilized, the basis of the analysis and the results and recommendations.

Requested Action: Following the presentation of study results and recommendation by Utilities staff and the Consultant, Utilities staff requests Council authorization to schedule the following: 1st Reading of Ordinance on May 14, 2019, Final Reading and Public Hearing on May 28, 2019, and effective date of implementation – October 1, 2019

City Attorney Review/Approved: N/A
Risk Management Review: N/A
Finance Department Review/Approved: N/A
Funds Availability (account number): N/A

ORIGINAL(S) ATTACHED: Water and Sewer Plant Capacity Charge Study and Presentation for the City of Venice

xc: Lori Stelzer, City Clerk