



## City of Gainesville Agenda Report

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**File #:** 2022-260

**Agenda Date:** August 4, 2022

**Department:** Gainesville Regional Utilities

### **Title: Proposed 2023 Water/Wastewater Connection Charges and Other New Development Related Fees**

**Description:** [Document Description]

#### **Explanation:**

connections to the water and wastewater systems. These charges, along with other new development related fees, are reviewed and adjusted on an annual basis. GRU has been using the Engineering News Record Construction Cost Index for annual inflationary adjustments in most years, with detailed reviews of the basis for these charges on a periodic basis. Based on the construction cost index, connection charges and other fees are proposed to increase by 8.24% from 2022 to 2023.

In addition to the requested fee increase, staff is proposing to delete the Connection Charge Installment provision (Section 27-103) from the City ordinance. This provision allowed owners of existing homes connecting to GRU water and/or wastewater to finance connection charges over 10 years. This provision is no longer needed since ConnectFree pays for connection charges to connect existing homes. Also, it is no longer supported by GRU's Customer Information System.

Staff is also proposing an ordinance modification regarding connection charge credits which apply to redevelopment. Under this provision, if applicable connection charges had been paid for a structure that previously existed on a property, GRU will issue a credit toward connection charges for redevelopment of the property. It is proposed that a clarification be added that the previous structure had to have had GRU water and wastewater accounts within last 10 years in order to get credit. The reason for this proposed change is that the billing system can only go back 10 years and it is very difficult to track and verify structures that have not existed for more than 10 years. The proposed policy is consistent with those of other utilities.

#### **Strategic Connection:**

**Fiscal Note:**

There are no significant fiscal impacts. The increase in connection fees would be expected to result in a small increase in revenue. However, connection charge revenues vary from year to year depending on development activity.

**Recommendation:**

The City Commission: 1) Approve the proposed FY2023 water and wastewater connection charges and other related fees and direct the City Attorney's office to include these fees in the draft ordinance updating fees in Appendix A; and 2) Approve the proposed ordinance modifications and direct the City Attorney's office to draft an ordinance to effect the changes.