

City of South Daytona

Office of the City Manager

1672 S. Ridgewood Avenue • South Daytona, FL 32119 • 386/322-3014



MEMORANDUM

To: The Honorable Mayor and Members of the City Council

From: James L. Gillis Jr., City Manager

Re: Consideration of approving a revised Wholesale Water, Wastewater, and Reuse Water Services Agreement with the City of Daytona Beach.

Date: May 4, 2023

The City Council approved the Wholesale Water, Wastewater, and Reuse Water Services Agreement with the City of Daytona Beach on April 11, 2023. The City of Daytona Beach approved the agreement on May 3, 2023, with the amendment that the current rates be reflected in the agreement. The original agreement presented before our Council pre-dated the October 1, 2022, consumer price index adjustment to the rates. Even though the City is has been paying the adjusted rate since that time, Daytona Beach asked that the agreement to be amended with the adjusted rates.

The adjusted rates are shown below:

<u>SECTION OF AGREEMENT</u>	<u>RATE LISTED (PER 1000 GALLONS)</u>	<u>NEW CPI-ADJUSTED RATE (PER 1000 GALLONS)</u>
10.A Wholesale Water Rate	\$2.64	\$2.75
10.B Wholesale Wastewater Rate	\$3.59	\$3.74
10.C Wholesale Reuse Water Rate	\$1.10	\$1.14

As a formality and as requested by the City of Daytona Beach, the City should approve a revised version of the contract with the current rate that is being paid. Staff recommends the City Council approve the revision to the Wholesale Water, Wastewater, and Reuse Water Services Agreement with the City of Daytona Beach.

It is important to note that the rate will be revised each year on October 1st based on the Consumer Price Index (CPI). The City of South Daytona's rates should be adjusted at the same time to match any future adjustment by the City of Daytona Beach. A rate study is scheduled to be completed in FY 2024 which will reflect the new rates paid to Daytona Beach and account for CPI adjustments each year.