

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 Good Faith Payment to the City of Daytona Beach for Wholesale Water, Sewer and Reuse and Agreeing to Pay Newly Imposed Rates for These Services Going Forward Until Such Time as a New Agreement Can Be Reached

Date: June 6, 2022

As you are aware, the City of South Daytona is currently in negotiations with the City of Daytona Beach on a new water and sewer agreement. Last year, the Daytona Beach City Commission raised its rates for wholesale water, sewer and reuse beginning with an effective date of October 1, 2021. Since an agreement has not been reached between both parties to date, we have been paying for these services at the rate established by our pre-existing contract.

In the interests of continuing to foster a positive and mutually beneficial relationship between our two cities, staff is recommending that we make a good faith payment to the City of Daytona Beach equaling the aggregate difference between the charges for water, sewer and reuse based on the pre-existing rate and the newly imposed rate (excluding any penalties and interest). The total good faith payment that will be made, if approved, equals \$129,564.55. Keep in mind that the current budget includes this payment as it was anticipated that an agreement would be reached in the current fiscal year.

In addition to making this good faith payment, if this consideration is approved, our city would begin paying for these services based on the newly imposed rates going forward until such time that a new agreement can be reached between the parties. As a reminder, any proposed agreement for the supply of water and reuse and treatment of sewer will have to be mutually approved by both the South Daytona City Council and Daytona Beach City Commission.