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Wildwood Commission Approves New Utility Rates

Wildwood's city commission approved fiscal year 2024 utility rates at its special meeting this morning, voting 4-0 in the absence of Commissioner Pamala Harrison-Bivins. The vote came after consultant presentations on the ongoing wastewater treatment facility expansion project and the utility revenue account.

In the first presentation, Ben Fries from CPH explained that wastewater flow rates have doubled in the past six years due to recent development and now average 2.177 million gallons per day (MGD).

Wildwood's existing treatment facility, nearly 30 years old, has shown hydraulic and structural deficiencies as flow rates have spiked, limiting capacity below its designed 3.0 MGD maximum and accelerating the need for expansion. The estimated \$33 per-gallon construction cost of that expansion, which includes building a new facility, has escalated due to supply and labor shortages, complicated by procurement lead times as long as one year.

After considering options, the commission agreed to make upgrades to the current facility while building an expandable 4.0 MGD new facility, bringing new capacity to 5.5 MGD. As flow rates rise in the future, additional 2.0 MGD components can be added without the associated costs of new design work.

In the second presentation, Jeffrey Dykstra of Stantec provided a revenue sufficiency analysis of the city's utility fund with respect to the necessary wastewater treatment expansion.

He explained the city's 2019 resolution to tie utility rates to the Consumer Price Index (CPI), which has worked well until now. Because state law limits local government's ability to raise impact fees on development to cover associated infrastructure needs, however, the burden is shifted to taxpayers.

Dykstra recommended increasing the wastewater rate above the CPI for the next four years, with an annual analysis and adjustment based on new data as treatment expansion proceeds, returning to the CPI rate in fiscal year 2028. He noted the city's current rates are significantly below those of nearby municipalities and utility districts, some of which are more than twice Wildwood's.

Adopting the recommendation, the commission voted to set the fiscal year 2024 increase at 15.3% of the total water and sewer bill, equating to a difference of \$9.73 for a typical household with a usage rate of 5,000 gallons per month.

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