

## Agenda Memorandum

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**To:** Honorable Mayor and City Council Members  
**Prepared By:** Bryan Cobb, City Manager  
**From:** Bryan Cobb, City Manager  
**Date:** April 21, 2025  
**Subject:** Oviedo Conservation Grant Program

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**Procedure:** Ceremonial Items and Presentations

**Introduction:** This is a request for the City Council to review a presentation and provide feedback pertaining to a proposed Oviedo Conservation Grant Program that would be funded through an adjustment to potable water consumption rates.

**Discussion:** At its February 3, 2025 meeting, City Council adopted Resolution No. 4559-25, approving updated rates for the City's Stormwater, Potable Water, Wastewater and Reclaim Water Utilities. A copy of Resolution No. 4559-25 is provided in Attachment 1. During City Council's discussion, Mayor Sladek proposed a water conservation grant program in which the City could provide grants to assist residents with changing their lawns and landscaping to Florida Friendly plants to reduce reliance on potable water for irrigation. City Council's consensus was that such a program could be considered at a later date.

Mayor Sladek partnered with Ms. Karen Heriot, Group 2 Supervisor, and Ms. Gabbie Milch, Group 4 Supervisor, of the Seminole County Soil and Water Conservation District and two (2) student volunteers, Miss Ella Quinones of UCF and Miss Idika Banerjee of Hagerty High School, to review utility customer consumption rates, particularly those customers who consume more than 8,000 gallons per month and develop the subject grant program. The program's goals are to:

1. Minimize the use of potable water and reclaim water for residential irrigation.
2. Provide technical assistance to residents who want to change their lawns and landscaping to Florida Friendly plants that will not require irrigation once established.
3. Educate HOA's on State Statutes so that residents do not have to worry about being fined/sued by their HOA for changing the lawns and landscaping to Florida Friendly plants that will not require irrigation once established.
4. Provide grants to residents who want to change their lawns and landscaping to Florida Friendly plants that will not require irrigation once established.

Any utility customer who consumes more than 8,000 gallons per month for at least eight (8) cycles per year will be eligible to receive assistance through the grant program.

It is proposed that the subject grant program be funded through incremental revenue created by adjustments to the consumption tiers and consumption rates approved with the adoption of Resolution No. 4559-25 for consumption greater than 8,000 gallons per month. Three (3) options

have been developed to fund the subject grant program. Each option is based on residential utility customers not adjusting their monthly consumption.

Option 1: Decrease the Water Consumption Tiers Above 8,000 gallons per month; No Adjustment to Consumption Rates:

<u>Single Family (Per Dwelling Unit)</u> <u>Current Usage Tiers (per 1,000 gallons)</u>		<u>Single Family (Per Dwelling Unit)</u> <u>Proposed Tiers (per 1,000 gallons)</u>	
0 to 3,000 gallons	\$1.46	0 to 3,000 gallons	\$1.46
3,001 to 10,000 gallons	\$3.24	3,001 to 8,000 gallons	\$3.24
10,001 to 15,000 gallons	\$6.11	8,001 to 13,000 gallons	\$6.11
15,001 to 30,000 gallons	\$8.71	13,001 to 28,000 gallons	\$8.71
Above 30,000 gallons	\$10.23	Above 28,000 gallons	\$10.23

It is estimated that the proposed adjustment to the consumption tiers will generate increment revenue of approximately \$265,000 annually as depicted in the table below. An analysis of Option 1 is provided as Attachment 2.

Class	Annual Revenue		Increment Revenue
	Existing Tiers	Proposed Tiers	
Potable Water	\$4,365,683.98	\$4,627,601.03	\$261,917.06
Irrigation	\$261,547.85	\$264,661.16	\$3,113.31
Total Revenues – Usage Charge	\$4,627,231.83	\$4,892,262.19	\$265,030.37

Option 2: Decrease Water Consumption Tiers Above 8,000 gallons per month; Increase Water Consumption Rates for Consumption Greater Than 8,000 gallons per month by \$1:

<u>Single Family (Per Dwelling Unit)</u> <u>Current Usage Tiers (per 1,000 gallons)</u>		<u>Single Family (Per Dwelling Unit)</u> <u>Proposed Tiers (per 1,000 gallons)</u>	
0 to 3,000 gallons	\$1.46	0 to 3,000 gallons	\$1.46
3,001 to 10,000 gallons	\$3.24	3,001 to 8,000 gallons	\$3.24
10,001 to 15,000 gallons	\$6.11	8,001 to 13,000 gallons	\$7.11
15,001 to 30,000 gallons	\$8.71	13,001 to 28,000 gallons	\$9.71
Above 30,000 gallons	\$10.23	Above 28,000 gallons	\$11.23

It is estimated that the proposed adjustment to the consumption tiers will generate an increment of approximately \$553,171.33 annually as depicted in the table below.

Class	Annual Revenue		Increment Revenue
	Existing Tiers	Proposed Tiers	
Potable Water	\$4,365,683.98	\$4,903,048.82	\$537,364.84
Irrigation	\$261,547.85	\$277,354.34	\$15,806.49
Total Revenues – Usage Charge	\$4,627,231.83	\$5,180,403.16	\$553,171.33

An analysis of Option 2 is provided as Attachment 3.

Option 3: Decrease Water Consumption Tiers Above 8,000 gallons per month; Increase Water Consumption Rates for Consumption Greater Than 8,000 gallons per month by more than \$1:

<u>Single Family (Per Dwelling Unit)</u> <u>Current Usage Tiers (per 1,000 gallons)</u>		<u>Single Family (Per Dwelling Unit)</u> <u>Proposed Tiers (per 1,000 gallons)</u>	
0 to 3,000 gallons	\$1.46	0 to 3,000 gallons	\$1.46
3,001 to 10,000 gallons	\$3.24	3,001 to 8,000 gallons	\$3.24
10,001 to 15,000 gallons	\$6.11	8,001 to 13,000 gallons	\$8.11
15,001 to 30,000 gallons	\$8.71	13,001 to 28,000 gallons	\$10.71
Above 30,000 gallons	\$10.23	Above 28,000 gallons	\$12.23

It is estimated that the proposed adjustment to the consumption tiers will generate an increment of approximately \$841,342 annually based on an estimated additional \$288,171 per year for every \$1.00 adjustment in water consumption rates. The table below depicts estimated increment revenue for a \$2.00 increase for water consumption greater than 8,000 gallons per month.

Class	Annual Revenue		Increment Revenue
	Existing Tiers	Proposed Tiers	
Potable Water	\$4,365,683.98	\$5,178,496.61	\$812,812.63
Irrigation	\$261,547.85	\$290,077.55	\$28,529.70
Total Revenues – Usage Charge	\$4,627,231.83	\$5,468,574.16	\$841,342.33

**Budget Impact:** There is no budget impact associated with providing feedback on the subject water conservation grant program.

**Strategic Impact:** Promote Florida Friendly Landscapes on all properties through the development of public education programs and phasing in example landscapes on city property. Improve existing conservation campaign to encourage residents to reduce water usage.

**Recommendation:** It is recommended that City Council provide feedback on the subject water conservation grant program.

- Attachment(s):
1. Resolution No. 4559-25
  2. Option 1 Analysis
  3. Option 2 Analysis
  4. Conservation Grant Program Presentation