



## AGENDA MEMORANDUM

*Finance Department*

**City Council Regular Meeting Date: December 6, 2022**

**To:** City Council  
**From:** Steven C. Chaipel  
**Date:** December 1, 2022

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**SUBJECT:** Sanitary Sewer System Fee Relief

**BACKGROUND:** As discussed at the City Council meeting in November, the devastating effects of Hurricane Ian caused the Sanitary Sewer System (System) to be inoperable during the month of October 2022. The City Council recognized the need to balance individual rate payer relief with the financial requirements for the System's recovery and continued operation.

Staff advised, and Council agreed, to the following relief measures:

- **Residential Customers:** Residential customers pay a flat quarterly amount that is determined by an annual revenue sufficiency study and approved by Council at the beginning of each fiscal year. Council provided direction to bill a pro-rated quarterly amount to customers for two months instead of three, recognizing the System was unavailable in October;
- **Commercial Customers:** Commercial customers are charged a quarterly base meter size charge and usage based on volume. Council provided direction to bill a pro-rated base charge amount for the first quarter of the year based on two months instead of three as indicated above;
- **Reclaimed Water Customers:** These customers are charged based on usage and the Council directed that no charges for the month of October 2022 should be applied.

**FUNDING SOURCE:** The System's ending fund balance is currently sufficient to pay for operating expenses. The affect of this one-month relief will be more fully analyzed during the next annual revenue sufficiency study.

**RECOMMENDED ACTION:** Approve Resolution 22-058 granting relief from System charges for the month of October 2022.

*Sanibel is and shall remain a barrier island sanctuary*