

RESOLUTION NO. 35-2026

A RESOLUTION OF THE CITY OF GULF BREEZE, FLORIDA, PERTAINING TO WATER AND WASTEWATER RATES FOR THE GULF BREEZE REGIONAL WATER SYSTEM; PROVIDING FOR THE ADJUSTMENT OF RATES FOR FISCAL YEAR 2027; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Gulf Breeze operates a consolidated water and wastewater enterprise system, the Gulf Breeze Regional Water System (the “GBRWS”),; and

WHEREAS, the City Council will maintain the primary role in managing GBRWS, and will continue to utilize an advisory Board to make recommendations to the City Council regarding the management of the System; and

WHEREAS, the City’s service area outside of the City limits is experiencing higher growth than the service area within the City limits, particularly as it relates to wastewater service; and

WHEREAS, costs associated with the operation and maintenance of the system have increased, with the Consumer Price Index for the South Region currently at 3.6% for the 12-month period ending April, and these costs must be recovered through user rates; and

WHEREAS, based on existing capacity utilization and current projections of growth, the City plans to increase wastewater treatment capacity within the next several years by expanding its wastewater and reclamation facility, converting spray fields to rapid infiltration basins, expanding reclaim infrastructure, and connecting nearly a thousand septic systems to sewer within the City’s service area; and

WHEREAS, goals and objectives of the Gulf Breeze Regional Water System include establishment of rates: a) that maintain a financial position consistent with performance criteria used by rating agencies and the utility industry, such as compliance with rate covenants outlined in existing loan agreements and maintenance of adequate operating reserves; b) that are based on full cost recovery principles; c) that recognize historical rate structures or forms and avoid potential rate shock; and d) that, to the extent practical, are comparable with those of neighboring utility systems; and

WHEREAS, revenues under the existing water and wastewater rates are not projected to be sufficient to meet the System’s revenue requirements based on growth and increased costs; and

WHEREAS, the City has determined that it is necessary to increase the water and wastewater rates for services billed after September 30, 2026, as provided in **Exhibit “A”**; and

WHEREAS, the recommended rate increases are based on the following objectives and planning criteria to fund amounts necessary to:

- recover projected net revenue requirements from monthly user rates;
- maintain adequate operating cash reserve levels;
- provide for a minimum of 60 days of operating expenses with a target of 180 days of operating expenses to be achieved over time;
- allow use of existing reserves above the minimum target to fund the City’s Capital Improvement Plan (“CIP”) for the System, including renewal and replacement expenditures;
- meet or exceed the minimum debt service coverage requirements established by the State Revolving Fund (SRF) Loan Program; and

WHEREAS, the City Council gave notice of a Public Meeting set for Monday, September 21, 2026, on the System’s customer utility bills in accordance with Section 180.136, Florida Statutes; and

WHEREAS, the City Council held a Public Meeting on Monday, September 21, 2026, on this matter.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GULF BREEZE, FLORIDA, AS FOLLOWS:

SECTION 1. RECITALS.

The “whereas” clauses set forth above are incorporated herein by reference.

SECTION 2. ADJUSTMENT OF WATER AND SEWER SERVICE MONTHLY RATE.

For services billed after September 30, 2026, the fees charged for the Gulf Breeze Regional Water System with the City shall conform to the rates on the fee schedule attached hereto as **Exhibit “A”**, which reflects a 3.6% cost-of-service increase for distribution costs and base fees.

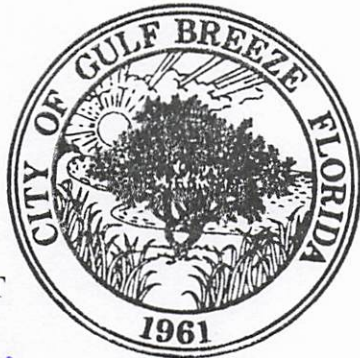
SECTION 3. REPEAL OF CONFLICTING PROVISIONS.

All resolutions and policies or parts thereof of the City in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

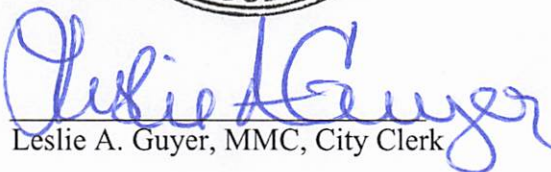
SECTION 4. EFFECTIVE DATE.

This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF GULF BREEZE, FLORIDA ON THIS 21st DAY OF SEPTEMBER 2026.



ATTEST

By: 
Leslie A. Guyer, MMC, City Clerk

CITY OF GULF BREEZE, FLORIDA

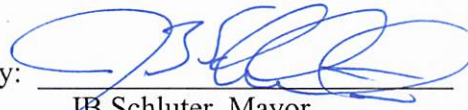
By: 
JB Schluter, Mayor

EXHIBIT A
RESOLUTION NO. 35-2026

Rates to be effective for services billed after September 30, 2026.

GULF BREEZE REGIONAL WATER SYSTEM
PROPOSED RATE INCREASES

In addition to the rates set forth below, the City has established and charges a 10% Municipal Public Service Tax in accordance with Section 166.231, Florida Statutes, for customers inside the City limits. The City has established and charges a 10% Surcharge in accordance with Section 180.191, Florida Statutes, for customers outside of the City limits.

VOLUMETRIC RATES PER THOUSAND GALLONS

	<u>Current</u>	<u>Increase</u>	<u>New</u>
Water	\$4.86	3.6%	\$5.04
Sewer	\$6.24	3.6%	\$6.47

RESIDENTIAL - WATER BASE FEE

<u>Meter Size</u>	<u>Current Base Fee</u>	<u>Increase</u>	<u>New Base Fee</u>
3/4"	\$17.40	3.6%	\$18.02
1"	\$30.31	3.6%	\$31.40
1 1/2"	\$73.72	3.6%	\$76.37
2"	\$117.86	3.6%	\$122.11
3"	\$234.39	3.6%	\$242.82
4"	\$350.90	3.6%	\$363.53
6"	\$689.17	3.6%	\$713.98

RESIDENTIAL - SEWER BASE FEE

<u>Meter Size</u>	<u>Current Base Fee</u>	<u>Increase</u>	<u>New Base Fee</u>
3/4"	\$24.67	3.6%	\$25.56
1"	\$42.73	3.6%	\$44.27
1 1/2"	\$96.48	3.6%	\$99.95
2"	\$151.86	3.6%	\$157.33
3"	\$296.65	3.6%	\$307.33
4"	\$437.93	3.6%	\$453.69
6"	\$841.72	3.6%	\$872.02

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COMMERCIAL - WATER BASE FEE

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