

About the West Villages Improvement District Irrigation Water Rate Study

The West Villages Improvement District (WVID) is the government agency responsible for the operations and maintenance of the irrigation water system serving Wellen Park. In 2023, the WVID Board of Supervisors contracted with GovRates, Inc., an independent contractor with more than 25 years of public utility ratemaking experience, to conduct a rate study focused on evaluating and updating irrigation water rates throughout WVID.

The WVID held a public informational session about WVID's irrigation program on March 5. A community outreach meeting regarding the rate study was held on March 21 at the Public Safety Building, along with one-on-one meetings with the leadership of the property owners and homeowners' associations throughout WVID. Additionally, the Board of Supervisors discussed WVID's irrigation program and announced a date for the public hearing on the proposed revised rates during its March 14 meeting.

The WVID Board of Supervisors held a meeting and public hearing at 10 a.m. on April 11, 2024, at the City of North Port Commission Chambers, 4970 City Hall Blvd. to receive public comment and discuss the adoption of the proposed revised rates, subsequently voting to approve the rate adoption. The newly adopted rates will be effective beginning July 1, 2024.

Frequently Asked Questions

How much do I currently pay for irrigation water?

Under the existing rate structure, customers currently pay \$12.86 a month per 10,000 gallons. This monthly fee includes a \$4.17 well availability fee, which is a part of the agreement between WVID and the developer of Wellen Park and ensures that users throughout WVID have access to irrigation water when they need it.

The new rates adopted April 11 represent a 30% increase over current rates. Under these new rates, customers with private irrigation pumps will be charged \$15.82 a month per 10,000 gallons, or a \$2.96 a month increase. All other customers will pay \$17.82 a month per 10,000 gallons, or a \$4.96 a month increase. There is no proposed change in the existing well availability fee at this time.

Why are irrigation rates increasing?

The GovRates rate study is the first formal rate review conducted by WVID since 2018. Since then, WVID has experienced significant growth. For example, the number of equivalent residential units (ERUs) has doubled over the past two years. In addition to significant growth, WVID has seen a substantial increase in operating costs due to inflation and supply chain concerns. WVID has also identified a variety of critical infrastructure projects, including the need for new irrigation wells and pump stations, necessary to operate an effective system.

Finally, the current rate structure depends on the developer of Wellen Park to continue to deficit fund operating and capital costs, which already exceeds over \$3 million. The newly adopted rate structure would put the WVID on a path to self-sufficiency, allowing WVID to eliminate developer deficit funding for ongoing irrigation expenses.

What happens if rates were not increased?

Without rate adjustments, the irrigation water program is on a path to bankruptcy. To run the program like a prudent government, rate increases are necessary to not only ensure the program is self-sustaining but also phase out developer subsidization so that revenue is sufficient to fund all the system's requirements.

What do the WVID irrigation water rates pay for?

These rates support a variety of services, including costs related to purchased reclaimed water, electricity, fuel, system repairs, engineering, management fees including billing and accounting, operations administration including field personnel, legal fees, audit, well availability payments, and the capital improvement program including new infrastructure and replacements.

Going forward, the newly adopted rates will support debt repayments associated with paying the developer for historic deficit funding and financing for capital improvements.

Why is the well availability fee included in the proposed rates?

The West Villages Improvement District is in a water limited region regulated by the Southwest Florida Water Management District (SWFWMD). A water use permit issued by SWFWMD is the only way to hold and maintain the ability to use surface and groundwater in this development. SWFWMD has stopped issuing new permits for the use of groundwater due to regional impacts to wetlands and saltwater intrusion in this area.

In 2018, the developer of Wellen Park contracted with WVID to provide the entirety of its SWFWMD water use permit water allocation to WVID on an exclusive basis for WVID's irrigation use for a rate. The well availability fee paid to the developer of Wellen Park is for WVID's exclusive use of the developer's water allocations for irrigation under the requirements of its water use permit.

WVID's past adoption of irrigation rates, which included the well availability fee, and WVID's agreement to supply irrigation water to Gran Paradiso Property Owners Association is subject to ongoing litigation initiated by the Gran Paradiso Property Owners Association. At this time, the well availability fee is being collected, but the WVID Board of Supervisors has directed that those funds be held in escrow pending resolution of related issues in this ongoing litigation.

Will there be future rate increases?

With the adoption of the revised rates by the WVID Board, customers should anticipate annual rate adjustments beginning Oct. 1, 2025. However, the annual adjustment is dependent on a variety of factors, including whether the developer continues to deficit fund the system through fiscal year 2033. In furtherance, GovRates has recommended that WVID review and refine its irrigation rates on an annual basis in order to better reflect actual expenditures of WVID's irrigation system, while remaining affordable and competitive by utility industry standards.

Where can I learn more about the WVID irrigation water rate study?

A copy of the rate study and other information can be found by visiting www.WestVillagesID.org or by contacting the WVID Manager's Office at 561-630-4922 or wcrosley@sdsinc.org.

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