



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#22-0792

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Greg Chavarria, City Manager

DATE: September 6, 2022

TITLE: Resolution Approving Agreement for Sale of Potable Water between the City of Fort Lauderdale and the City of Oakland Park and Authorizing the Director of Finance to Write Off Approximately \$2,923,000 in the Water and Sewer Fund Relating to the 25% Surcharge that was Effective October 1, 2019 - (Commission Districts 1, 2, 3 and 4)

Recommendation

Staff recommends the City Commission adopt a resolution approving the Agreement for Sale of Potable Water between the City of Fort Lauderdale and the City of Oakland Park and authorizing the Director of Finance to write off approximately \$2,923,000 in the Water and Sewer Fund relating to the 25% surcharge that was effective October 1, 2019

Background

The City of Fort Lauderdale has sold potable water to the City of Oakland Park since 1963. The original agreement was amended in 1965 and again in 1988, with a new 30-year agreement entered in 1993, which expires in 2023. In October 2019, the City of Fort Lauderdale changed its rate structure and included a 25% surcharge to master meter consumers receiving water outside the corporate limits. The provision was not included in the existing Oakland Park agreement and the City of Oakland Park requested that the surcharge be held in abeyance until a new agreement was reached. A third-party engineering firm was hired to provide non-binding advice to both parties and recommended a 12.5% surcharge. The new agreement will provide effective October 1, 2022, a surcharge of 3.125%, effective October 1, 2023, a surcharge of 6.25%, effective October 1, 2024 a surcharge of 9.375%, and effective October 1, 2025 a surcharge of 12.5%. Surcharges for the three-year period of FY 2020, FY 2021, and FY 2022 totaling approximately \$2,923,000 are recommended for write-off in the Water and Sewer Fund.

The agreement was approved by the City of Oakland Park at their August 3, 2022 City Commission Meeting. Staff seeks approval of the proposed agreement for full execution.

Resource Impact

As the new agreement is effective October 1, 2022, there is no impact for Fiscal Year 2022 associated with the agreement. As noted above, revenue of approximately

\$2,923,000 will be reduced in the Water and Sewer Fund in FY 2022 due to the write off of previously recorded surcharges, as reflected in the September Consolidated Budget Amendment (CAM #22-0681).

Strategic Connections

This item supports the Press Play Fort Lauderdale 2024 Strategic Plan, specifically advancing:

- The Internal Support Focus Area
- Goal 8: Build a leading government organization that manages all resources wisely and sustainably.
- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term planning.

This item advances the Fast Forward Fort Lauderdale 2035 Vision Plan: We Are United.

Related CAM

#22-0681

Attachments

Exhibit 1 – Agreement for Sale of Potable Water, Including Map and Legal Description

Exhibit 2 – Executed Resolution/Agreement – City of Oakland Park

Exhibit 3 – Resolution

Prepared by: Susan Grant, Assistant City Manager/Director of Finance
Friseta Davis, Sr. Admin Assistant, Finance

Department Director: Susan Grant, Finance
Alan Dodd, Public Works