



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
SPECIAL MEETING

#21-0841

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

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: September 13, 2021

TITLE: Ordinance Amending Chapter 28 of the City's Code of Ordinances for
Increases to Tapping Charges, Water Rates, Master Meter Charges,
Service Availability Charges, Sprinkling Charges, and Fire Service
Charges – **(Commission Districts 1, 2, 3 and 4)**

Recommendation

Staff recommends the City Commission approve on second reading an Ordinance amending Sections 28-141, 28-143, 28-144 and 28-145 of the City's Code of Ordinances, to provide for increases to water rates, tapping charges, master meter charges, service availability charges, sprinkling charges, and fire service charges, in order to establish reserves necessary to fund costs associated with a new water treatment plant.

Background

On February 5, 2019, the City Commission tasked Carollo Engineers, Inc. ("Carollo") to evaluate the use of granular activated carbon (GAC) at the Fiveash Water Treatment Plant for potable water color control, as well as to provide options for the Plant's future operation or replacement. The final report concluded that the Fiveash Water Treatment Plant is not a suitable option for the City's long-term potable water needs and should be replaced with a new facility.

On June 15, 2021, during the City Commission Joint Workshop with the Budget Advisory Board, a revenue sufficiency study (CAM #21-0637) was presented to the City Commission by Stantec Consulting Services, Inc. ("Stantec"), which established a financial plan and recommendation of rate revenue adjustments in order to fund the new water treatment facility.

Staff recommends an additional 5% increase annually to water user rates necessary to create a rate structure sufficient to leverage debt for the new water treatment plant and prevent a substantial future rate increase.

Pursuant to City Ordinance C 19-28, the City Commission adopted an annual rate increase of 3.6% for water and 7.0% for sewer starting with FY 2021. The proposal to increase the water rate by an additional 5.0% above the current increase of 3.6% will

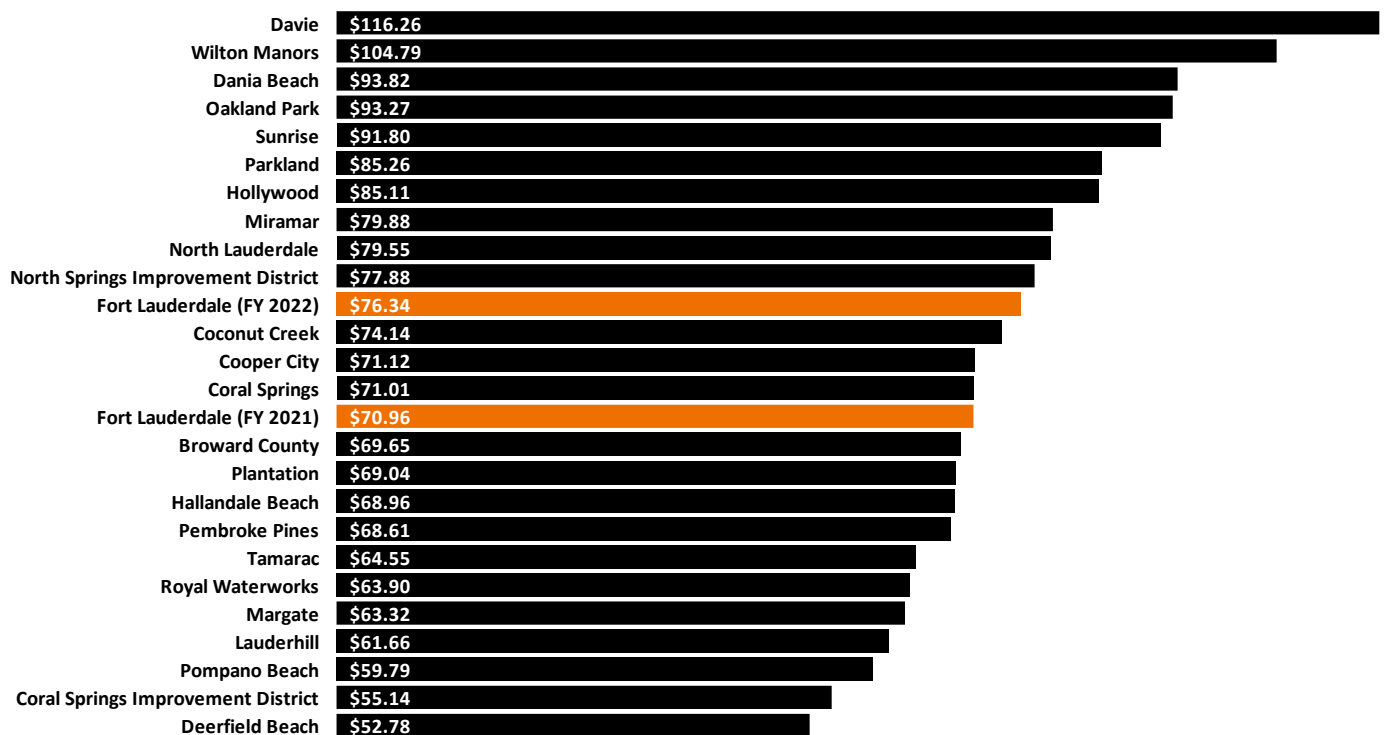
result in a monthly increase of \$5.38, from \$70.96 to \$76.34 based upon a consumption of 5,000 gallons/month.

Water and Sewer Charges Effect of Monthly Increase on Neighbors

5/8 Inch Meter	FY 2021 Rate	FY 2022 Proposed Rate	\$ Change	% Change
Total	\$70.96	\$76.34	\$5.38	7.6%

**The above rate change is the average water and sewer bill with the blended 3.6% and 7.0% rate increases and the additional 5.0% to water rates. The impact of the increase varies based upon user class and level of water consumption.*

Stantec also performed a comparable water and sewer residential monthly bill survey of the City's surrounding geographic area. The survey presents a common monthly water and sewer bill for a residential 5/8-inch customer using 5,000 gallons/month.



Resource Impact

In FY 2022, the additional 5% will generate \$4.1 million in estimated revenues and will increase each year while in effect.

Strategic Connections

This item is a 2021 *Top Commission Priority*, advancing the Infrastructure initiative.

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.

This item supports the *Advance Fort Lauderdale 2040* Comprehensive Plan specifically advancing:

- The Internal Support Focus Area
- The Capital Improvements Element
- Goal 2: Ensure adequate funding for infrastructure and capacity exist concurrent with development or redevelopment

Related CAM

21-0724

Attachments

Exhibit 1a – Fiveash Executive Summary

Exhibit 1b – Fiveash Project Overview

Exhibit 1c – Fiveash Technical Assessments

Exhibit 2 – Ordinance

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