



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CONFERENCE MEETING**

#26-0479

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

FROM: Rickelle Williams, City Manager

DATE: June 2, 2026

TITLE: Water and Wastewater Comprehensive Rate Study Presentation – Utility
Services Department (**Commission Districts 1, 2, 3 and 4**)

The purpose of this agenda item is to provide the City Commission with the findings of the Water and Wastewater Comprehensive Rate Study conducted by Stantec Consulting Services Inc. (Stantec).

In late 2024, the City engaged Stantec to conduct a Water and Wastewater Comprehensive Rate Study with the intent of producing a revenue-neutral rate structure. The report (Exhibit 1) evaluates the current and projected financial performance of the City's Water and Wastewater Enterprise Funds over a ten (10)-year period and recommends rate adjustments to ensure sufficient and sustainable revenue to support the utility operations and infrastructure needs throughout the projection period.

The Stantec proposal focuses on recommended changes to the City's rate design, which may affect how charges are allocated across customer classes but would not result in a straightforward percentage-based rate increase. Stantec will provide background information and supporting analysis for implementing the recommended changes, including:

- Financial Plan;
- Cost of Service;
- Rate Design;
- Customer Impacts;
- Capital Expansion Fees;
- Miscellaneous Fees; and
- Leak Credits.

If implemented, the impacts on individual water and sewer bills will vary based upon customer classification category (e.g. residential, multi-family, or wholesale) and monthly water use.

The presentation also provides an opportunity for the City Commission to discuss modifications to the Code associated with customers that experience a documented leak or unexplained high-water usage.

The City's last Water and Wastewater Comprehensive Rate Study Report was presented to the City Commission by Stantec on April 16, 2019 (CAM #19-0308). The Fiscal Year (FY) 2018 Water and Wastewater Comprehensive Rate Study Report evaluated the current and projected financial performance of the City's Water and Wastewater Enterprise Funds over a ten (10)-year period. The study recommended rate adjustments to ensure sufficient and sustainable revenue to support the City's utility operations and infrastructure requirements. The proposed rate structure was designed to be equitable, as well as provide reliable and predictable revenue generation. Stantec was also required to evaluate impacts on all City accounts, including both fixed (base) and variable (usage) charges, and use geographic information systems (GIS) data to support the assessment.

On September 17, 2019, the City Commission approved Ordinance No. C-19-28 which amended Chapter 28 of the Code of Ordinances of the City of Fort Lauderdale (Code) to increase water rates, wastewater rates, tapping charges, master meter charges, service availability charges, sprinkling charges, fire charges, and the repeal of the annual rebate test (CAM #19-0785). The approved ordinance resulted in a three and six-tenths percent (3.6%) annual increase in water rates and a seven percent (7%) annual increase to wastewater rates through FY 2025.

On February 7, 2023, the City Commission adopted a resolution authorizing the execution of a Comprehensive Agreement between the City, Prospect Lake Water, L.P., Prospect Lake Holdings, L.P. and IDE PLCWC, INC., and a Labor Services Agreement between the City and PLCWC O&M, LLC, for the design, construction, and operation of the Prospect Lake Clean Water Center (PLCWC) Water Treatment Plant to replace the Fiveash Water Treatment Plant (CAM #23-0196). The facility will utilize nanofiltration and ion exchange technologies to produce up to fifty (50) million gallons of high-quality potable water per day and is engineered to withstand a Category Five (5) hurricane. Construction began in September 2023, with completion required by September 2026, followed by a thirty (30)-year operation and maintenance period.

Following the execution of the agreements, Stantec was engaged to explore various rate structures and alternative financing methods to support the ongoing water and sewer operations, as well as the construction of PLCWC. These alternative financing and rate structures were presented to the Infrastructure Task Force on June 5, 2023, and to the Budget Advisory Board on June 15, 2023.

On June 20, 2023, Stantec presented various Water and Sewer Rate Structure scenarios. The scenarios were developed to meet all of the City's ongoing obligations, such as:

- Budgeted water and sewer operations;
- Increased costs for budgeted capital improvement projects;
- Citywide advanced water metering infrastructure (AMI) installations;
- Construction of the Prospect Lake Clean Water Center; and
- Maintaining existing debt service and minimum reserve targets.

On September 19, 2023, the City Commission approved Ordinance No. C-23-35 which amended Chapter 28 of the Code to provide for alignment of charges for fiscal years 2024 through 2028 and beyond, to water and sewer cost of services, and to provide for increases to tapping charges, water rates, wastewater rates, master meter charges, service availability charges, sprinkling meter charges, and private fire service charges. The approved ordinance resulted in twenty-two and a half percent (22.5%) annual increase in water rates for FY 2024 and FY 2025, nine percent (9%) in FY 2026 and 2027, and five percent (5%) thereafter. It also included a nine percent (9%) annual increase to wastewater rates from FY 2024 through FY 2026 and five percent (5%) thereafter.

The full financial model for the Water and Wastewater Fund will be presented to the City Commission at the June 16, 2026, City Commission Conference Meeting, together with the City's long-term revenue sufficiency model. The Water and Wastewater Comprehensive Rate Study Report item is being presented separately because it will primarily focus on the rate structure.

Resource Impact

There is no fiscal impact associated with this action.

Strategic Connections

This item is a FY 2026 Commission Priority, advancing the Infrastructure and Resilience initiative.

This item supports the *Press Play Fort Lauderdale 2029* Strategic Plan, specifically advancing:

- The Infrastructure and Resilience Focus Area, Goal 3: Be a sustainable and resilient community.
- Guiding Principle: Fiscal Responsibility

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

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

- The Infrastructure Focus Area

- The Sanitary Sewer, Water, & Stormwater Element
- Goal 2: To develop and maintain an adequate wastewater collection and treatment system, which meets existing and projected needs of the City and adjacent users in the Central Wastewater Region.
- Goal 3: Develop and maintain an adequate water supply, treatment and distribution system, which meets the existing and projected needs of the service area in an efficient, economical, and environmentally sensitive manner.

Attachments

Exhibit 1 – Water and Wastewater Comprehensive Rate Study Report

Exhibit 2 – Water and Wastewater Comprehensive Rate Study Presentation

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