



## CITY COMMISSION ORDINANCE/RESOLUTION

**TITLE:** Resolution 24-19 (Utilities)

**DATE:** August 27, 2024

**DESCRIPTION:** A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF COOPER CITY, FLORIDA, AMENDING SCHEDULE (A), SCHEDULE (B), AND SCHEDULE (D) OF ORDINANCE NO. 85-10-1, AS AMENDED, RELATING TO MONTHLY WATER RATES, MONTHLY WASTEWATER RATES, AND WATER AND WASTE WATER MISCELLANEOUS CHARGES WITHIN THE CITY; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

**CITY MANAGER RECOMMENDATION:**

The City Manager recommends the adoption of the attached Resolution, authorizing and approving an increase to the monthly Water and Wastewater Utility rates identified in Schedule A and Schedule B by 5%, and related charges in Schedule D for Fiscal Year 2025. The percentage increase in Schedule A and Schedule B reflects the increase in the U.S. Department of Labor Consumer Price Index, published by the Bureau of Labor Statistics, for All Urban Consumers—CPI (U) U.S. City Average between June 2023 and June 2024.

**BACKGROUND OF ITEM:**

Sec. 19-152 Schedule A (d) and Sec 19-152 Schedule B (f) of the City Code states that effective with bills rendered on and after October 1, 2010, and each year thereafter, the City will institute annually an increase to the monthly water and wastewater rates and charges, to be applied to such rates which are in effect immediately prior to the effective date of each annual increase. The annual index adjustment shall be increased by an amount equal to the U.S. Department of Labor Consumer Price Index for All Urban Consumers—CPI(U); U.S. City Average. Such annual increases shall be subject to confirmation by the City Commission in conjunction with the adoption of the annual budget.

**ANALYSIS:**

The alternatives available are to introduce a CPI adjustment or not, although not introducing the CPI adjustment would put the Utilities Department and City in a weaker position with addressing its annual expenses, capital renewal, and replacement costs and to keep pace with escalating costs for goods and services required to operate the business of providing water supply and sewage treatment and disposal costs for its customers.

The 12-month CPI increase between June 2023 and June 2024 was 5%, and so a commensurate adjustment to the aforementioned rates in Schedule A and Schedule B is reflected in the proposed Resolution. The Resolution also includes increased charges for backflow preventer and water meter testing in Schedule D to recover the cost of providing services.

**FISCAL IMPACT:**

The fiscal impact of this rate adjustment is estimated to be an increase in rate revenue of approximately \$700,957 for Fiscal Year 2025. The impact on the average utility customer, consuming 7,000 gallons of water per month, is \$2.72.

<u>General Ledger Acct. Number</u>	<u>Budgeted Amount</u>	<u>Requested Amount</u>	<u>Remaining Amount</u>
450-000-343300-343	\$308,812	N/A	N/A
450-000-343500-343	\$391,785	N/A	N/A

**ATTACHMENTS:**

1. Resolution 24-19
2. Bureau of Labor Statistics Department Consumer Price Index for all urban consumers by detailed expenditure category