

EXECUTIVE BRIEF SPECIAL MEETING

AGENDA DATE: September 24, 2020

DEPARTMENT: Financial Services

TITLE:

Resolution No. 42-2020 - Establish the rates, fees and charges for the Local Sewer System

SUMMARY:

Resolution 42-2020 establishes the rates and charges for the City local sewer system, which, according to the 2020 rate sufficiency analysis, recommends the City increase local sewer rates 7.5% in Fiscal Year 2020-2021.

BACKGROUND AND JUSTIFICATION:

The City of Lake Worth Beach contracts with Stantec, formerly known as Burton & Associates, on an ongoing basis to provide a yearly Revenue Sufficiency Analysis. This analysis provides a multi-year projection of the sufficiency of revenues for the Local Sewer Utility to meet current and projected financial requirements and determine the level of revenue increases necessary in each year to provide adequate revenues to fund all identified cost requirements.

The results of the current Fiscal Year 2020 rate sufficiency analysis have shown that a rate increase identified this year is necessary, in addition to a loan. The proposed increase is largely due to the increased charges from the East Central Regional Water Reclamation Facility and Palm Beach County for planned capital improvement projects as part of the Subregional sewer system. These capital improvements require a rate increase of 7.5% for FY 2020-2021.

Future costs for the local sewer utility are related to costs in the Palm Beach County regional transmission system capital projects. These projects are needed to maintain the reliability and environmental requirements of the sewer system.

MOTION:

Move to approve/disapprove Resolution No. 42-2020 establishing the Fiscal Year 2020-2021 rates and charges for the City Local Sewer System.

ATTACHMENT(S):

Fiscal Impact Analysis - N/A
Resolution 42-2020