

EXECUTIVE BRIEF WORK SESSION

AGENDA DATE: October 20, 2020

DEPARTMENT: Water Utilities

TITLE:

Resolution No. 48-2020 - Establish the rates, fees and charges for the Local Sewer System

SUMMARY:

Resolution 48-2020 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 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 (FY) 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 Sub-regional sewer system. These capital improvements require a rate increase of 7.5% for FY2021.

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.

Resolution 42-2020 was approved on September 24, 2020. Due to a scrivener's error, the amount reflected in the resolution was 15% instead of 7.5%. This resolution insures that there is sufficient legal notification of the rate increase.

Motion:

Move to approve/disapprove Resolution No. 48-2020 establishing the Fiscal Year 2021 rates and charges for the City local sewer system.

ATTACHMENT(S):

Resolution 48-2020