

Summary Sheet

Agenda Item: 7.

Meeting Date: September 13,
2023

Subject: Ordinance 2023-116, First Reading, Amending the Land Development Code to Increase Sewerage Service Rates and Water Rates (Kim Moskowitz)

Requested Action: Request to hold public hearing and approve first reading of Ordinance 2023-116, amending the Land Development Code to increase sewerage service rates and water rates; and set second reading to September 20, 2023. (REQUEST TO HOLD PUBLIC HEARING, APPROVE, SET SECOND READING)

Funding Source: Not Applicable

Placement: Public Hearings/Special Meeting Announcements

Attachments: [Summary Sheet](#)

[#1 - Ordinance 2023-116](#)

[#2 - Rate Change Impact on Residential Customer](#)

[#3 - Rate Change Impact on Commercial Customer](#)

Background / Description:

The Water and Wastewater Rate Study completed in July 2023 by Stantec was intended to provide a revenue stream to supply sufficient funding for operating and capital costs through fiscal year 2028. The rate increases proposed for Fiscal Year 2024 are 9.5% across all consumption levels for applicable water rates and 2.5% across all consumption levels for applicable sewer rates. For a typical residential user, this increase will equal \$3.85 per month.

Staff recommends approval of Ordinance #2023-116, which increases water and sewer rates by implementing the next rate adjustment effective October 1, 2023 in order to generate sufficient revenue to support the operations of the water utility. The impact on a typical residential customer and commercial customer are illustrated in Attachments 2 & 3.

Presenting: Kim Moskowitz

**City of Coral Springs
City Commission Meeting Agenda Item
Summary Sheet**

Meeting: September 13, 2023
Department: Financial Services
Initiated By: Kim Moskowitz

DOC ID: 1636

SUBJECT: Ordinance #2023-116 Amending the Land Development Code to Increase Sewerage Service Rates and Water Rates.

PRIORITY: Public Hearing

**REQUESTED ACTION:
(INCLUDE CONTRACT
START/TERM DATES)** Request to hold public hearing and approve first reading of Ordinance #2023-116, an ordinance amending the Land Development Code to increase sewerage service rates and water rates and to set second reading for September 20, 2023. (REQUEST TO HOLD HEARING, APPROVE, SET SECOND READING)

**PROJECT REVIEWED BY
OR INCLUDED IN:**

ATTACHMENTS: #1 - Ordinance #2023-116
#2 - Rate Change Impact on Residential Customer
#3 - Rate Change Impact on Commercial Customer

BACKGROUND / DESCRIPTION:

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Staff recommends approval of Ordinance #2023-116, which increases water and sewer rates by implementing the next rate adjustment effective October 1, 2023 in order to generate sufficient revenue to support the operations of the water utility. The impact on a typical residential customer and commercial customer are illustrated in Attachments 2 & 3.

ORDINANCE NO. 2023-116

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF CORAL SPRINGS, FLORIDA, AMENDING THE LAND DEVELOPMENT CODE OF THE CITY OF CORAL SPRINGS TO INCREASE CERTAIN SEWERAGE SERVICE RATES AND WATER RATES; PROVIDING FOR CODIFICATION; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, at the December 16, 2020 City Commission meeting, Stantec was awarded the ability to contract for General Professional Engineering/Architect Services, which includes a Water and Wastewater Rate Study; and

WHEREAS, the principal objectives of the Water and Wastewater Rate Study was to (1) develop a multi-year plan for water and waste water revenue increases that will satisfy annual operating, debt service, and capital cost requirements as well as maintain operating reserves, (2) modify the rate structure to ensure the rates for water and wastewater conform to accepted industry practice and reflect the appropriate distribution of system costs, while providing a price incentive to encourage conservation and minimizing the financial burden to low volume users, (3) compare the monthly water and wastewater bill for a typical single-family customer to the other utility systems in Broward County, (4) assist City staff in identifying the costs of providing water and wastewater services to serve as the basis for any adjustment to water and wastewater rates, and (5) review the City’s water and wastewater impact fees and provide a comparison to other utility systems in Broward County; and

WHEREAS, the Water and Wastewater Rate Study was completed on July 3, 2023 and provides for rate adjustments that increase certain rates for the 2024 Fiscal Year; and

WHEREAS, based on the results from the Water and Wastewater Rate Study, it is necessary to increase certain water and sewer rates by implementing a water conservation rate structure modification that will increase certain water rates by nine and a half percent (9.5%) and wastewater rates by two and a half percent (2.5%), effective October 1, 2023, in order to generate revenues to support the operations of the water utility; and

WHEREAS, the City Commission finds that it is in the best interests of the citizens and residents of the City to increase the rates pursuant to the rate adjustment plan as provided in the Water and Wastewater Study completed on July 3, 2023.

NOW, THEREFORE, BE IT ORDAINED by the City Commission of the City of Coral Springs, Florida, as follows:

SECTION 1. The foregoing recitals are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Ordinance upon adoption hereof.

SECTION 2. Section 1705 of the Land Development Code of the City of Coral Springs entitled “Sewerage service rates,” is hereby amended to read as follows:

Sec. 1705. Sewerage service rates.

(a) There is hereby established a schedule of rates for sewerage disposal against every person owning or using any building in the city, which building shall be connected to the city’s sewerage system. Such rates shall be as follows:

(1) *Minimum monthly charge:*

a. Single-family residential	24.68	<u>25.30</u>
b. Multifamily residential, per unit	21.72	<u>22.26</u>
c. General service accounts (commercial and other non-residential):		
1. 1 inch and smaller meters	24.68	<u>25.30</u>
2. 1 1/2 inch meter	123.41	<u>126.50</u>
3. 2 inch meter	197.45	<u>202.39</u>
4. 3 inch meter	394.91	<u>404.78</u>
5. 4 inch meter	617.08	<u>632.51</u>
6. 6 inch meter	1,234.10	<u>1,264.95</u>
7. 8 inch meter	1,974.59	<u>2,023.95</u>
8. 10 inch meter	2,837.86	<u>2,908.81</u>
9. 12 inch meter	5,305.55	<u>5,438.19</u>

(2) *Volumetric charges.* In addition to the minimum monthly charge, all customers shall be charged a volumetric charge of one hundred (100) percent of the consumption billed for water service except that no sewerage rate or charge shall be imposed against water services provided by the city through sprinkler water meters or against water services used for construction purposes only. The rate applied to calculate the volumetric charge is four dollars and ~~seventy~~ eighty-two cents (~~\$4.70~~ 4.82) per one thousand (1,000) gallons of water use.

(b) The sewerage service rates provided by this section shall be due and payable from the date the certificate of occupancy is issued by the building department of the City of Coral Springs.

(c) All owners of vacant lots, where sewer services are available, even though no sewer services are utilized, shall be charged the following monthly sewer standby charges:

<i>Property Type</i>	<i>Amount</i>	
Low density, per lot	\$19.90	<u>20.40</u>
Moderate/medium/high density, per acre	56.74	<u>58.16</u>
Commercial, per acre	31.27	<u>32.05</u>
Industrial, per acre	16.04	<u>16.44</u>

Sewer standby charges will not be imposed for vacant properties that are contiguous to a property on which a residence is constructed, and which the owner resides, when both are owned by the same party.

SECTION 3. Section 2216 of the Land Development Code of the City of Coral Springs entitled “Rates”, is hereby amended to read as follows:

Sec. 2216. Rates.

(a) All water meters shall be read at least bi-monthly and statements submitted to the consumer within the corporate limits at the following rates:

There shall be a minimum monthly charge, even when no water is consumed, based upon consumer class and water meter size and a volumetric charge:

(1) Minimum monthly charge:

a. Single-family residential	\$14.95	<u>16.37</u>
b. Multifamily residential (per unit)	13.15	<u>14.40</u>
c. General service accounts (commercial and other nonresidential):		
1. 1 inch and smaller meters	14.95	<u>16.37</u>
2. 1 1/2 inch meter	74.73	<u>81.83</u>
3. 2 inch meter	119.54	<u>130.90</u>
4. 3 inch meter	239.13	<u>261.85</u>
5. 4 inch meter	373.62	<u>409.11</u>
6. 6 inch meter	747.24	<u>818.23</u>
7. 8 inch meter	1,195.56	<u>1,309.14</u>
8. 10 inch meter	1,718.77	<u>1,882.05</u>
9. 12 inch meter	3,213.34	<u>3,518.61</u>
d. Fire lines:		
1. 4-inch line/meter	\$85.03	<u>93.11</u>
2. 6-inch line/meter	191.30	<u>209.47</u>
3. 8-inch line/meter	340.12	<u>372.43</u>

(2) *Volumetric charge.* In addition to the minimum monthly charge all customers shall be charged the applicable volumetric charge.

a. *Single-family residential:*

1. From 0 to 4,000 gallons the charge for each 1,000 gallons shall be	1.87	<u>2.05</u>
2. From 4,001 to 8,000 gallons the charge for each 1,000 gallons shall be	2.88	<u>3.15</u>

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|----|---|------------------------------|
| 3. | From 8,001 to 12,000 gallons the charge for each 1,000 gallons shall be | 4.32 <u>4.73</u> |
| 4. | From 12,001 to 20,000 gallons the charge for each 1,000 gallons shall be | 6.47 <u>7.08</u> |
| 5. | For each 1,000 gallons over a total consumption of 20,000 gallons, the charge for each such additional 1,000 gallons shall be | 9.71 <u>10.63</u> |

b. *Multifamily residential:* From the date the certificate of occupancy is issued by the building department of the City of Coral Springs, for multifamily residential which are serviced by a single water meter the assessment shall be the number of units x the rates for each 1,000 gallons of consumption as listed below:

- | | | |
|----|---|------------------------------|
| 1. | From 0 to 3,000 gallons the charge for each 1,000 gallons shall be | 1.87 <u>2.05</u> |
| 2. | From 3,001 to 6,000 gallons the charge for each 1,000 gallons shall be | 2.88 <u>3.15</u> |
| 3. | From 6,001 to 10,000 gallons the charge for each 1,000 gallons shall be | 4.32 <u>4.73</u> |
| 4. | From 10,001 to 16,000 gallons the charge for each 1,000 gallons shall be | 6.47 <u>7.08</u> |
| 5. | For each 1,000 gallons over a total consumption of 16,000 gallons, the charge for each such additional 1,000 gallons shall be | 9.71 <u>10.63</u> |

c. *General service accounts (commercial and other non-residential except for irrigation):*

For all consumption the charge for each 1,000 gallons shall be	3.09 <u>3.38</u>
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d. *Irrigation:*

- | | | |
|----|--|------------------------------|
| 1. | From 0 to 8,000 gallons the charge for each 1,000 gallons shall be | 6.47 <u>7.08</u> |
| 2. | For each 1,000 gallons over a total consumption of 8,000 gallons the charge for each additional 1,000 gallons shall be | 9.71 <u>10.63</u> |

(b) For consumer receiving water outside of the corporate limits, the meters shall be read monthly and statements submitted to such consumers at one hundred twenty-five (125) percent of the rate shown above in each respective classification.

(c) A single consumer who has two (2) or more meters at the same location will be charged on the total consumption for all the meters; however, for a sprinkler meter(s) at the same location the consumer shall be charged a minimum monthly charge of one-half of the minimum monthly charge under subsection (a)(1)c. plus the volumetric rate under subsection (a)(2)d.

(d) All owners of vacant lots, where water lines are available for water services, even though no water meter is installed, shall be charged the following monthly water standby charges:

<i>Property Type</i>	<i>Amount</i>
Low density, per lot	\$ 6.94 <u>7.60</u>
Moderate/medium/high density, per acre	15.11 <u>16.55</u>
Commercial, per acre	10.16 <u>11.13</u>
Industrial, per acre	5.88 <u>6.44</u>

Water standby charges will not be imposed for vacant properties that are contiguous to a property on which a residence is constructed, and in which the owner resides, when both are owned by the same party.

Property type is based on the land use designation of the city’s comprehensive plan.

(e) Water shall not be furnished by the City of Coral Springs to buildings under construction for which a water meter has not been installed.

(f) Water restriction surcharge adjustment. In the event that the South Florida Water Management District or any other authority having jurisdiction declares a water shortage requiring mandatory water use restriction of curtailment, the consumption charges will be increased by a surcharge. The city commission shall establish by resolution the appropriate surcharge based upon a recommendation of the city administration as to the revenue required to comply with debt service covenants or to meet other requirements of the water system.

SECTION 4. Codification. It is the intention of the City Commission of the City of Coral Springs, that the provisions of this Ordinance shall become and made a part of the Land Development Code of the City of Coral Springs, Florida, and that the Sections of this Ordinance may be renumbered, re-lettered and the word "Ordinance" may be changed to "Section," "Article" or other word or phrase in order to accomplish such intention.

SECTION 5. Conflicts. That all Ordinances or parts of Ordinances, Resolutions or parts thereof in conflict herewith, be and the same are hereby repealed to the extent of such conflict.

SECTION 6. Severability. Should any section, provision, paragraph, sentence, clause of word of this Ordinance or portion hereof be held or declared by any court of competent jurisdiction to be unconstitutional or invalid, in part or application, it shall be considered as eliminated and shall not affect the validity of the remaining portions or applications of this Ordinance.

SECTION 7. Effective Date. This Ordinance shall become effective on October 1, 2023.

PASSED ON FIRST READING THIS ____ DAY OF _____, 2023.

PASSED ON SECOND READING THIS ____ DAY OF _____, 2023.

SCOTT BROOK, MAYOR

ATTEST:

GEORGIA ELLIOTT, CMC CITY CLERK

Unanimous ____
Motion /2nd

Yes No

___	___	MAYOR BROOK	___	___
___	___	VICE MAYOR CERRA	___	___
___	___	COMMISSIONER CARTER	___	___
___	___	COMMISSIONER METAYER BOWEN	___	___
___	___	COMMISSIONER SIMMONS	___	___

Example of the Effect on a Typical Coral Springs Residential Customer with the FY 2024 Water and Sewer Rate Adjustment of 9.5% for Water and 2.5% for Sewer

Increase effective October 1, 2023

Assumptions:	
Meter size:	1 inch or smaller
Home type:	single family
Average monthly consumption (gallons):	5,000

	Existing Rate Structure		Proposed Rate Structure		Monthly Change	
	FY 2023		FY 2024		FY 2024 vs. FY 202	
	Current rates	Amount	Proposed rates	Amount	Dollar change	% change
Monthly Base Charges						
Water	\$14.95	\$14.95	\$16.37	\$16.37	\$1.42	9.50%
Sewer	\$24.68	\$24.68	\$25.30	\$25.30	\$0.62	2.50%
Usage Charges						
Water (tier 1: 0 to 4,000 gallons)	\$1.87	\$7.48	\$2.05	\$8.19	\$0.71	9.50%
Water (tier 2: 4,001 to 8,000 gallons)	\$2.88	\$2.88	\$3.15	\$3.15	\$0.27	9.50%
Sewer (per 1,000 gallons of water used)	\$4.70	\$23.50	\$4.82	\$24.09	\$0.59	2.50%
Taxes (10% water only)		\$2.53		\$2.77	\$0.24	9.50%
Totals		\$76.02		\$79.87	\$3.85	5.06%

Example of the Effect on a Typical Coral Springs Commercial Customer with the FY 2024 Water and Sewer Rate Adjustment of of 9.5% for Water and 2.5% for Sewer

Increase effective October 1, 2023

Assumptions:	
Meter size:	2 inches
Customer type:	Commercial
Average monthly consumption (gallons):	40,000

	Existing Rate Structure		Proposed Rate Structure		Monthly Change	
	FY 2023		FY 2024		FY 2024 vs. FY 2023	
	Current rates	Amount	Proposed rates	Amount	Dollar change	% change
Monthly Base Charges						
Water	\$119.54	\$119.54	\$130.90	\$130.90	\$11.36	9.50%
Sewer	\$197.45	\$197.45	\$202.39	\$202.39	\$4.94	2.50%
Usage Charges						
Water (per 1,000 gallons used)	\$3.09	\$123.60	\$3.38	\$135.34	\$11.74	9.50%
Sewer (per 1,000 gallons of water used)	\$4.70	\$188.00	\$4.82	\$192.70	\$4.70	2.50%
Taxes (10% water only)		\$24.31		\$26.62	\$2.31	9.50%
Totals		\$652.90		\$687.95	\$35.04	5.37%