

SUNRISE, FLORIDA

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SUNRISE, FLORIDA, ADOPTING UPDATED RATES, FEES, AND CHARGES FOR THE CITY WATER AND SEWER SYSTEMS AND ADOPTING NEW RATES, FEES, AND CHARGES FOR THE CITY RECLAIMED WATER SYSTEM; PROVIDING CERTAIN LEGISLATIVE FINDINGS; ADOPTING A NEW SECTION 15-117 OF THE CODE OF ORDINANCES FOR THE CITY OF SUNRISE, PROVIDING FOR ANNUAL INDEXING FOR WATER, SEWER, AND RECLAIMED WATER RATES; REPEALING SECTION 3 OF CITY OF SUNRISE ORDINANCE NO. 242-07-B; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CITY CODE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Ordinance No. 242 of the City of Sunrise established rate schedules for the City’s water and sewer utility systems; and

WHEREAS, Ordinance No. 242, as amended, is codified in Chapter 15, Utilities, of the Code of Ordinances for the City of Sunrise (Code); and

WHEREAS, Sunrise Ordinance No. 242-07-B was adopted on September 26, 2007, and Section 2 deleted Section 15-117 of the Code which set forth definitions as well as the water and sewer rates and charges and re-adopted those items as an uncodified exhibit to Ordinance No. 242-07-B. The uncodified exhibit was titled “Schedule A, water and sewer rates and charges;” and

WHEREAS, Ordinance No. 242-07-B provided that effective October 1, 2008 and each October 1 thereafter, that Schedule A, water and sewer rates and charges could be adjusted by the consumer price index (CPI); and

WHEREAS, Section 15-116 of the Code of Ordinances authorizes rate schedules for each utility adopted pursuant to Ordinance No. 242 to be amended by resolution of the City Commission upon public notice and at least one (1) public hearing by reference to the affected schedule and utility service; and

WHEREAS, the City wants to adopt a new Schedule A to revise the existing water and sewer rate structure and to include new rates, fees, and charges for reclaimed water; and

WHEREAS, the City wants the new Schedule A, water, sewer, and reclaimed water rates, fees, and charges to be set forth as an uncodified Exhibit to Ordinance No. 242; and

WHEREAS, the City and its financial and engineering consultants have performed a comprehensive and thorough review of the existing and projected operating expenses and capital needs of the City's water, sewer, and reclaimed water systems; and

WHEREAS, City's Consumptive Use Permit No. 06-00120-W issued on October 2, 2020 requires the City to implement a tiered water conservation rate structure within its Conservation Plan, which is designed to curb excessive, discretionary water usage and accordingly promote conservation of the area's scarce water resources; and

WHEREAS, the City's financial consultants have presented a 2021 Revenue Sufficiency Study and Rate Design Analysis (Study) to the City which analyzes the City's current and projected financial position relating to the water, sewer, and reclaimed water systems, specifically as such needs are driven by its operating costs and capital requirements, and presents a revised water and sewer rate structure; and

WHEREAS, the principle objectives of the Study were to: i) evaluate the sufficiency of the water and sewer utility revenues to fund the operating, capital debt service, and satisfy bond covenants and fiscal policy requirements for the Fiscal Years 2021 through 2030 and provide corresponding rate revenue adjustment recommendations; ii) to design and recommend water and sewer rates that support water conservation and equitably recover the cost of service for the water and sewer utility system; and iii) provide rate recommendations for the consolidation of the South Broward Utility system rates with that the City's outside customer rates; and

WHEREAS, the City's engineering consultants have presented the City with a Master Plan identifying water, sewer, and reclaimed water capital needs, which plan formed the basis for further analysis by such engineers and City utility department staff, the results of which are included in the financial consultant's report; and

WHEREAS, the financial consultants have advised the City that revised water and sewer rates, fees, and charges, and the implementation of new reclaimed water rates,

fees, and charges are recommended to enable the City to continue to meet operating expenses and capital needs of the City's water, sewer, and reclaimed water systems and comply with the financial covenants in the City's outstanding bonds, and City finance staff has advised the City Commission that it concurs with the findings of the financial consultant; and

WHEREAS, the City Commission has been presented with the reports, plans and findings of its financial and engineering consultants, performed in cooperation with and at the direction of the City's finance and utility department staffs; and

WHEREAS, the City Commission has been advised that the water and sewer rate revisions and the new reclaimed water rates, fees, and charges contemplated in this Ordinance are required to meet the City's obligations to holders of previously issued water and sewer revenue bonds and to assist the City in achieving the lowest interest rate possible on new bonds issued to fund the capital projects, thereby reducing the City's financing costs in the future; and

WHEREAS, Section 3 of Ordinance No. 242-07-B provides for an adjustment of water and sewer rates on October 1 of each year (the "Annual Cost Index Adjustment") equal to changes in the Consumer Price Index (CPI) – All Urban Consumers, Water and Sewerage Maintenance adjustment factor, which adjustment may be amended by action of the City Commission; and

WHEREAS, the City wishes to remove Section 3 of Ordinance No. 242-07-B and codify it as Section 15-117 of the City's Code to provide for water, sewer, and reclaimed water rates to be increased annually by CPI; and

WHEREAS, the City Commission has considered the reports, plans, findings and other facts as presented to it in public workshops and meetings duly noticed and in compliance with applicable law; and

WHEREAS, the updated water and sewer rates, fees, and charges, and new reclaimed water rates, fees, and charges are just, equitable, uniform, and reasonably related to the purpose for which the rates, fees, and charges are imposed; and

WHEREAS, the City Commission intends that the updated water and sewer rates, fees, and charges, and new reclaimed water rates, fees, and charges provide and assure that necessary monies shall be sufficient at all times to pay for the expense of operating,

managing, expanding, improving, maintaining, and funding outstanding obligations for the City's water, sewer, and reclaimed water systems; and

WHEREAS, the City Commission held a duly noticed public hearing required by Section 15-116 of the Code and determined that it is necessary for the protection and promotion of the health, safety, and welfare of the people served by the City's water, sewer, and reclaimed water systems to adopt updated water and sewer rates, fees, and charges, and adopt new reclaimed water rates, fees, and charges for the use of the services, facilities, and products of the City's water, sewer, and reclaimed water systems as provided herein.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SUNRISE, FLORIDA:

Section 1. Legislative Findings. The foregoing Whereas clauses are hereby ratified and incorporated as the legislative intent of this Ordinance.

Section 2. Rates, Fees, and Charges. The updated water and sewer rates, fees, and charges, and new reclaimed water rates, fees, and charges in "Schedule A, water, sewer, and reclaimed rates and charges" (Schedule A) which is attached hereto and incorporated herein by reference, are approved. This updated Schedule A shall replace the current Schedule A water and sewer rates and charges for the use of the City's water, sewer, and reclaimed water services, facilities, and products for all bills rendered on or after July 1, 2023. Hereafter, Schedule A may be amended by Resolution as provided in Section 15-116 of the Code.

Section 3. That the Code of the City of Sunrise, Florida, is hereby amended by adding a section to be numbered 15-117, which section reads as follows:

Sec. 15-117. – ~~Reserved~~ Annual Index.

(a) The City Commission has adopted "Schedule A, water, sewer and reclaimed rates and charges" (Schedule A). Effective with bills rendered on or after October 1, 2023, and on October 1 each year thereafter unless otherwise amended by the City Commission, the monthly rates for water, sewer, and reclaimed water Base Facility Charges and Commodity Charges in Schedule A shall be automatically increased to reflect the cost of doing business, measured by the increase in the Consumer Price Index (CPI) – All Urban Consumers, Water and Sewerage Maintenance, as published by the U.S. Department of Labor, Bureau of Labor Statistics or its successor

agency based on the percentage increase in the CPI from the previous June to the June of the year in which the increase is implemented. Copies of the increased Schedule A shall be maintained and available for public review by utility customer service, and to the extent practical, shall be accessible on the city website.

(b) It shall not be necessary to amend the City Code or any applicable City ordinance or rate resolution, nor to cause publication, notice, or conduct a public hearing prior to the implementation of these automatic annual indexed rate increases.

Section 4. Conflict. All ordinances or parts of ordinances, all City Code sections or parts of City Code sections, and all resolutions or parts of resolutions in conflict with this Ordinance are hereby repealed to the extent of such conflict.

Section 5. Severability. Should any provision of this Ordinance be declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of the Ordinance as a whole, or any part thereof, other than the part declared to be invalid.

Section 6. Inclusion in the Code.

A. It is the intention of the City Commission, and it is ordained that the provisions of Section 3 of this Ordinance shall become and be made a part of the Code of Ordinances for the City of Sunrise, Florida. If required, the sections of the Ordinance may be renumbered or re-lettered to accomplish such, and the word "ordinance" may be changed to "section," "article," or any other appropriate word.

B. Pursuant to Section 15-116 of the Code, Schedule A shall become an exhibit to Ordinance No. 242, as codified in Chapter 15 of the Code, but shall not be codified therein.

Section 7. Repeal of Section 3 of Ordinance No. 242-07-B. Section 3 of Ordinance No. 242-07-B concerning annual indexing for the water and sewer rates and base facility charges is hereby repealed, having been replaced with the new Section 15-117 of the Code as adopted herein.

Section 8. Effective Date. This Ordinance shall be effective immediately upon its passage and the new and updated rates in Schedule A shall be effective as set forth herein.

PASSED AND ADOPTED upon this first reading this ____ DAY OF _____, 2023.

PASSED AND ADOPTED upon this second reading this ____ DAY OF _____, 2023.

Mayor Michael J. Ryan

Authentication:

Felicia M. Bravo
City Clerk

FIRST READING

MOTION: _____
SECOND: _____

DOUGLAS: _____
GUZMAN: _____
KERCH: _____
SCUOTTO: _____
RYAN: _____

Approved by the City Attorney
as to Form and Legal Sufficiency

SECOND READING

MOTION: _____
SECOND: _____

DOUGLAS: _____
GUZMAN: _____
KERCH: _____
SCUOTTO: _____
RYAN: _____

Kimberly A. Kisslan