TAMARAC
The City For Your Life

AGENDA ITEM NO. 9.a

STAFF AGENDA REVIEW WORKSHOP AGENDA ITEM REPORT

DATE: August 25, 2025

SUBMITTED BY: Kimberly Dillon

ITEM TYPE: Resolution

TEMP. RESOLUTION NUMBER: 14289

AGENDA SECTION: **Public Hearing:**

TITLE: TR14289 - A Resolution of the City Commission of The City Of Tamarac, Florida, establishing an adjustment factor to be applied to the Annual Water And Sewer Rate Schedule for the Fiscal Year beginning October 1, 2025 and updating other charges for services incidental to the operation of the City's Utility System; providing for conflicts; providing for severability; and providing for an effective date.

RECOMMENDATION:

The Director of Financial Services and the Director of Public Services recommend that TR #14289 approving the adjustment factor to be applied to the Fiscal Year 2025 water and sewer rate schedule and be effective for the Fiscal Year beginning October 1, 2025, be placed on the August 27, 2025 agenda for approval. For fiscal years 2026 through 2029 the recommended adjustment factors include a 15% increase for Water and a 5% increase for Sewer, along with adjustments to certain incidental rates. In fiscal years 2030 through 2034 the recommended adjustments include a 5% increase for Water and 5% increase for Sewer.

BACKGROUND:

In 2011 the City of Tamarac contracted with Burton & Associates to conduct a rate study for the purpose of developing a multi-year financial management plan, evaluate current rate structure and develop recommended modifications as necessary, and provide a comparative residential and commercial rate survey.

From 2011 to 2014 the water and sewer rates, customer service and billing charges, and the service availability

charges reflect the recommended structure and adjustment by Burton & Associates.

In April 2015, the City contracted with Burton & Associates to evaluate revenue sufficiency in light of changes in the forecasted need of a Reverse Osmosis plant in FY 2020 and a reallocation of funding towards inflow/infiltration projects and other infrastructure renewal and replacement projects.

On August 24, 2015, Burton and Associates presented their results of the FY 2015 Water and Sewer Revenue Sufficiency Analysis.

On September 22, 2015, the City Commission adopted TO #2325 amending Section 22-96 of the City of Tamarac Code of Ordinances providing for the establishment of an adjustment factor based upon the U.S. Consumer Price Index Water and Sewerage Maintenance Index as determined as of April of the calendar year and the provision for the City Commission to approve a different adjustment factor at their discretion by resolution.

In September 2023 the City contracted with Stantec Consulting Services Inc to perform a water and sewer rate study. The study was completed on June 13, 2024. The objective of the 2024 Water and Sewer rate study is to ensure that the Utility has sufficient annual revenues to meet its financial requirements, and to identify future rate adjustments that would provide adequate revenue to fund the Utility's operating, capital, debt service (including coverage), and reserve requirements over a multi-year projection period.

Included in the rate study was and evaluation of the miscellaneous charges incidental to the operations of the system such as connection charges, turn on/off charges, etc. determining that the existing fees did not recover costs associated with the services provided.

The result of the study is attached as Exhibit A. For fiscal years 2026 through 2029 the recommended adjustment factors include a 15% increase for Water and a 5% increase for Sewer, along with adjustments to certain incidental rates. In fiscal years 2030 through 2034 the recommended adjustments include a 5% increase for Water and 5% increase for Sewer.

The first year of the rate study was implemented on 10/01/2024 via Resolution # R-2024-090. This is the second year of implementation.

Staff have already notified customers of the proposed rate adjustment and the date of the final public hearing. This notice was included on each water bill issued in August, in compliance with F.S. 180.136.

ISSUE:

Chapter 22 “Utilities”, Section 22-96 provides for an adjustment to the water and sewer rates using the U.S. Consumer Price Index Water and Sewerage Maintenance Index as determined as of April unless the City Commission approves the use of a different adjustment factor.

STRATEGIC GOALS: Goal #3: Tamarac is Economically Resilient

ATTACHMENTS: