

Condensed Title:

An Ordinance Of The Mayor And City Commission Of The City Of Miami Beach, Florida, Amending Chapter 110 Of The Miami Beach City Code Entitled "Utilities," Amending Article IV, Entitled "Fees, Charges, Rates And Billing Procedure Thereof," Amending Division 2 Thereof, Entitled "Rates, Fees And Charges," Amending Appendix A Entitled "Fee Schedule" To Increase The Sanitary Sewer Service Charge Imposed By The City Pursuant To Section 110-168 (A); Providing For Codification, Repealer, Severability, And An Effective Date.

Key Intended Outcome Supported:

Maintain the City's infrastructure.

Supporting Data (Surveys, Environmental Scan, etc.): A recent Community Satisfaction Survey indicated that 79% of businesses rated recently completed capital projects as excellent or good.

Issue:

Shall the Mayor and City Commission approve the amendment to the Ordinance on first reading and schedule a second reading public hearing?

Item Summary/Recommendation:

FIRST READING

The City's utility rates are structured to collect the necessary revenues to meet operating and maintenance costs of the water and sewer infrastructure, to cover debt service for water and sewer bonds, to maintain adequate operating fund reserves, and, to pay Miami-Dade County for wholesale water purchased, the treatment of the City's sewage and other fees.

Miami-Dade County Water and Sewer Department (WASD) has informed all wholesale customers that the proposed water rate for FY2013/14 would remain the same as the current rate, \$1.7142 per thousand gallons. Further, WASD has also informed all wholesale customers that they have proposed a sewer rate of \$2.4523 for FY2013/14, an increase of \$0.2995 above the current rate of \$2.1528. The sole purpose of the ordinance amendment is to pass through the WASD rate increase. The cost of the proposed FY2013/14 sewer rate increase to Miami Beach is approximately \$2,425,000.

The sewer rate increase for FY2013/14 is \$0.30 per 1,000 gallons. There is no increase in the water rate. For the average 11,000 gallons per month customer, the combined water and sewer rates result in a monthly increase of \$3.29 in FY2013/14. For the minimum usage customer (5,000 gallons or less per month), the monthly impact would be a total of \$1.50.

THE ADMINISTRATION RECOMMENDS APPROVING THE AMENDMENT TO THE ORDINANCE ON FIRST READING AND SCHEDULING A SECOND READING PUBLIC HEARING.

Advisory Board Recommendation:

N/A

Financial Information:

| Source of Funds: | | Amount | Account | Approved |
|------------------|--------------|-------------|-----------------------|----------|
| OBPI | 1 | \$2,008,000 | 425-8000-343510 Sewer | |
| | 2 | | | |
| | Total | \$2,008,000 | | |

City Clerk's Office Legislative Tracking:

Keith Wilder, ext 6192

Sign-Offs:

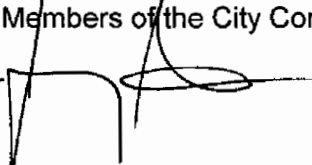
| Department Director | Assistant City Manager | City Manager |
|---------------------|------------------------|----------------|
| EC <i>EC</i> | MT <i>MT</i> | JLM <i>JLM</i> |

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COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jimmy L. Morales, City Manager  **FIRST READING**

DATE: September 11, 2013

SUBJECT: **AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING CHAPTER 110 OF THE MIAMI BEACH CITY CODE ENTITLED "UTILITIES," AMENDING ARTICLE IV, ENTITLED "FEES, CHARGES, RATES AND BILLING PROCEDURE THEREOF;" AMENDING DIVISION 2 THEREOF, ENTITLED "RATES, FEES AND CHARGES," AMENDING APPENDIX A ENTITLED "FEE SCHEDULE" TO INCREASE THE SANITARY SEWER SERVICE CHARGE IMPOSED BY THE CITY PURSUANT TO SECTION 110-168 (a); PROVIDING FOR CODIFICATION, REPEALER, SEVERABILITY, AND AN EFFECTIVE DATE.**

ADMINISTRATION RECOMMENDATION

The Administration recommends approving the Ordinance amendment on First Reading and scheduling a Second Reading Public Hearing setting water and sewer rates for FY 2013/14.

ANALYSIS

The City's utility rates for water and sanitary sewer services are structured to collect the necessary revenues to meet annual operating and maintenance costs of the water and sanitary sewer infrastructure, to cover debt service for water and sewer bonds to maintain adequate operating fund reserves, and, to pay Miami-Dade County for wholesale water purchased, the treatment of the City's sewage and other fees. Increasing the sanitary sewer rate in the amount levied by the County, and maintaining the existing water rate to pay all other costs listed above will keep the City water and sewer funds balanced.

In general, the rates for water supply and sanitary sewer services consist of:

- Pass-through of the wholesale rate the City pays to Miami-Dade County for the purchase of potable water and treatment of sewage;
- Debt service for the Water and Sewer Revenue Bonds;
- Operating and maintenance costs for the water and sewer utility;
- 7.5% fee of previous year total revenue paid to the Miami-Dade County Environmental Resource Management Department (DERM).

It is expected that the South Florida Water Management District (SFWMD) will continue the same level of irrigation restrictions long-term. Therefore, we are using current fiscal year's water consumption levels to forecast future fiscal year revenues, which reflect a slight increase in the consumption of water from previous years.

FY2013/14 Miami Dade County Wholesale Water and Sewer Rates

The Miami-Dade Water and Sewer Department (WASD) has informed all wholesale customers that the proposed water rate for FY2013/14 would remain the same as the current rate, \$1.7142 per thousand gallons. All operational expenditure increases related to merit (salary) costs, increased costs of health insurance and pension, and increases in other operating costs have been absorbed without fee increases.

WASD has also notified wholesale customers that their proposed sewer rate will be \$2.4523, an increase of \$0.2995 above the current rate of \$2.1528. The cost of the proposed FY2013/14 sewer rate increase to Miami Beach is approximately \$2,425,000. The sole purpose of the ordinance amendment is to pass through the WASD rate increase. The proposed wholesale water and sewer rates are subject to approval by the Board of County Commissioners at their Public Budget Hearings, scheduled for September 10 and September 19, 2013.

The sewer rate increase for FY2013/14 is \$0.2995 per 1,000 gallons. There is no increase in the water rate. For the average 11,000 gallons per month customer, the combined water and sewer rates result in a monthly increase of \$3.29 in FY2013/14. For the minimum usage customer (5,000 gallons or less per month), the combined monthly impact would be a total of \$1.50.

| Fee (per thousand gallons) | FY 2012/13 Fee | Proposed FY14 M-D County Incr. | Prop. FY 2013/14 Fee | Difference From FY 2012/13 |
|--|----------------|--------------------------------|----------------------|----------------------------|
| Water | \$4.36 | \$0.00 | \$4.36 | \$0.00 |
| Sewer | \$6.04 | \$0.30 | \$6.34 | \$0.30 |
| Total Increase | | \$0.30 | | \$0.30 |
| Combined Fee | \$10.40 | | \$10.70 | \$0.30 |
| Monthly Cost to 11,000 gallon Customer | \$114.40 | \$3.29 | \$117.69 | \$3.29 |
| Monthly Cost to 5,000 gallon Customer | \$52.00 | \$1.50 | \$53.50 | \$1.50 |

CONCLUSION:

The Administration recommends approving the Ordinance amendment on First Reading and scheduling a Second Reading Public Hearing setting water and sewer rates for FY 2013/14.

JLM/MT/EC

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ORDINANCE NO. _____

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING APPENDIX A, ENTITLED "FEE SCHEDULE" FOR SUBSECTION (A) OF SECTION 110-168, ENTITLED "SANITARY SEWER SERVICE CHARGE," OF CHAPTER 110 OF THE MIAMI BEACH CITY CODE, ENTITLED "UTILITIES," ARTICLE IV, ENTITLED "FEES, CHARGES, RATES AND BILLING PROCEDURE"; DIVISION 2 THEREOF, ENTITLED "RATES, FEES AND CHARGES," TO INCREASE THE SANITARY SEWER SERVICE CHARGE IMPOSED BY THE CITY; PROVIDING FOR CODIFICATION, REPEALER, SEVERABILITY, AND AN EFFECTIVE DATE.

WHEREAS, the City implemented a Water and Sewer System Improvement Program ("Program") which is funded by Water and Sewer Revenue Bonds; and

WHEREAS, the rate increase proposed herein is for the payment of the phased in debt instruments to continue improvements to the water and sewer infrastructure and to maintain adequate operating fund reserves and was recommended by the Finance and Citywide Projects Committee at its August 22, 2013 meeting; and

WHEREAS, the rate increase also provides for the operating and maintenance costs for the water and sewer utility; and

WHEREAS, the rate increase also provides for the 7.5% fee paid to the Miami-Dade County Environmental Resource Management Department (DERM); and

WHEREAS, the rate increase proposed is a result of the pass-through of the wholesale rate the City pays to Miami-Dade County for the purchase of treatment of sewage.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, as follows:

SECTION 1.

That Appendix A to Section 110-168(a) of Chapter 110, entitled "Utilities," of the Miami Beach City Code is hereby amended as follows:

APPENDIX A

FEE SCHEDULE

* * *

Chapter 110. Utilities

Article IV. Fees, Charges, Rates and Billing Procedure

Division 2. Rates, Fees and Charges

| <i>Section this Code</i> | <i>Description</i> | <i>Amount</i> |
|------------------------------|---|---------------|
| | * * * | |
| 110-168(a) | Sanitary sewer service charge, shall be as follows: \$3.73 per 1,000 gallons, effective with billings on or after October 1, 2000; \$3.81 per 1,000 gallons, effective with billings on or after October 1, 2001; \$3.90 per 1,000 gallons, effective with billings on or after October 1, 2002; \$4.03 per 1,000 gallons, effective with billings on or after October 1, 2003; \$4.12 per 1,000 gallons, effective with billings on or after October 1, 2004; and \$4.21 per 1,000 gallons, effective with billings on or after October 1, 2005; and \$4.25 per 1,000 gallons, effective with billings on or after October 1, 2006; and \$4.93 per 1,000 gallons, effective with billings on or after October 1, 2007; and \$5.62 per 1,000 gallons, effective with billings on or after October 1, 2008; and \$6.04 per 1,000 gallons, effective with billings on or after October 1, 2009; <u>and \$6.34 per 1,000 gallons, effective with billings on or after October 1, 2013.</u> | |

SECTION 3. CODIFICATION

It is the intention of the Mayor and City Commission of the City of Miami Beach, and it is hereby ordained that the provisions of this ordinance shall become and be made part of the Code of the City of Miami Beach, Florida. The sections of this ordinance may be renumbered or re-lettered to accomplish such intention, and the word "ordinance" may be changed to "section", "article" or other appropriate word.

SECTION 4. REPEALER

All ordinances or parts of ordinances in conflict herewith are and the same are hereby repealed.

SECTION 5. SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this Ordinance is, for any reason, held invalid or unconstitutional, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity or constitutionality, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity or constitutionality of the remaining portions of this Ordinance.

SECTION 6. EFFECTIVE DATE


This Ordinance shall take effect on the 1st day of October, 2013.

PASSED and **ADOPTED** this _____ day of _____, 2013

ATTEST:

MAYOR

CITY CLERK

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION


CITY ATTORNEY
DATE 9/5/13