

RESOLUTION NO. 23-208

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, ADJUSTING ANNUAL SEWER RATES, CHARGES AND COMPONENTS SET FORTH IN SECTION 74-746 OF THE CODE OF ORDINANCES IN THE CITY OF KEY WEST; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City of Key West finds that it is necessary to adjust the annual sewer rates by amounts that are below the CPI, to cover the actual cost of providing sewer service, and that it is necessary to do so by resolution; and

WHEREAS, an amendment to the rates established in section 74-246 of the Code of Ordinances will promote the safety and welfare of the citizens and visitors of the City of Key West.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the annual sewer rates, charges and component rates set forth in Section 74-246 of the Code of Ordinances are amended as follows:

Sec. 74-246. - Annual sewer rates, charges and components.

(a) The base charge unit component (BCU) of the sewer service user charge is determined to be \$25.01. The BCU may be adjusted each October 1, by resolution of the city commission by up to 100 percent of the percentage increase in the CPI-(U), U.S. City Averages (as of June). The city commission shall enact an

ordinance amendment to this section in order to increase the BCU in excess of the CPI.

(b) The proportional use charge component of the sewer service user charge is determined to be \$4.95 per 1,000 gallons per month of actual or estimated sewage flow per user. The proportional use charge may be adjusted each October 1, by resolution of the city commission by up to 100 percent of the percentage increase in the CPI-(U), U.S. City Averages (as of June). The city commission shall enact an ordinance amendment to this section in order to increase the proportional use charge in excess of the CPI.

(c) The extra-normal strength charge component of the sewer service user charge is determined to be \$0.57 per pound of biochemical oxygen demand (BOD) and \$0.26 per pound of total suspended solids (TSS) contributed per month per user in excess of the amount accounted for in waste at a rate of 350 mg/l for BOD and for TSS.

(d) The flat monthly alternative water surcharge is determined to be \$9.90.

(e) The assumed percentage of water being contributed to the sewer system, as referred to in Ordinance No. 89-33, subsection (b)(1), continues to be 80 percent. This figure times the average monthly residential water consumption, the product then divided by the average number of residential dwelling units, yields an average residential monthly wastewater

production (rounded to the nearest hundred gallons) or monthly base charge unit (BCU) of 3,600.

Section 2: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the Presiding Officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 7th day of September, 2023.

Authenticated by the Presiding Officer and Clerk of the Commission on 8th day of September, 2023.


Filed with the Clerk on September 8, 2023.

Mayor Teri Johnston	<u>Yes</u>
Vice Mayor Sam Kaufman	<u>Yes</u>
Commissioner Lissette Carey	<u>Yes</u>
Commissioner Mary Lou Hoover	<u>Yes</u>
Commissioner Clayton Lopez	<u>Yes</u>
Commissioner Billy Wardlow	<u>Yes</u>
Commissioner Jimmy Weekley	<u>Yes</u>

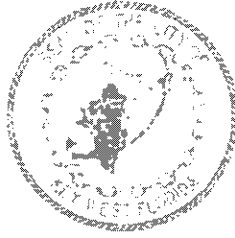


TERI JOHNSTON, MAYOR

ATTEST:



KERI O'BRIEN, CITY CLERK



MEMORANDUM

Date: September 7, 2023

To: Honorable Mayor and Commissioners

Via: Albert P. Childress (APC)
City Manager

From: Kelly Crowe, Utility Director

Subject: **Resolution Amending Sewer Rates for FY 2024 Pursuant Section 74-246 of the Code of Ordinances**

Introduction

An adjustment of the annual sanitary sewer rates, charges, and components pursuant to Section 74-246 of the Code of Ordinances to support the operations, maintenance and capital improvements of the sanitary sewer collection system, wastewater treatment plant and associated infrastructure.

Background

The City of Key West sewer charges are billed monthly by Florida Keys Aqueduct Authority (FKAA). The FY 2023 rate is currently \$24.28 (BCU) base charge per user, \$4.81 proportional use charge per 1,000 gallons per user, and \$9.62. Monthly Flat Surcharge. Staff proposes increasing the rates in alignment of the CPI-U, U.S. City Averages (as of June), which represents an increase of 3%.

Ordinance section 74-246 requires a resolution of the City Commission to increase the rate for sewer base and user fees up to 100% of CPI-U, U.S. City Averages as of June, which was 3.0% for June 2023. The City utilizes the expertise of Raftelis Financial Consultants for rate modeling on an annual basis. The information within is derived from the sewer fund rate model for the fiscal year 2024.

A Public Hearing is scheduled for September 7, 2023 @ 5:00pm at City Hall, 1300 White Street. Florida Statute Sec 180.136 requires the utility shall provide notice of the proposed increase to each customer of the utility through the utility's billing process. This has been done by FKAA in the August billing cycles, along with a notice in the Key West Citizen newspaper advising of said hearing.

Procurement

In setting the FY 2024 budget, the City plans on accomplishing the following goals:

- Fund our sewer operations for pump stations and the wastewater treatment plant.
- Continue implementation of the capital plan set forth in the rate model presented to the city commission.
- Work toward physical asset and operational resiliency.
- Maintain adequate capital and operational reserves.

City Staff believes that to achieve these goals an increase of 3.0% (100% of the June CPI) for the base charge and proportional use fee is required. The fees for each component are as follows:

Fee Component	FY 2023 Budget (current)	Proposed FY 2024 Budget	Increase
Base Fee	\$24.28(per BCU/Mo)	\$25.01(per BCU/Mo)	+\$0.73/BCU/Mo.
Proportional Fee	\$4.81(per 1,000 gal)	\$4.95(per 1,000 gal)	+\$0.14/1,000 gal
Flat Monthly Surcharge	\$9.62/Month	\$9.90/Month	+\$0.28/Month

Recommendation

The City Manager's Office recommends the Mayor and City Commission approve the sewer rates for Fiscal Year 2023/2024 and pursuant to Section 74-246 (a), (b), and (d), amend the base user fee to \$25.01 per month, the proportionate use fee to \$4.95 per 1,000 gallons, and the flat monthly surcharge fee to \$9.90 per month.