



Florida's Warmest Welcome

**City of Pompano Beach
UTILITIES ADMINISTRATION**

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MEMORANDUM NO. 24-03

DATE: October 16, 2023
TO: Mayor and City Commission
VIA: Greg P. Harrison, City Manager
FROM: A. Randolph Brown, Utilities Director

SUBJECT: Summary of Utility Rate Increase

The Utilities Department has a number of regulatory mandates that will require a shift from existing water treatment technologies. An expansion of the membrane water treatment plant will put us in position to meet future regulations on contaminants of emerging concern such as PFAS/PFOS. Our monitoring well needs replacement due to deterioration of the internal piping. Other projects such as cast-iron water main replacement, water meter replacement, water plant electrical system replacement, expansion of the reuse distribution system to save drinking water. These projects are necessary however they exceed our annual capital investment program. These reasons mentioned above, require a utility rate increase for a bond to cover these costs.

The operations and maintenance costs are estimated to increase by 10.6% per year mostly attributable to the factors such as personnel cost, chemical cost (46%) and Broward County Wastewater Treatment (15.5%). To achieve the financial sufficiency required by the City, which includes meeting target debt service coverage and unrestricted reserve fund balances this rate increase is recommended by the Department.