

ORDINANCE NO. 2020-4384

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING CHAPTER 110 OF THE CODE OF THE CITY OF MIAMI BEACH ENTITLED "UTILITIES," ARTICLE IV, ENTITLED "FEES, CHARGES, RATES AND BILLING PROCEDURE," BY AMENDING SECTION 110-166 THEREOF, ENTITLED "SCHEDULE OF MONTHLY WATER USER RATES AND TAPPING CHARGES;" BY AMENDING SECTION 110-168 THEREOF, ENTITLED "SCHEDULE OF MONTHLY SANITARY SEWER USER RATES" ARE TO BE AMENDED; AND BY AMENDING SECTION 110-171 THEREOF, ENTITLED "RATE INDEXING," IN ORDER TO ADJUST AND MODIFY HOW WATER AND SANITARY SEWER RATES ARE CALCULATED AND APPLIED; AND FURTHER, AMENDING APPENDIX A OF THE CITY CODE, ENTITLED "FEE SCHEDULE," TO INCREASE THE WATER RATES AND SANITARY SEWER SERVICE CHARGES IMPOSED BY THE CITY PURSUANT TO SECTIONS 110-166, 110-168, 110-171, AND APPENDIX A; PROVIDING FOR CODIFICATION; REPEALER; SEVERABILITY; AND AN EFFECTIVE DATE.

WHEREAS, Chapter 110, of the Code of the City of Miami Beach, entitled "Utilities" and Appendix A to Chapter 110 establish the City's potable water rates for all water users and the sanitary sewer rates for all sanitary sewer users except sewer rates for wholesale customers established through contract; and

WHEREAS, 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 fund capital improvements to the City's utility system infrastructure, maintain adequate operating fund and capital reserves, and to pay Miami-Dade County Water and Sewer Department (WASD) for wholesale water purchased and for the treatment of the collected City sewage; and

WHEREAS, the City and its consulting engineers recently completed master plans for the water and sewer systems that identified critical capital projects to be completed over the next several years; and

WHEREAS, WASD has historically raised the rates for wholesale water and sanitary sewer to recover its cost of providing service and it is anticipated by WASD that it will continue to raise the rates for service due operating expenditures and debt service increases and the need to fund future capital improvements; and

WHEREAS, through a formal procurement process, the City retained the firm of GovRates, Inc. (GovRates) to assist in the determination of revised water and sanitary sewer rates in order to meet the projected expenditure and funding needs of the City's utility system over the next ten years; and

WHEREAS, GovRates has recommended revised rates to recover the cost of service and promote the overall sustainability of the utility system; provide the ability to adjust rates due to changes in the cost of wholesale water and wastewater service as provided by WASD; and provide the ability to index the rates for inflation and other expenses to provide utility operating margins to fund capital improvements and the repayment of debt issued by the City in support of the funding of capital improvements; and

WHEREAS, the financial and rate plan proposed by GovRates recognizes the refunding the City's outstanding Series 2010 Bonds and the issuance of additional bonds in a few years; and

WHEREAS, the City adopted Resolution No. 95-21585, as amended and supplemented from time to time, which authorized the issuance of utility revenue bonds to finance capital improvements to the utility system (hereinafter the "System") which included a requirement that the revenues of the System shall at all times meet the rate covenant requirements as delineated in such resolution for the protection of the bondholders; and

WHEREAS, when the City issues new debt to finance critical capital needs, bond rating agencies expect that all rates needed to pay the debt have already been adopted; and

WHEREAS, in order to properly fund the City's water and sewer program, the City seeks to amend Chapter 110 and Appendix A to codify the GovRates recommendations; and

WHEREAS, the GovRates recommendations recognize the need to increase combined water and sewer user rate revenues by 2.4%, 2.3%, 2.3%, 2.3%, and 2.3% for the fiscal years 2021, 2022, 2023, 2024, and 2025 respectively, as well as to pass-through future WASD wholesale water and sewer rate increases beyond Fiscal Year 2021; and

WHEREAS, as part of the rate design to recover the necessary revenue for each fiscal year, GovRates recommends improving the utility's revenue stability by gradually increasing the monthly water and sewer base charges over time to bring them in line with industry standards; and

WHEREAS, at the October 23, 2020 meeting, the Finance and Economic Resiliency Committee recommended approval of the GovRates recommendations; and

WHEREAS, at the November 18, 2020 meeting, the City Commission members had the title of the Ordinance read for the record, and adopted the Ordinance on First Reading with the following direction:

- Administration to come back with actual dollars
- Ensure they use all available funds deemed appropriate and determine the proper rate increase
- John Woodruff to prepare a chart on stormwater by Second Reading.
- Commissioner Richardson to work with Administration

WHEREAS, at the December 9, 2020 meeting, Public Works presented three options for the City Commission's consideration (including detailed charts and tables), each of which is more fully set forth in the Commission Memorandum accompanying this Ordinance. Specifically, Option 1 eliminated any increase for 2021; Option 2 eliminated any increase for 2021 and limits the increase for 2022 to 1%; and Option 3 eliminated any increase for years 2021 & 2022. Each option provided the total revenue increase needed over the remaining 5-year term of the plan; and

WHEREAS, the City Commission determined it would be in the best interests of the City to phase in the required rate increase over time, and in a manner that would avoid economic impacts to rate payers in 2021, in view of the significant financial hardship associated with the COVID-19 pandemic; and

WHEREAS, the City Commission, following substantial discussion, approved the one-time increase of water and sewer user rate revenues, set forth as Option 2 in the Commission Memorandum accompanying this Ordinance, with the total increase (inclusive of CPI increases otherwise permitted under the existing ordinance), to be phased in from 2021 through 2025, as follows: 0% in 2021; 1% in 2022; 3.6% in 2023; 3.6% in 2024; and 3.7% in 2025; and

WHEREAS, the amendments set forth below are necessary to accomplish the above objectives.

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

SECTION 1. That Chapter 110 of the Miami Beach City Code entitled "Utilities," Article IV, entitled "Fees, Charges, Rates and Billing procedure," at Section 110-166, entitled "Schedule of monthly water user rates and tapping charges;" Section 110-168, entitled

"Schedule of monthly sanitary sewer user rates," and Section 110-171, entitled "Rate indexing" are hereby amended as follows:

**CHAPTER 110
UTILITIES**

* * *

ARTICLE IV. Fees, Charges, Rates and Billing Procedure.

Sec. 110-166. - Schedule of monthly water user rates and tapping charges.

(a) There is hereby imposed, upon all premises within the city connected to or using the facilities of the city's potable water system, a monthly water user rate. Every premises connected to or using the facilities of the city's potable water system shall be billed monthly user rates consisting of: i) a base facility charge which serves as the monthly minimum service charge on each service installed, varying with and based upon the size of the meter installed in accordance with the rules of the public works department; ii) a water consumption charge; and iii) a purchased water pass-through adjustment rate to recover the cost of purchased wholesale water as billed by the Miami-Dade Water and Sewer Department (WASD). The monthly water user rates charged for service shall be in accordance with the consumer applicability provisions and the corresponding schedule set forth in Appendix A, as may be adjusted from time to time based on the provisions of the section. There shall not be a rental charge on meters.

The monthly water user rates shall be charged to each individually metered water consumer each month in accordance with the following applicability provisions:

- (1) *Individual Metered Residential Service* - Applicable to all consumers that represent service to a residential dwelling unit that is individually metered for potable water service that is not classified as irrigation service.
- (2) *Master Metered Multifamily Residential Service* - Applicable to all consumers that represent service to a residential dwelling units that is master-metered (more than one residential dwelling unit being served by the water meter measuring service to the premise) which would include, but not be limited to, condominiums, apartments, and duplexes, that are not classified as irrigation service.
- (3) *Nonresidential Service* - Applicable to all water customers that are not classified as individually metered residential service, master-metered residential service, or irrigation service which primarily represents service to commercial customers public authorities, and institutional customers.
- (4) *Residential Irrigation Service* - Applicable to all residential dwelling units that are individually metered for domestic water use (reference subsection 110-166 (a)(i)) and which have a separate meter for irrigation service or other similar water use.

- (5) *Master Metered Multifamily Residential Irrigation Service* - Applicable to all master metered residential customers that are individually metered for domestic use (reference subsection 110-166 (a)(ii)) and which have a separate meter for irrigation service or other similar water use.
 - (6) *Nonresidential Irrigation Service* - Applicable to all customers classified as nonresidential that are individually metered for domestic use (reference subsection 110-166 (a)(ii)) and which have a separate meter for irrigation service or other similar water use.
- (b) To the extent practical, all water delivered to a consumer shall be metered and shall be billed the water consumption charge and the purchased water pass-through charge, which rate shall be prorated for each 100 gallons in the event of increments of less than 1,000 gallons for all consumers of water. With respect to the billing for water use, the water consumption rates and the purchased water pass-through rate as defined in this section may be added together for rate application or billing purposes on a consumer's bill.
- (c) **Pass-Through of Purchased Wholesale Water Charges.** The Purchased Water Pass-through Rate, which is applied to all water consumers being billed for potable water service, shall be increased or decreased by the city by applying a pass-through adjustment factor for any change in the average annual rates charged to the city for wholesale potable water purchased from WASD (the "Water Pass-Through Adjustment") to the Purchased Water Pass-through Rate charged by the city.
- (1) *Adjustment schedule.* The implementation of the adjustment to the Purchased Water Pass-Through Rate for any month that a change in wholesale potable water rates by WASD is effectuated ("Water Cost Recovery") shall occur without a public hearing. Water Cost Recovery shall be employed each time that WASD adjusts the average annual wholesale potable water rates that are billed to the city. Any adjustment to the Purchased Water Pass-Through Rate based on the determination of the change in wholesale rates shall be implemented in the month immediately following the determination of the Purchased Water Pass-Through Adjustment. The Purchased Water Pass-Through Rate as shown on Appendix A and as may be further adjusted automatically in the future by the implementation of the provisions of this section and in Appendix A and which are then in effect shall be increased or decreased by the city by applying a Purchased Water Pass-through Adjustment established in accordance with this subsection and in Appendix A to the then effective Purchased Water Pass-Through Rate prior to such application. Nothing herein shall preclude the city from making additional changes to the monthly water user rates for service.
 - (2) *Applicability of Purchased Water Rates.* The Purchased Water Pass-Through Rate shall be in addition to any water consumption rates for all retail and wholesale customers that are billed for potable water service by the city. The

following are the customers that shall be subject to the application of the Purchased Water Pass-through Rate and shall be subject to the pass-through for changes in the cost of purchased water from WASD (the "Applicable Customers"):

- (i) The retail water customer classes that are billed the water consumption charge referenced in this section.
- (ii) All separate utilities or local governments that may receive wholesale potable water service provided by the city currently or in the future which is not considered as retail customers.

(3) *Calculation of Purchased Water Pass-Through Adjustment.* The Purchased Water Pass-Through Adjustment shall be calculated using the following formula using the formulas and methodology specified in Appendix A.:

$$PWPTA = ((IWWC - PWWC) * (1 / (1 - (DF + T + O))))$$

Where:

~~PWPTA = The Purchased Water Pass-Through Adjustment to be used for Water Cost Recovery to determine the monetary adjustment in the Purchased Water Pass-through Rate to be applied the Applicable Customers. The PWPTA represents the respective dollar increase or decrease to account for changes in wholesale potable water rates charged by WASD to the city that is added or subtracted, respectively to the Purchased Water Pass-Through Rate.~~

~~IWWC = The increased annual average wholesale or purchased water rate charged by WASD expressed on a dollar per 1,000-gallons basis that became effective for the month immediately after the PWWC.~~

~~PWWC = The prior annual average wholesale or purchased water rate charged by WASD expressed on a dollar per 1,000-gallons basis immediately prior to the billing of the adjusted wholesale or purchased water rate defined as the IWWC.~~

~~DF = The fee paid to the Department of Environmental Resources Management (DERM) which is based on a percent of rate revenues billed by the city.~~

~~T = Any and all taxes or tax equivalents that may be paid by the water system that is based on revenues billed by the city, including any payment in lieu of tax imposed by the city on its water system.~~

~~O = Any and all charges that may be paid by the city on behalf of the water system that is based on revenues billed by the city, including any funding of renewals and replacement fund deposits that is determined as a percent of revenues billed.~~

~~(4) Determination of Purchased Water Pass-Through Rate. The Purchased Water Pass-Through Rate shall be determined based on the addition or subtraction of the Purchased Water Pass-Through Adjustment to the rates in effect immediately preceding such adjustment and shall be rounded to the nearest cent. The Purchased Water Pass-Through Adjustment application shall be based on the following formula:~~

~~APWTR = PWPTR + PWPTA~~

~~Where:~~

~~APWTR = The Adjusted Purchased Water Pass-Through Rate that is to be placed in effect after the application of the Purchased Water Pass-Through Adjustment to all Applicable Customers billed for potable water service.~~

~~PWPTR = The Purchased Water Pass-Through Rate in effect immediately prior to the application of the PWPTA.~~

~~PWPTA = The Purchased Water Pass-Through Adjustment as determined as a result of a change in wholesale water rates as billed by WASD.~~

~~(5) [Example of calculation.] An example of the calculation of the determination of the Purchased Water Pass-Through Adjustment and the corresponding change to the Purchased Water Pass-Through Rate is illustrated in the following table:~~

	Line No.	Formula Reference	Amount
Prior Wholesale Purchased Water Rate (\$/1,000 gallons)	1	PWWC	\$1.7350
Increased Wholesale Purchased Water Rate (\$/1,000 gallons)	2	IWWC	\$1.7700
Percent Change in Wholesale Purchased Water Rate	3=(2-1)/1		2.02%
Adjustments			
-Department of Environmental Resources Management	4	DE	8.00%
-Taxes and Tax Equivalents	5	T	0.00%
-Other Adjustments	6	O	0.00%
Adjustment Factor = 1/(1-(D+T+O) = 1/0.92	7		1.08696
Purchased Water Pass-Through Percent Adjustment	8=(3*7)		2.20%
Prior Purchased Water Pass-Through Rate (\$/1,000 gallons)	9	PWPTR	\$1.93
Purchased Water Pass-Through Adjustment	10=9*8	PWPTA	\$0.02
Adjusted Purchased Water Pass-Through Rate (\$/1,000 gallons)	11=9+10	APWTR	\$1.95

~~(d) Pass-Through Adjustment Charges. The Applicable Rates as shown on Appendix A and as may be further adjusted automatically in the future by the implementation of the provisions of this section and which are then in effect shall be increased or decreased by the city by applying a pass-through adjustment factor established in~~

accordance with this subsection (the "Pass-Through Factor") to the then effective Applicable Rates for increases or decreases in the Applicable Costs. All Applicable Rates so adjusted (the "Pass-Through Rates") shall be charged by the city's water system.

- (1) ~~Adjustment Schedule.~~ The implementation of Pass-Through Rates for any month associated with a change in Applicable Costs ("Cost Recovery") shall be placed into effect automatically and shall occur without a public hearing. Nothing herein shall preclude the city from making additional changes to the monthly water user rates for service.
- (2) ~~Applicable Rates.~~ The water base facility, water consumption charges, and Purchased Water Pass-through Rate referenced in subsection 110-166(a) shall be subject to Cost Recovery.
- (3) ~~Applicable Costs.~~ Only the following cost categories qualify as Applicable Costs for Cost Recovery:
 - (i) ~~All increases or decreases in the percentage charge of the Department of Environmental Resources Management.~~
 - (ii) ~~All increases or decreases in the application of any tax or tax equivalents, including any payment in lieu of tax imposed by the city on its water system.~~
 - (iii) ~~All other cost increases incurred by the water system as a result of any regulatory changes or requirements imposed by any regulatory agency having jurisdiction over the utility system operations (a "Regulator").~~
- (4) ~~Calculation of Pass-Through Factor.~~ The Pass-Through Factor shall be calculated using the following formula:

$$PTF = ARR/ER$$

Where:

PTF = The Pass-Through Factor used for Cost Recovery to determine the monetary adjustment in the Applicable Rates. The PTF represents the estimated annual increase in the Applicable Costs, expressed as a percentage of the most recent historical revenues derived from the Applicable Rates for the most recently completed fiscal year.

ARR = Additional Required Revenue equal to the estimated annual change in the Applicable Costs that will affect the overall cost of providing water system services as determined by the city.

ER = The total actual revenues earned by the Enterprise System from the Applicable Rates for the potable water system as reported in the city for the most recently completed fiscal year.

- (5) ~~Determination of Pass-Through Rates.~~ The Pass-Through Rates shall be determined based on the Pass-Through Factor applied uniformly to the Applicable Rates in effect, and shall be rounded to the nearest cent. The Pass-through application shall be based on the following formula:

$$PTR = (AR)(1 + PTF)$$

Where:

~~PTR – The Pass-Through Rates that are to be placed in effect for the current fiscal year through application of the Pass-Through Factor.~~

~~AR – The Applicable Rates in effect immediately prior to the application of the Pass-Through Factor.~~

~~PTF – The Pass-Through Factor as determined by the city to recover the net change in Applicable Costs.~~

- (e) On all water supply service, each month shall be a complete period in itself, and no excess consumption of water during one month shall be charged or be added to the consumption of any other month.
 - (1) *Exception.* The provisions contained in this subsection (e) shall not apply to an owner or consumer of a single-family home that participates in the "budget billing" process of the utility billing system. The "budget billing" process allows owners or consumers to pay the same monthly amount for water and sewer consumption based on the average of the previous annual consumption history. If the variance in actual consumption becomes more than 50 percent of the annual consumption average, the budgeted amount would be recalculated or the budget billing would cease and regular billing would commence. To be eligible to use this "budget billing" feature, the owner and/or consumer would have to submit an application to the finance department for budget billing. After the approval of the finance department, the budget billing would commence and would only cease upon written request by the owner or consumer or the failure to pay the budget amount when the payment is due.
- (f) A monthly base facility charge as shown on Appendix A shall be billed to all privately owned fire-protection systems and equipment connected to the city water system in accordance with the size of the service line connecting the private system to the city's system. All costs of providing fire sprinkler service, including the service lateral, meter vault and detector check meter shall be the applicant's responsibility. If any consumer shall connect any appurtenance other than sprinkler heads to a fire service line, that consumer shall pay all connection-related charges set out in this section and the monthly water service charges identified in this section regarding service to customers delineated under the general service designation.
- (g) Upon the application of the owner or consumer for water service on the premises to which there has not been made any previous service for water, the tapping charges as specified in appendix A shall be made to cover the cost of the tap and the installation of the service to the property line of the lot to be supplied with water service.
- (h) Every owner or consumer making an application for water service shall be required to make a deposit with the public works department called a guarantee of payment deposit. The amount of such deposit shall be according to the size of the service, as specified in appendix A. If the owner or consumer making such deposit wishes the service to be discontinued, the guarantee of payment deposit shall be refunded less outstanding charges for water, sewer, stormwater or garbage and waste. If at any time the total service charges for a given account exceed the amount of the deposit,

the city reserves the right to demand an additional deposit up to four times the amount of any previous monthly bill on that service.

- (i) A request by the owner or consumer to have the water meter re-read for validation of the correctness of a meter reading will result in a fee in accordance with the schedule set forth in appendix A. This fee will be charged only if the re-read validates the accuracy of the reading in question.
- (j) A request by the owner or consumer to have a special water meter read at a time other than a normally scheduled read date as set by the utility will result in a fee in accordance with the schedule set forth in appendix A.
- (k) Meter/meter equipment and City of Miami Beach utility property servicing a premises found damaged, destroyed or missing will be charged to the owner or consumer in accordance with the schedule set forth in appendix A.
- (l) A request by the owner or consumer to have a field visit by a technician. This fee will be charged only if the technician finds that the problem/issue is not that of the utility.

Sec. 110-168. - Schedule of monthly sanitary sewer user rates.

- (a) There is hereby imposed, upon all premises within the city connected to or using the facilities of the city's sanitary sewer system, a monthly sanitary sewer user rate. Every premises connected to or using the facilities of the city's sanitary sewer system shall be billed monthly user rates consisting of:
 - (1) A base facility charge which serves as the monthly minimum service charge on each service installed, varying with and based upon the size of the meter installed in accordance with the rules of the public works department;
 - (2) A sanitary sewer consumption charge; and
 - (3) Purchased sanitary sewer pass-through adjustment rate to recover the cost of purchased wastewater treatment and disposal services as billed by WASD.

The monthly sewer user rates charged for service shall be in accordance with the consumer applicability provisions and the corresponding schedule set in Appendix A as may be adjusted from time to time based on the provisions of the section and in Appendix A.

The billed sewer consumption shall be based on the metered water delivered to the consumer for which the monthly water user rates apply. The provisions of this section shall not be applicable to any water sold and delivered through separate meters measuring water delivered and consumed solely for swimming pools, lawn sprinkler systems, cooling towers or other purposes not requiring the use of sanitary sewer system facilities of the city.

The monthly sanitary sewer user rates shall be charged to each consumer each month in accordance with the following applicability provisions;

- (1) *Individual Metered Residential Service* - Applicable to all consumers that represent service to a residential dwelling unit that is individually metered for water service.
 - (2) *Master-metered Multifamily Residential Service* - Applicable to all sewer consumers that represent service to a residential dwelling units that is master-metered (more than one residential dwelling unit being served by the water meter measuring service to the premises) which would include, but not be limited to, condominiums, apartments, and duplexes.
 - (3) *Nonresidential Service* - Applicable to all sewer customers that are not classified as individually metered residential service or master-metered residential service which primarily represents service to commercial, public authorities. and institutional customers.
- (b) To the extent practical, all sanitary sewer service provided to a consumer shall be based on the metered water delivered to the premises, exclusive of water-only service which is separately metered by the city, and shall be billed the sewer consumption charge and the purchased sanitary sewer pass-through charge, which rate shall be prorated for each 100 gallons in the event of increments of less than 1,000 gallons for all consumers being billed for sanitary sewer service. With respect to the billing for sanitary sewer use, the sewer consumption rates and the purchased sanitary sewer pass-through rate as defined in this section may be added together for rate application or billing purposes on a consumer's bill.
- (c) *Pass-Through of Purchased Wholesale Sanitary Sewer Charges.* The Purchased Sanitary Sewer Pass-through Rate, which is applied to all sanitary sewer consumers being billed for sewer service, shall be increased or decreased by the city by applying a pass-through adjustment factor for any change in the rates charged to the city for wholesale wastewater treatment and disposal services purchased from WASD (the "Sanitary Sewer Pass-Through Adjustment") to the Purchased Sewer Pass-through Rate charged by the city.
- (1) *Adjustment Schedule.* The implementation of the adjustment to the Purchased Sanitary Sewer Pass-Through Rate for any month that a change in wholesale sanitary sewer rates by WASD is effectuated ("Sewer Cost Recovery") shall occur without a public hearing. Sewer Cost Recovery shall be employed each time that WASD adjusts the average annual wholesale sanitary sewer rates that are billed to the city. Any adjustment to the Purchased Sanitary Sewer Pass-Through Rate based on the determination of the change in wholesale rates shall be implemented in the month immediately following the determination of the Purchased Sanitary Sewer Pass-Through Adjustment. The Purchased Sanitary Sewer Pass-Through Rate as shown in Appendix A and as may be further adjusted automatically in the future by the implementation of the provisions of this section and in Appendix A and which are then in effect shall be increased or decreased by the city by applying a Purchased Sanitary Sewer Pass-through Adjustment established in accordance with this subsection and in Appendix A to the then effective Purchased Sanitary Sewer Pass-Through Rate prior to such

application. Nothing herein shall preclude the city from making additional changes to the monthly sanitary sewer user rates for service.

- (2) *Applicability of Purchased Sanitary Sewer Rates.* The Purchased Sanitary Sewer Pass-Through Rate shall be in addition to any sewer consumption rates for all retail and wholesale customers that are billed for wastewater treatment and disposal services by the city. The following are the customers that shall be subject to the application of the Purchased Sanitary Sewer Pass-through Rate and shall be subject to the pass-through for changes in the cost of purchased wastewater treatment and disposal services from WASD (the "Applicable Customers"):
- (i) The retail water customer classes that are billed the sewer consumption charge referenced in this section.
 - (ii) All separate utilities or local governments that may receive wholesale sewer service provided by the city currently or in the future which is not considered as retail customers.
- (3) *Calculation of Purchased Sanitary Sewer Pass-Through Adjustment.* The Purchased Sanitary Sewer Pass-Through Adjustment shall be calculated using the following formula:

$$PSPTA = ((IWWC - PWWC) * (1 / (1 - (DF + T + O))))$$

Where:

~~PSPTA = The Purchased Sanitary Sewer Pass-Through Adjustment to be used for Sewer Cost Recovery to determine the monetary adjustment in the Purchased Sanitary Sewer Pass-through Rate to be applied the Applicable Customers. The PSPTA represents the respective dollar increase or decrease to account for changes in average annual wholesale wastewater rates charged by WASD to the city that is added or subtracted, respectively to the Purchased Sanitary Sewer Pass-Through Rate.~~

~~IWSC = The increased average annual wholesale or purchased sanitary sewer rate charged by WASD expressed on a dollar per 1,000-gallons basis that became effective for the month immediately after the PWSC.~~

~~PWSC = The prior average annual wholesale or purchased sanitary sewer rate charged by WASD expressed on a dollar per 1,000-gallons basis immediately prior to the billing of the adjusted wholesale or purchased sewer rate by WASD.~~

~~DF = The fee paid to the Department of Environmental Resources Management (DERM) which is based on a percent of rate revenues billed by the city.~~

~~T = Any and all taxes or tax equivalents that may be paid by the sewer system that is based on revenues billed by the city, including any payment in lieu of tax imposed by the city on its sanitary sewer system.~~

~~O = Any and all charges that may be paid by the city on behalf of the sanitary sewer system that is based on revenues billed by the city, including any funding of renewals and replacement fund deposits that is determined as a percent of revenues billed.~~

- (4) *Determination of Purchased Sanitary Sewer Pass-Through Rate.* The Purchased Sanitary Sewer Pass-Through Rate shall be determined based on the addition or

subtraction of the Purchased Sanitary Sewer Pass-Through Adjustment to the rates in effect immediately preceding such adjustment and shall be rounded to the nearest cent. The Purchased Sanitary Sewer Pass-Through Adjustment application shall be based on the following formula:

$$APSTR = PSTR + PSPTA$$

Where:

APSTR = The Adjusted Purchased Sanitary Sewer Pass-Through Rate that is to be placed in effect after the application of the Purchased Sewer Pass-Through Adjustment to all Applicable Customers billed for wastewater service.

PSTR = The Purchased Sanitary Sewer Pass-Through Rate in effect immediately prior to the application of the PSPTA.

PSPTA = The Purchased Sanitary Sewer Pass-Through Adjustment as determined as a result of a change in wholesale wastewater rates as billed by WASD.

(5) [Example of calculation.] An example of the calculation of the determination of the Purchased Sanitary Sewer Pass-Through Adjustment and the corresponding change to the Purchased Sanitary Sewer Pass-Through Rate is illustrated in the following table:

	Line No.	Formula Reference	Amount
Prior Wholesale Purchased Sanitary Sewer Rate (\$/1,000 gallons)	1	PWSC	\$2.7879
Increased Wholesale Purchased Sanitary Sewer Rate (\$/1,000 gallons)	2	IWSC	\$2.9477
Percent Change in Wholesale Purchased Sanitary Sewer Rate	$3 = (2 - 1) / 1$		5.73%
Adjustments			
Department of Environmental Resources Management	4	DF	8.00%
Taxes and Tax Equivalents	5	T	0.00%
Other Adjustments	6	O	0.00%
Adjustment Factor = $1 / (1 - (D + T + O)) = 1 / 0.92$	7		1.08696
Purchased Sewer Pass-Through Percent Adjustment	$8 = (3 * 7)$		6.22%
Prior Purchased Sanitary Sewer Pass-Through Rate (\$/1,000 gallons)	9	PSTR	\$3.50
Purchased Sanitary Sewer Pass-Through Adjustment	$10 = 9 * 8$	PSPTA	\$0.22

Adjusted Purchased Sanitary Sewer Pass-Through Rate (\$/1,000 gallons)	$\frac{11-9+1}{0}$	APSTR	\$3.72
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~~(d) Pass-Through Adjustment Charges. The Applicable Rates as shown in Appendix A and as may be further adjusted automatically in the future by implementation of the provisions of this section and which are then in effect shall be increased or decreased by the city by applying a pass-through adjustment factor established in accordance with this subsection (the "Pass-Through Factor") to the Applicable Rates for increases or decreases in the Applicable Costs. All Applicable Rates so adjusted (the "Pass-Through Rates") shall be charged by the city's sanitary sewer system.~~

~~(1) Adjustment Schedule. The implementation of Pass-Through Rates for any month associated with a change in Applicable Costs ("Cost Recovery") shall be placed into effect automatically and shall occur without a public hearing. Nothing herein shall preclude the city from making additional changes to the monthly sanitary sewer user rates for service.~~

~~(2) Applicable Rates. The sewer base facility, sewer consumption charges, and Purchased Sewer Pass-through Rate referenced in subsection 110-167(a) shall be subject to Cost Recovery.~~

~~(3) Applicable Costs. Only the following cost categories qualify as Applicable Costs for Cost Recovery:~~

~~(i) All increases or decreases in the percentage charge of the Department of Environmental Resources Management.~~

~~(ii) All increases or decreases in the application of any tax or tax equivalents, including any payment in lieu of tax imposed by the city on its sanitary sewer system.~~

~~(iii) All other cost increases incurred by the sanitary sewer system as a result of any regulatory changes or requirements imposed by any regulatory agency having jurisdiction over the utility system operations (a "Regulator").~~

~~(4) Calculation of Pass-Through Factor. The Pass-Through Factor shall be calculated using the following formula:~~

$$PTF = ARR/ER$$

Where:

PTF = The Pass-Through Factor used for Cost Recovery to determine the monetary adjustment in the Applicable Rates. The PTF represents the estimated annual increase in the Applicable Costs, expressed as a percentage of the most recent historical revenues derived from the Applicable Rates for the most recently completed fiscal year.

ARR = Additional Required Revenue equal to the estimated annual change in the Applicable Costs that will affect the overall cost of providing sanitary sewer system services as determined by the city.

ER = The total actual revenues earned by the Enterprise System from the Applicable Rates for the sanitary sewer system as reported in the city for the most recently completed fiscal year.

~~(5) *Determination of Pass-Through Rates.* The Pass-Through Rates shall be determined based on the Pass-Through Factor applied uniformly to the Applicable Rates in effect and shall be rounded to the nearest cent. The Pass-through application shall be based on the following formula:~~

$$\text{PTR} = (\text{AR})(1 + \text{PTF})$$

~~Where:~~

~~PTR = The Pass-Through Rates that are to be placed in effect for the current fiscal year through application of the Pass-Through Factor.~~

~~AR = The Applicable Rates in effect immediately prior to the application of the Pass-Through Factor.~~

~~PTF = The Pass-Through Factor as determined by the city to recover the net change in Applicable Costs.~~

Sec. 110-171. - Rate indexing.

~~(a) *Water and sewer rates.* Except as otherwise provided in this subsection, the monthly user rates established in subsections 110-167(a) for the water system and 110-168(a) for the sanitary sewer system (collectively, the "applicable rates") as shown on schedule Appendix A and as may be further adjusted automatically in the future by implementation of the automatic rate indexing provisions as specified in Appendix A. the provisions of this section and which are then in effect shall be increased by the city each year by applying the price index factor established for that year in accordance with this subsection (the "price index factor") to the then applicable rates to offset the effects of inflation on the cost of operating and maintaining the system. The Rate Index shall never be less than 0.0%. All applicable rates so adjusted (the "indexed rates") shall be implemented by the city.~~

~~(1) *Adjustment schedule.* Each implementation of indexed rates ("rate indexing") shall be placed into effect automatically and shall occur without a public hearing. Rate indexing shall not be employed more than once in any fiscal year. Any indexed rates based on the operating and maintenance expenses for the most recently completed fiscal year shall be implemented as of October 1 of the subsequent fiscal year. Nothing herein shall preclude the city from making additional changes to the water or wastewater rates for service.~~

~~(2) *Applicable rates.* The water base facility charge and water consumption charges referenced in subsection 110-167(a) for the water system and sanitary sewer base facility charge and sanitary sewer consumption charges referenced in subsection 110-168(a) for the sanitary sewer system shall be subject to rate indexing. The purchased water pass-through rate and the purchased sanitary sewer pass-through rates as referenced in the respective subsections shall not be subject to rate indexing.~~

~~(3) *Calculation of price index factor.* The price index factor shall be determined based on the actual reported financial results as contained in the annual comprehensive annual financial report and the records for the most recently completed fiscal year~~

preceding the determination of the rate index (the "calculation period"). By way of example, the rate index to be applied on October 1, 2017 would be based on the actual financial results for the 12 months ended September 30, 2016. The price index factor shall be calculated using the following formula:

$$PIF = \frac{([OP - (PWE + PSE + PT)] * EPI)}{[(ER - PTR) * (1 / (1 - (DF + T + O)))]}$$

Where:

~~PIF = The price index factor used for rate indexing to determine the monetary adjustment in the applicable rates. The PIF represents the estimated increase in operation and maintenance expenses during the calculation period that is subject to inflation, expressed as a percentage of applicable rates revenues earned during the calculation period. The amount of the rate index increase is a component of any additional revenue required by the utility system to ensure compliance with the bond covenants and fiscal requirements of the utility system (the "additional required revenue").~~

~~OP = The total expenses, paid or accrued, for the operations, maintenance, and repair of the water and wastewater systems as reported in the comprehensive annual financial report and other financial records for the city for the calculation period after excluding: (a) allowances for depreciation and amortization expense; and (b) capitalized salaries and other overhead related to the city's capital improvement program (CIP). Such total expenses as adjusted for the stated exclusions are hereinafter referred to as the "operating expenses".~~

~~PWE = That component of the operating expenses (OP) that represent the cost of purchased water service from WASD for the calculation period, adjusted to include the fee paid to the Department of Environmental Resources Management (DERM) which is based on a percent of rate revenues billed by the city for this component of expense.~~

~~PSE = That component of the operating expenses (OP) that represent the cost of purchased sanitary sewer service from WASD for the calculation period, adjusted to include the fee paid to the Department of Environmental Resources Management (DERM) which is based on a percent of rate revenues billed by the city for this component of expense.~~

~~PT = The sum of all other components of the operating expenses (OP) for the Calculation Period for which increases in these components may be recovered separately as a pass-through adjustment pursuant to subsections 110-167(d) for the water system and 110-168(a) for the wastewater system.~~

~~EPI = The Consumer Price Index - All Urban Consumers, Miami-Fort Lauderdale, as published by Bureau of Labor Statistics (the "effective price index") as reported for the month of April of the current year compared to the index reported for the immediately preceding month of April. By way of example, the effective price index published by Bureau of Labor Statistics - All Urban Consumers, Miami-Fort Lauderdale, as of April 2015 was 245.195~~

and as of April 2016 was 248.741 or a change of 1.446% which shall be applied to the applicable operating expenses reported for fiscal year 2015.

ER = The total actual revenues earned by the utility system from the applicable rates as reported in the comprehensive annual financial reports and other financial records for the calculation period.

PTR = The total actual revenues earned by the utility system during the calculation period from the application of i) the purchased water pass-through rate; ii) the purchased wastewater pass-through rate; and iii) any other expense that was categorized as a pass-through expense and separately evaluated.

(4) *Price index calculation example.*

(i) An example of the calculation of the Price Index Factor based on reported fiscal year 2015 information is illustrated in the following table:

	Line No.	Formula Reference	Amount
Total Operating Expenses	1	OP	\$56,906,238
Less:			
–Purchased Water Expenses	2	PWPTR	\$14,258,442
Purchased Wastewater Expenses	3	PSPTR	\$20,865,353
Other Pass-through Expenses	4	PT	0
Adjusted Operating Expenses	5=1-2-3-4		\$21,782,443
Effective Price Index		EPI	
–April 2015 CPI Index	6		245.195
–April 2016 CPI Index	7		248.741
–Change in CPI Index	8=7-6		3.546
–Annual Percent Change	9=8/6		1.44%
Additional Required Revenue (Numerator)	10=5*9		\$313,667
Actual Applicable Rate Revenues Earned	11	ER	\$73,291,986
Less:		PTR	
–Purchased Water Pass-Through Rate Revenue	12		\$15,498,307
Purchased Sanitary Sewer Pass-Through Rate Revenue	13		\$22,679,732

Applicable-Rate Revenue (Denominator)	14=11-12-13		\$35,113,974
Price Index Factor before Adjustments	15=10/14		0.89%
Adjustments:			
-Department of Environmental Resources Management	16	DF	8.00%
-Taxes and Tax Equivalents	17	T	0.00%
-Other Adjustments	18	0	0.00%
Adjustment Factor = 1/(1-(D+T+O))=1/0.92	19		1.08696
Price Index Adjustment	20=15*19	PIF	0.97%

~~(ii) Determination of indexed rates. The indexed rates shall be determined based on the price index factor applied uniformly to the applicable rates in effect and shall be rounded to the nearest cent. The determination shall be based on the following formula:~~

$$IR = (AR)(1 + PIF)$$

Where:

~~IR = The indexed applicable rates that are to be placed in effect in the current fiscal year through application of the price index factor.~~

~~AR = The applicable rates in effect immediately prior to the application of the price index factor.~~

~~PIF = The price index factor determined for the calculation period.~~

~~(b) Stormwater rates. Except as otherwise provided in this subsection, the monthly user rates established in section 110-109 for the stormwater system as shown on schedule in Appendix A and as may be further adjusted automatically in the future by implementation of the automatic rate indexing provisions as specified in Appendix A. the provisions of this section and which are then in effect shall be increased by the city each year by applying the Consumer Price Index (CPI) established for that year in accordance with the CPI, as defined below, to the then stormwater rate to offset the effects of inflation on the cost of operating and maintaining the system. The CPI shall never be less than 0.0 percent.~~

~~The Consumer Price Index (CPI) — All Urban Consumers, Miami Fort Lauderdale, as published by Bureau of Labor Statistics as reported for the month of April of the current year compared to the index reported for the immediately preceding month of April. By way of example, the CPI published by Bureau of Labor Statistics — All Urban Consumers, Miami Fort Lauderdale, as of April 2017, is 2.8 percent.~~

SECTION 2. That Chapter 110, "UTILITIES," Article IV "Fees, charges, rates and billing procedures," in APPENDIX A is hereby amended as follows:

* * *

**APPENDIX A
FEE SCHEDULE**

* * *

Article IV. Fees, Charges, Rates and Billing Procedure										
Division 2. Rates, Fees and Charges										
<p>The monthly water and sewer user rates for Fiscal Years 2021 to 2025 are based on City Commission direction pursuant to a formal rate study completed in 2020. The water user rates are designed to increase water revenues by 0% in Fiscal Year 2021, 1% in Fiscal Year 2022, and 5.48% per year in Fiscal Years 2023 to 2025. The sewer rates are designed to increase sewer revenues by 0% in Fiscal Year 2021, 1% in Fiscal Year 2022, and 2.35% per year in Fiscal Years 2023 to 2025. On a combined basis, the monthly user rates are designed to increase overall utility revenues by 0% in Fiscal Year 2021, 1% in Fiscal Year 2022, and approximately 3.6% to 3.7% per year in Fiscal Years 2023 to 2025. These increases are in addition to the pass-through of future wholesale water and sewer rate increases from the Miami-Dade County Water and Sewer Department after Fiscal Year 2021. After Fiscal Year 2025, the City shall continue to implement automatically the pass-through increases and rate indexing adjustments as allowed by the City Code.</p>										

110-166(a)	Minimum service charge <u>Monthly Water Rates</u>									
110-166(a)(1)	Individual Metered Residential Service									
			<u>Rate Effective January 1, 2021</u>	<u>Rate Effective October 1, 2021</u>	<u>Rate Effective October 1, 2022</u>	<u>Rate Effective October 1, 2023</u>	<u>Rate Effective October 1, 2024</u>			Annual Adjustment (References shown are defined at the end of this Appendix A)
	Base Facility Charge (per meter size)	Rate								
	¾-inch	8.32	<u>8.50</u>	<u>8.59</u>	<u>9.06</u>	<u>9.56</u>	<u>10.08</u>			[C]
	1-inch	8.68	<u>8.87</u>	<u>8.96</u>	<u>9.45</u>	<u>9.97</u>	<u>10.52</u>			[C]
	1½-inch	9.53	<u>9.74</u>	<u>9.84</u>	<u>10.38</u>	<u>10.95</u>	<u>11.55</u>			[C]
	2-inch	10.38	<u>10.61</u>	<u>10.72</u>	<u>11.31</u>	<u>11.93</u>	<u>12.58</u>			[C]

	3-inch	<u>10.90</u>	<u>11.14</u>	<u>11.25</u>	<u>11.87</u>	<u>12.52</u>	<u>13.21</u>	[C]
	4-inch	<u>12.56</u>	<u>12.83</u>	<u>12.96</u>	<u>13.67</u>	<u>14.42</u>	<u>15.21</u>	[C]
	Water Consumption Charge (per 1,000 gallons)							
	0 to 8,000 Gallons	<u>\$0.96</u>	<u>\$0.98</u>	<u>\$0.99</u>	<u>\$1.04</u>	<u>\$1.10</u>	<u>\$1.16</u>	[C]
	8,001 to 16,000 Gallons	<u>2.64</u>	<u>2.70</u>	<u>2.73</u>	<u>2.88</u>	<u>3.04</u>	<u>3.21</u>	[C]
	16,001 to 24,000 Gallons	<u>3.93</u>	<u>4.01</u>	<u>4.05</u>	<u>4.27</u>	<u>4.50</u>	<u>4.75</u>	[C]
	Above 24,000 Gallons	<u>5.36</u>	<u>5.48</u>	<u>5.53</u>	<u>5.83</u>	<u>6.15</u>	<u>6.49</u>	[C]
	Purchased Water Pass-Through Rate (per 1,000 gallons)							
	All Water Use	<u>\$1.99</u>	<u>\$1.88</u>	<u>\$1.90</u>	<u>\$2.00</u>	<u>\$2.11</u>	<u>\$2.23</u>	[C]

110-166(a)(2)	Master-Metered Multifamily Residential Service							
								Annual Adjustment (References shown are defined at the end of this Appendix A)
			<u>Rate Effective January 1, 2021</u>	<u>Rate Effective October 1, 2021</u>	<u>Rate Effective October 1, 2022</u>	<u>Rate Effective October 1, 2023</u>	<u>Rate Effective October 1, 2024</u>	
	Base Facility Charge (per meter size)	<u>Rate</u>						
	¾-inch	<u>\$8.32</u>	<u>\$8.50</u>	<u>\$8.59</u>	<u>\$9.06</u>	<u>\$9.56</u>	<u>\$10.08</u>	[C]
	1-inch	<u>17.96</u>	<u>18.36</u>	<u>18.54</u>	<u>19.56</u>	<u>20.63</u>	<u>21.76</u>	[C]
	1½-inch	<u>34.26</u>	<u>35.01</u>	<u>35.36</u>	<u>37.30</u>	<u>39.34</u>	<u>41.49</u>	[C]
	2-inch	<u>53.66</u>	<u>54.84</u>	<u>55.39</u>	<u>58.42</u>	<u>61.62</u>	<u>65.00</u>	[C]
	3-inch	<u>103.62</u>	<u>105.90</u>	<u>106.96</u>	<u>112.82</u>	<u>119.00</u>	<u>125.52</u>	[C]
	4-inch	<u>160.92</u>	<u>164.46</u>	<u>166.10</u>	<u>175.20</u>	<u>184.80</u>	<u>194.92</u>	[C]
	6-inch	<u>322.38</u>	<u>329.47</u>	<u>332.76</u>	<u>350.99</u>	<u>370.22</u>	<u>390.50</u>	[C]
	8-inch	<u>509.10</u>	<u>520.30</u>	<u>525.50</u>	<u>554.28</u>	<u>584.64</u>	<u>616.66</u>	[C]

	10-inch	<u>730.80</u>	<u>746.88</u>	<u>754.35</u>	<u>795.67</u>	<u>839.25</u>	<u>885.22</u>	[C]
	12-inch	<u>1,350.95</u>	<u>1,380.67</u>	<u>1,394.48</u>	<u>1,470.86</u>	<u>1,551.43</u>	<u>1,636.41</u>	[C]
	Water Consumption Charge (per 1,000 gallons)[*]							
	Block 1	<u>\$1.68</u>	<u>\$1.72</u>	<u>\$1.74</u>	<u>\$1.84</u>	<u>\$1.94</u>	<u>\$2.05</u>	[C]
	Block 2	<u>2.87</u>	<u>2.94</u>	<u>2.97</u>	<u>3.13</u>	<u>3.30</u>	<u>3.48</u>	[C]
	Block 3	<u>3.83</u>	<u>3.91</u>	<u>3.95</u>	<u>4.17</u>	<u>4.40</u>	<u>4.64</u>	[C]
	Purchased Water Pass-Through Rate (per 1,000 gallons)							
	All Water Use	<u>\$1.99</u>	<u>\$1.88</u>	<u>\$1.90</u>	<u>\$2.00</u>	<u>\$2.11</u>	<u>\$2.23</u>	[C]
	[*] Usage blocks by meter size:							

Size of Meter	Block 1 (gallons)	Block 2 (gallons)	Block 3 (gallons)
¾-inch	0 to 16,000	16,001 to 32,000	Over 32,000
1-inch	0 to 40,000	40,001 to 80,000	Over 80,000
1.5-inch	0 to 80,000	80,001 to 160,000	Over 160,000
2-inch	0 to 128,000	128,001 to 256,000	Over 256,000
3-inch	0 to 256,000	256,001 to 512,000	Over 512,001
4-inch	0 to 400,000	400,001 to 800,000	Over 800,000
6-inch	0 to 800,000	800,001 to 1,600,000	Over 1,600,000
8-inch	0 to 1,280,000	1,280,001 to 2,560,000	Over 2,560,000
10-inch	0 to 1,840,000	1,840,001 to 3,680,000	Over 3,680,000
12-inch	0 to 3,440,000	3,440,001 to 6,880,000	Over 6,880,000

110-166(a)(3)	Nonresidential Service								
									Annual Adjustment (References shown are defined at the end of this Appendix A)
			<u>Rate Effective January 1, 2021</u>	<u>Rate Effective October 1, 2021</u>	<u>Rate Effective October 1, 2022</u>	<u>Rate Effective October 1, 2023</u>	<u>Rate Effective October 1, 2024</u>		

	Base Facility Charge (per meter size)	Rate						
	¾-inch	<u>\$8.32</u>	<u>\$8.50</u>	<u>\$8.59</u>	<u>\$9.06</u>	<u>\$9.56</u>	<u>\$10.08</u>	[C]
	1-inch	<u>17.96</u>	<u>18.36</u>	<u>18.54</u>	<u>19.56</u>	<u>20.63</u>	<u>21.76</u>	[C]
	1½-inch	<u>34.26</u>	<u>35.01</u>	<u>35.36</u>	<u>37.30</u>	<u>39.34</u>	<u>41.49</u>	[C]
	2-inch	<u>53.66</u>	<u>54.84</u>	<u>55.39</u>	<u>58.42</u>	<u>61.62</u>	<u>65.00</u>	[C]
	3-inch	<u>103.62</u>	<u>105.90</u>	<u>106.96</u>	<u>112.82</u>	<u>119.00</u>	<u>125.52</u>	[C]
	4-inch	<u>160.92</u>	<u>164.46</u>	<u>166.10</u>	<u>175.20</u>	<u>184.80</u>	<u>194.92</u>	[C]
	6-inch	<u>322.38</u>	<u>329.47</u>	<u>332.76</u>	<u>350.99</u>	<u>370.22</u>	<u>390.50</u>	[C]
	8-inch	<u>509.10</u>	<u>520.30</u>	<u>525.50</u>	<u>554.28</u>	<u>584.64</u>	<u>616.66</u>	[C]
	10-inch	<u>730.80</u>	<u>746.88</u>	<u>754.35</u>	<u>795.67</u>	<u>839.25</u>	<u>885.22</u>	[C]
	12-inch	<u>1,350.95</u>	<u>1,380.67</u>	<u>1,394.48</u>	<u>1,470.86</u>	<u>1,551.43</u>	<u>1,636.41</u>	[C]
	Water Consumption Charge (per 1,000 gallons) [*]							
	Block 1	<u>4.68</u>	<u>\$1.72</u>	<u>\$1.74</u>	<u>\$1.84</u>	<u>\$1.94</u>	<u>\$2.05</u>	[C]
	Block 2	<u>2.87</u>	<u>2.94</u>	<u>2.97</u>	<u>3.13</u>	<u>3.30</u>	<u>3.48</u>	[C]
	Block 3	<u>3.83</u>	<u>3.91</u>	<u>3.95</u>	<u>4.17</u>	<u>4.40</u>	<u>4.64</u>	[C]
	Purchased Water Pass-Through Rate (per 1,000 gallons)							
	All Water Use	<u>4.99</u>	<u>\$1.88</u>	<u>\$1.90</u>	<u>\$2.00</u>	<u>\$2.11</u>	<u>\$2.23</u>	[C]
	[*] Usage blocks by meter size:							

Size of Meter	Block 1 (gallons)	Block 2 (gallons)	Block 3 (gallons)
¾-inch	0 to 16,000	16,001 to 32,000	Over 32,000
1-inch	0 to 40,000	40,001 to 80,000	Over 80,000
1.5-inch	0 to 80,000	80,001 to 160,000	Over 160,000
2-inch	0 to 128,000	128,001 to 256,000	Over 256,000
3-inch	0 to 256,000	256,001 to 512,000	Over 512,001
4-inch	0 to 400,000	400,001 to 800,000	Over 800,000
6-inch	0 to 800,000	800,001 to 1,600,000	Over 1,600,000
8-inch	0 to 1,280,000	1,280,001 to 2,560,000	Over 2,560,000
10-inch	0 to 1,840,000	1,840,001 to 3,680,000	Over 3,680,000
12-inch	0 to 3,400,000	3,440,001 to 6,880,000	Over 6,880,000

110-166(a)(4)	Individual Metered Residential Irrigation Service							
			<u>Rate Effective January 1, 2021</u>	<u>Rate Effective October 1, 2021</u>	<u>Rate Effective October 1, 2022</u>	<u>Rate Effective October 1, 2023</u>	<u>Rate Effective October 1, 2024</u>	Annual Adjustment (References shown are defined at the end of this Appendix A)
	Base Facility Charge (per meter size)	Rate						
	¾-inch	8.32	<u>\$8.50</u>	<u>\$8.59</u>	<u>\$9.06</u>	<u>\$9.56</u>	<u>\$10.08</u>	[C]
	1-inch	8.68	<u>8.87</u>	<u>8.96</u>	<u>9.45</u>	<u>9.97</u>	<u>10.52</u>	[C]
	1½-inch	9.53	<u>9.74</u>	<u>9.84</u>	<u>10.38</u>	<u>10.95</u>	<u>11.55</u>	[C]
	2-inch	10.38	<u>10.61</u>	<u>10.72</u>	<u>11.31</u>	<u>11.93</u>	<u>12.58</u>	[C]
	3-inch	10.90	<u>11.14</u>	<u>11.25</u>	<u>11.87</u>	<u>12.52</u>	<u>13.21</u>	[C]
	4-inch	12.56	<u>12.83</u>	<u>12.96</u>	<u>13.67</u>	<u>14.42</u>	<u>15.21</u>	[C]
	Water Consumption Charge (per 1,000 gallons)							
	0 to 16,000 Gallons	2.63	<u>\$2.69</u>	<u>\$2.72</u>	<u>\$2.87</u>	<u>\$3.03</u>	<u>\$3.20</u>	[C]
	Above 16,000 Gallons	5.36	<u>5.48</u>	<u>5.53</u>	<u>5.83</u>	<u>6.15</u>	<u>6.49</u>	[C]
	Purchased Water Pass-Through Rate (per 1,000 gallons)							
	All Water Use.	1.99	<u>\$1.88</u>	<u>\$1.90</u>	<u>\$2.00</u>	<u>\$2.11</u>	<u>\$2.23</u>	[C]
110-166(a)(5)	Master-Metered Multifamily Residential Irrigation Service							
			<u>Rate Effective January 1, 2021</u>	<u>Rate Effective October 1, 2021</u>	<u>Rate Effective October 1, 2022</u>	<u>Rate Effective October 1, 2023</u>	<u>Rate Effective October 1, 2024</u>	Annual Adjustment (References shown are defined at the end of this Appendix A)

	Base Facility Charge (per meter size)	Rate						
	¾-inch	8.32	<u>\$8.50</u>	<u>\$8.59</u>	<u>\$9.06</u>	<u>\$9.56</u>	<u>\$10.08</u>	[C]
	1-inch	17.96	<u>18.36</u>	<u>18.54</u>	<u>19.56</u>	<u>20.63</u>	<u>21.76</u>	[C]
	1½-inch	34.26	<u>35.01</u>	<u>35.36</u>	<u>37.30</u>	<u>39.34</u>	<u>41.49</u>	[C]
	2-inch	53.66	<u>54.84</u>	<u>55.39</u>	<u>58.42</u>	<u>61.62</u>	<u>65.00</u>	[C]
	3-inch	103.62	<u>105.90</u>	<u>106.96</u>	<u>112.82</u>	<u>119.00</u>	<u>125.52</u>	[C]
	4-inch	160.92	<u>164.46</u>	<u>166.10</u>	<u>175.20</u>	<u>184.80</u>	<u>194.92</u>	[C]
	6-inch	322.38	<u>329.47</u>	<u>332.76</u>	<u>350.99</u>	<u>370.22</u>	<u>390.50</u>	[C]
	8-inch	509.10	<u>520.30</u>	<u>525.50</u>	<u>554.28</u>	<u>584.64</u>	<u>616.66</u>	[C]
	10-inch	730.80	<u>746.88</u>	<u>754.35</u>	<u>795.67</u>	<u>839.25</u>	<u>885.22</u>	[C]
	12-inch	1,350.95	<u>1,380.67</u>	<u>1,394.48</u>	<u>1,470.86</u>	<u>1,551.43</u>	<u>1,636.41</u>	[C]
	Water Consumption Charge (per 1,000 gallons) [*]							
	Block 1	2.63	<u>\$2.69</u>	<u>\$2.72</u>	<u>\$2.87</u>	<u>\$3.03</u>	<u>\$3.20</u>	[C]
	Block 2	5.36	<u>5.48</u>	<u>5.53</u>	<u>5.83</u>	<u>6.15</u>	<u>6.49</u>	[C]
	Purchased Water Pass-Through Rate (per 1,000 gallons)							
	All Water Use	4.99	<u>\$1.88</u>	<u>\$1.90</u>	<u>\$2.00</u>	<u>\$2.11</u>	<u>\$2.23</u>	[C]
	[*] Usage blocks by meter size:							

Size of Meter	Block 1 (gallons)	Block 2 (gallons)
¾-inch	0 to 32,000	Over 32,000
1-inch	0 to 80,000	Over 80,000
1.5-inch	0 to 160,000	Over 160,000
2-inch	0 to 256,000	Over 256,000
3-inch	0 to 512,000	Over 512,001
4-inch	0 to 800,000	Over 800,000

6-inch	0 to 1,600,000	Over 1,600,000							
8-inch	0 to 2,560,000	Over 2,560,000							
10-inch	0 to 3,680,000	Over 3,680,000							
12-inch	0 to 6,880,000	Over 6,880,000							
110-166(a)(6)	Nonresidential Irrigation Service								
			<u>Rate Effective January 1, 2021</u>	<u>Rate Effective October 1, 2021</u>	<u>Rate Effective October 1, 2022</u>	<u>Rate Effective October 1, 2023</u>	<u>Rate Effective October 1, 2024</u>		Annual Adjustment (References shown are defined at the end of this Appendix A)
	Base Facility Charge (per meter size)	Rate							
	¾-inch	8.32	<u>\$8.50</u>	<u>\$8.59</u>	<u>\$9.06</u>	<u>\$9.56</u>	<u>\$10.08</u>		[C]
	1-inch	47.96	<u>18.36</u>	<u>18.54</u>	<u>19.56</u>	<u>20.63</u>	<u>21.76</u>		[C]
	1½-inch	34.26	<u>35.01</u>	<u>35.36</u>	<u>37.30</u>	<u>39.34</u>	<u>41.49</u>		[C]
	2-inch	53.66	<u>54.84</u>	<u>55.39</u>	<u>58.42</u>	<u>61.62</u>	<u>65.00</u>		[C]
	3-inch	403.62	<u>105.90</u>	<u>106.96</u>	<u>112.82</u>	<u>119.00</u>	<u>125.52</u>		[C]
	4-inch	460.92	<u>164.46</u>	<u>166.10</u>	<u>175.20</u>	<u>184.80</u>	<u>194.92</u>		[C]
	6-inch	322.38	<u>329.47</u>	<u>332.76</u>	<u>350.99</u>	<u>370.22</u>	<u>390.50</u>		[C]
	8-inch	509.10	<u>520.30</u>	<u>525.50</u>	<u>554.28</u>	<u>584.64</u>	<u>616.66</u>		[C]
	10-inch	730.80	<u>746.88</u>	<u>754.35</u>	<u>795.67</u>	<u>839.25</u>	<u>885.22</u>		[C]
	12-inch	1,350.95	<u>1,380.67</u>	<u>1,394.48</u>	<u>1,470.86</u>	<u>1,551.43</u>	<u>1,636.41</u>		[C]
	Water Consumption Charge (per 1,000 gallons) [*]								
	Block 1	2.63	<u>\$2.69</u>	<u>\$2.72</u>	<u>\$2.87</u>	<u>\$3.03</u>	<u>\$3.20</u>		[C]
	Block 2	5.36	<u>5.48</u>	<u>5.53</u>	<u>5.83</u>	<u>6.15</u>	<u>6.49</u>		[C]
	Purchased Water Pass-								

	Through Rate (per 1,000 gallons)							
	All Water Use	1.99	<u>\$1.88</u>	<u>\$1.90</u>	<u>\$2.00</u>	<u>\$2.11</u>	<u>\$2.23</u>	[C]
	[*] Usage blocks by meter size:							

Size of Meter	Block 1 (gallons)	Block 2 (gallons)
¾-inch	0 to 32,000	Over 32,000
1-inch	0 to 80,000	Over 80,000
1.5-inch	0 to 160,000	Over 160,000
2-inch	0 to 256,000	Over 256,000
3-inch	0 to 512,000	Over 512,001
4-inch	0 to 800,000	Over 800,000
6-inch	0 to 1,600,000	Over 1,600,000
8-inch	0 to 2,560,000	Over 2,560,000
10-inch	0 to 3,680,000	Over 3,680,000
12-inch	0 to 6,880,000	Over 6,880,000

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110-168(a)	Monthly Sewer Rates							
110-168(a)(1)	Individual metered residential service:							
			<u>Rate Effective January 1, 2021</u>	<u>Rate Effective October 1, 2021</u>	<u>Rate Effective October 1, 2022</u>	<u>Rate Effective October 1, 2023</u>	<u>Rate Effective October 1, 2024</u>	Annual Adjustment (References shown are defined at the end of this Appendix A)
	Base facility charge (all meter sizes)	Rate						
	All meter sizes	8.99	<u>\$9.19</u>	<u>\$9.28</u>	<u>\$9.50</u>	<u>\$9.72</u>	<u>\$9.95</u>	[D]
	Sewer consumption charge (per 1,000 gallons)							

	All gallons (based on metered water consumption)	4.53	<u>\$4.63</u>	<u>\$4.68</u>	<u>\$4.79</u>	<u>\$4.90</u>	<u>\$5.02</u>	[D]
	Purchased sanitary sewer pass-through rate (per 1,000 gallons)							
	All gallons (based on metered water consumption)	5.33	<u>\$5.51</u>	<u>\$5.57</u>	<u>\$5.70</u>	<u>\$5.83</u>	<u>\$5.97</u>	[D]

110-168(a)(2)	Master-metered multifamily residential service:							
			<u>Rate Effective January 1, 2021</u>	<u>Rate Effective October 1, 2021</u>	<u>Rate Effective October 1, 2022</u>	<u>Rate Effective October 1, 2023</u>	<u>Rate Effective October 1, 2024</u>	Annual Adjustment (References shown are defined at the end of this Appendix A)
	Base facility charge (per meter size)	Rate						
	¾-inch	8.99	<u>\$9.19</u>	<u>\$9.28</u>	<u>\$9.50</u>	<u>\$9.72</u>	<u>\$9.95</u>	[D]
	1-inch	20.08	<u>20.52</u>	<u>20.73</u>	<u>21.22</u>	<u>21.72</u>	<u>22.23</u>	[D]
	1½-inch	38.57	<u>39.42</u>	<u>39.81</u>	<u>40.74</u>	<u>41.70</u>	<u>42.68</u>	[D]
	2-inch	60.75	<u>62.09</u>	<u>62.71</u>	<u>64.18</u>	<u>65.69</u>	<u>67.23</u>	[D]
	3-inch	119.94	<u>122.55</u>	<u>123.78</u>	<u>126.69</u>	<u>129.66</u>	<u>132.70</u>	[D]
	4-inch	186.47	<u>190.57</u>	<u>192.48</u>	<u>197.00</u>	<u>201.62</u>	<u>206.35</u>	[D]
	6-inch	371.34	<u>379.51</u>	<u>383.31</u>	<u>392.31</u>	<u>401.52</u>	<u>410.95</u>	[D]
	8-inch	593.18	<u>606.23</u>	<u>612.29</u>	<u>626.66</u>	<u>641.37</u>	<u>656.43</u>	[D]
	10-inch	852.00	<u>870.74</u>	<u>879.45</u>	<u>900.10</u>	<u>921.23</u>	<u>942.86</u>	[D]
	12-inch	1,591.48	<u>1,626.49</u>	<u>1,642.75</u>	<u>1,681.31</u>	<u>1,720.78</u>	<u>1,761.18</u>	[D]
	Sewer consumption charge (per 1,000 gallons):							
	All gallons (based on metered water consumption)	4.53	<u>\$4.63</u>	<u>\$4.68</u>	<u>\$4.79</u>	<u>\$4.90</u>	<u>\$5.02</u>	[D]

	Purchased sanitary sewer pass-through rate (per 1,000 gallons):							
	All gallons (based on metered water consumption)	5.33	\$5.51	\$5.57	\$5.70	\$5.83	\$5.97	[D]

110-168(a)(3)	Nonresidential service:							
			<u>Rate Effective January 1, 2021</u>	<u>Rate Effective October 1, 2021</u>	<u>Rate Effective October 1, 2022</u>	<u>Rate Effective October 1, 2023</u>	<u>Rate Effective October 1, 2024</u>	Annual Adjustment (References shown are defined at the end of this Appendix A)
	Base facility charge (per meter size)	Rate						
	¾-inch	8.99	<u>\$9.19</u>	<u>\$9.28</u>	<u>\$9.50</u>	<u>\$9.72</u>	<u>\$9.95</u>	[D]
	1-inch	20.08	<u>20.52</u>	<u>20.73</u>	<u>21.22</u>	<u>21.72</u>	<u>22.23</u>	[D]
	1½-inch	38.57	<u>39.42</u>	<u>39.81</u>	<u>40.74</u>	<u>41.70</u>	<u>42.68</u>	[D]
	2-inch	60.75	<u>62.09</u>	<u>62.71</u>	<u>64.18</u>	<u>65.69</u>	<u>67.23</u>	[D]
	3-inch	119.91	<u>122.55</u>	<u>123.78</u>	<u>126.69</u>	<u>129.66</u>	<u>132.70</u>	[D]
	4-inch	186.47	<u>190.57</u>	<u>192.48</u>	<u>197.00</u>	<u>201.62</u>	<u>206.35</u>	[D]
	6-inch	371.34	<u>379.51</u>	<u>383.31</u>	<u>392.31</u>	<u>401.52</u>	<u>410.95</u>	[D]
	8-inch	593.18	<u>606.23</u>	<u>612.29</u>	<u>626.66</u>	<u>641.37</u>	<u>656.43</u>	[D]
	10-inch	852.00	<u>870.74</u>	<u>879.45</u>	<u>900.10</u>	<u>921.23</u>	<u>942.86</u>	[D]
	12-inch	1,591.48	<u>1,626.49</u>	<u>1,642.75</u>	<u>1,681.31</u>	<u>1,720.78</u>	<u>1,761.18</u>	[D]
	Sewer consumption charge (per 1,000 gallons):							
	All gallons (based on metered water consumption)	4.53	<u>\$4.63</u>	<u>\$4.68</u>	<u>\$4.79</u>	<u>\$4.90</u>	<u>\$5.02</u>	[D]
	Purchased sanitary sewer pass-through rate (per 1,000 gallons):							

All gallons (based on metered water consumption)	5.33	<u>\$5.51</u>	<u>\$5.57</u>	<u>\$5.70</u>	<u>\$5.83</u>	<u>\$5.97</u>	[D]
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Annual Adjustment Reference Definitions:

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[C] = Pass-Through of Purchased Wholesale Water Charges and Rate Indexing.

Pass-Through of Purchased Wholesale Water Charges. The Purchased Water Pass-Through Rate, which is applied to all water consumers being billed for potable water service, shall be increased or decreased by the city by applying a pass-through adjustment factor for any change in the average annual rates charged to the city for wholesale potable water purchased from the Miami-Dade Water and Sewer Department ("WASD") to the Purchased Water Pass-Through Rate charged by the city (the "Purchased Water Pass-Through Adjustment").

- (1) *Adjustment schedule.* The implementation of the adjustment to the Purchased Water Pass-Through Rate for any month that a change in wholesale potable water rates by WASD is effectuated ("Water Cost Recovery") shall occur without a public hearing. Water Cost Recovery shall be employed each time that WASD adjusts the average annual wholesale potable water rates that are billed to the city. Any adjustment to the Purchased Water Pass-Through Rate based on the determination of the change in wholesale rates shall be implemented in the month immediately following the determination of the Purchased Water Pass-Through Adjustment. The Purchased Water Pass-Through Rate as shown in Appendix A and as may be further adjusted automatically in the future by the implementation of the provisions of this section and which are then in effect shall be increased or decreased by the city by applying a Purchased Water Pass-Through Adjustment established in accordance with this subsection to the then effective Purchased Water Pass-Through Rate prior to such application. Nothing herein shall preclude the city from making additional changes to the monthly water user rates for service.
- (2) *Applicability of Purchased Water Rates.* The Purchased Water Pass-Through Rate shall be in addition to any water consumption rates for all retail and wholesale customers that are billed for potable water service by the city. The following are the customers that shall be subject to the application of the Purchased Water Pass-through Rate and shall be subject to the pass-through for changes in the cost of purchased water from WASD (the "Applicable Customers"):
 - (i) The retail water customer classes that are billed the water consumption charge referenced in this section.

- (ii) All separate utilities or local governments that may receive wholesale potable water service provided by the city currently or in the future that are not considered to be retail customers.
- (3) *Calculation of Purchased Water Pass-Through Adjustment.* The Purchased Water Pass-Through Adjustment shall be calculated using the following formula:

$$PWPTA = ((IWWC - PWWC) * (1/(1-(DF + T + O))))$$

Where:

PWPTA = The Purchased Water Pass-Through Adjustment to be used for Water Cost Recovery to determine the monetary adjustment in the Purchased Water Pass-through Rate to be applied the Applicable Customers. The PWPTA represents the respective dollar increase or decrease to account for changes in wholesale potable water rates charged by WASD to the city that is added or subtracted, respectively to the Purchased Water Pass-Through Rate.

IWWC = The increased annual average wholesale or purchased water rate charged by WASD expressed on a dollar per 1,000 gallons basis that became effective for the month immediately after the PWWC.

PWWC = The prior annual average wholesale or purchased water rate charged by WASD expressed on a dollar per 1,000 gallons basis immediately prior to the billing of the adjusted wholesale or purchased water rate defined as the IWWC.

DF = The fee paid to the Department of Environmental Resources Management (DERM) which is based on a percent of rate revenues billed by the city.

T = Any and all taxes or tax equivalents that may be paid by the water system that is based on revenues billed by the city, including any payment in lieu of tax imposed by the city on its water system.

O = Any and all charges that may be paid by the city on behalf of the water system that is based on revenues billed by the city, including any funding of renewals and replacement fund deposits that is determined as a percent of revenues billed.

- (4) *Determination of Purchased Water Pass-Through Rate.* The Purchased Water Pass-Through Rate shall be determined based on the addition or subtraction of the Purchased Water Pass-Through Adjustment to the rates in effect immediately preceding such adjustment and shall be rounded to the nearest cent. The Purchased Water Pass-Through Adjustment application shall be based on the following formula:

$$APWTR = PWPTR + PWPTA$$

Where:

APWTR = The Adjusted Purchased Water Pass-Through Rate that is to be placed in effect after the application of the Purchased Water Pass-Through Adjustment to all Applicable Customers billed for potable water service.

PWPTR = The Purchased Water Pass-Through Rate in effect immediately prior to the application of the PWPTA.

PWPTA = The Purchased Water Pass-Through Adjustment as determined as a result of a change in wholesale water rates as billed by WASD.

- (5) *[Example of calculation.]* An example of the calculation of the determination of the Purchased Water Pass-Through Adjustment and the corresponding change to the Purchased Water Pass-Through Rate is illustrated in the following table:

	Line No.	Formula Reference	Amount
Prior Wholesale Purchased Water Rate (\$/1,000 gallons)	1	PWWC	\$1.7350
Increased Wholesale Purchased Water Rate (\$/1,000 gallons)	2	IWWC	\$1.7700
Percent Change in Wholesale Purchased Water Rate	3=(2-1)/1		2.02%
Adjustments			
Department of Environmental Resources Management	4	DF	8.00%
Taxes and Tax Equivalentents	5	T	0.00%
Other Adjustments	6	O	0.00%
Adjustment Factor = $1/1-(D+T+O)$ = 1/0.92	7		1.08696
Purchased Water Pass-Through Percent Adjustment	8=(3*7)		2.20%
Prior Purchased Water Pass-Through Rate (\$/1,000 gallons)	9	PWPTR	\$1.93
Purchased Water Pass-Through Adjustment	10=9*8	PWPTA	\$0.04
Adjusted Purchased Water Pass-Through Rate (\$/1,000 gallons)	11=9+10	APWTR	\$1.97

Pass-Through Adjustment Charges. The Applicable Rates as may be further adjusted automatically in the future by the implementation of the provisions as contained in this Appendix A and which are then in effect shall be increased or decreased by the city by applying a pass-through adjustment factor established in accordance with this subsection (the "Pass-Through Factor") to the then effective Applicable Rates for increases or decreases in the Applicable Costs. All Applicable Rates so adjusted (the "Pass-Through Rates") shall be charged by the city's water system.

- (1) *Adjustment Schedule.* The implementation of Pass-Through Rates for any month associated with a change in Applicable Costs ("Cost Recovery") shall be placed into effect automatically and shall occur without a public hearing.

Nothing herein shall preclude the city from making additional changes to the monthly water user rates for service.

- (2) *Applicable Rates.* The water base facility, water consumption charges, and Purchased Water Pass-through Rate referenced in subsection 110-166(a) shall be subject to Cost Recovery.
- (3) *Applicable Costs.* Only the following cost categories qualify as Applicable Costs for Cost Recovery:
 - (i) All increases or decreases in the percentage charge of the Department of Environmental Resources Management.
 - (ii) All increases or decreases in the application of any tax or tax equivalents, including any payment in lieu of tax imposed by the city on its water system.
 - (iii) All other cost increases incurred by the water system as a result of any regulatory changes or requirements imposed by any regulatory agency having jurisdiction over the utility system operations (a "Regulator").
- (4) *Calculation of Pass-Through Factor.* The Pass-Through Factor shall be calculated using the following formula:

$$PTF = ARR/ER$$

Where:

PTF = The Pass-Through Factor used for Cost Recovery to determine the monetary adjustment in the Applicable Rates. The PTF represents the estimated annual increase in the Applicable Costs, expressed as a percentage of the most recent historical revenues derived from the Applicable Rates for the most recently completed fiscal year.

ARR = Additional Required Revenue equal to the estimated annual change in the Applicable Costs that will affect the overall cost of providing water system services as determined by the city.

ER = The total actual revenues earned by the Enterprise System from the Applicable Rates for the potable water system as reported in the city for the most recently completed fiscal year.

- (5) *Determination of Pass-Through Rates.* The Pass-Through Rates shall be determined based on the Pass-Through Factor applied uniformly to the Applicable Rates in effect and shall be rounded to the nearest cent. The Pass-through application shall be based on the following formula:

$$PTR = (AR)(1 + PTF)$$

Where:

PTR = The Pass-Through Rates that are to be placed in effect for the current fiscal year through application of the Pass-Through Factor.

AR = The Applicable Rates in effect immediately prior to the application of the Pass-Through Factor.

PTF = The Pass-Through Factor as determined by the city to recover the net change in Applicable Costs.

Rate Indexing. Effective for all bills rendered on or after October 1, 2025, and except as otherwise provided, the monthly user rates established in subsections 110-167(a) for the water system and 110-168(a) for the sanitary sewer system (collectively, the "applicable rates") as shown in Appendix A and as may be further adjusted automatically in the future by implementation of the provisions of this section and which are then in effect shall be increased by the city each year by applying the price index factor established for that year in accordance with this subsection (the "price index factor") to the then applicable rates to offset the effects of inflation on the cost of operating and maintaining the system. The Rate Index shall never be less than 0.0%. All applicable rates so adjusted (the "indexed rates") shall be implemented by the city.

- (1) *Adjustment schedule.* Each implementation of indexed rates ("rate indexing") shall be placed into effect automatically and shall occur without a public hearing. Rate indexing shall not be employed more than once in any fiscal year. Any indexed rates based on the operating and maintenance expenses for the most recently completed fiscal year shall be implemented as of October 1 of the subsequent fiscal year. Nothing herein shall preclude the city from making additional changes to the water or wastewater rates for service.
- (2) *Applicable rates.* The water base facility charge and water consumption charges referenced in subsection 110-167(a) for the water system and sanitary sewer base facility charge and sanitary sewer consumption charges referenced in subsection 110-168(a) for the sanitary sewer system shall be subject to rate indexing. The purchased water pass-through rate and the purchased sanitary sewer pass-through rates as referenced in the respective subsections shall not be subject to rate indexing.
- (3) *Calculation of price index factor.* The price index factor shall be determined based on the actual reported financial results as contained in the annual comprehensive annual financial report and the records for the most recently completed fiscal year preceding the determination of the rate index (the "calculation period"). By way of example, the rate index to be applied on October 1, 2017 would be based on the actual financial results for the 12 months ended September 30, 2016. The price index factor shall be calculated using the following formula:

$$PIF = \frac{([OP - (PWE + PSE + PT)] * EPI)}{[(ER - PTR) * (1 / (1 - (DF + T + O)))]}$$

Where:

PIF = The price index factor used for rate indexing to determine the monetary adjustment in the applicable rates. The PIF represents the estimated increase in operation and maintenance expenses during the calculation

period that is subject to inflation, expressed as a percentage of applicable rates revenues earned during the calculation period. The amount of the rate index increase is a component of any additional revenue required by the utility system to ensure compliance with the bond covenants and fiscal requirements of the utility system (the "additional required revenue").

OP = The total expenses, paid or accrued, for the operations, maintenance, and repair of the water and wastewater systems as reported in the comprehensive annual financial report and other financial records for the city for the calculation period after excluding: (a) allowances for depreciation and amortization expense; and (b) capitalized salaries and other overhead related to the city's capital improvement program (CIP). Such total expenses as adjusted for the stated exclusions are hereinafter referred to as the "operating expenses".

PWE = That component of the operating expenses (OP) that represent the cost of purchased water service from WASD for the calculation period, adjusted to include the fee paid to the Department of Environmental Resources Management (DERM) which is based on a percent of rate revenues billed by the city for this component of expense.

PSE = That component of the operating expenses (OP) that represent the cost of purchased sanitary sewer service from WASD for the calculation period, adjusted to include the fee paid to the Department of Environmental Resources Management (DERM) which is based on a percent of rate revenues billed by the city for this component of expense.

PT = The sum of all other components of the operating expenses (OP) for the Calculation Period for which increases in those components may be recovered separately as a pass-through adjustment pursuant to subsections 110-167(d) for the water system and 110-168(a) for the wastewater system.

EPI = The Consumer Price Index - All Urban Consumers. Miami-Fort Lauderdale-West Palm Beach (Series ID: CUURS35BSA0), as published by Bureau of Labor Statistics (the "effective price index") as reported for the month of April of the current year compared to the index reported for the immediately preceding month of April. By way of example, the effective price index published by Bureau of Labor Statistics - All Urban Consumers. Miami-Fort Lauderdale, as of April 2015 was 245.195 and as of April 2016 was 248.741 or a change of 1.446% which shall be applied to the applicable operating expenses reported for fiscal year 2015.

ER = The total actual revenues earned by the utility system from the applicable rates as reported in the comprehensive annual financial reports and other financial records for the calculation period.

PTR = The total actual revenues earned by the utility system during the calculation period from the application of i) the purchased-water pass-

through rate; ii) the purchased-wastewater pass-through rate; and iii) any other expense that was categorized as a pass-through expense and separately evaluated.

(4) *Price index calculation example.*

(i) An example of the calculation of the Price Index Factor based on reported fiscal year 2015 information is illustrated in the following table:

	Line No.	Formula Reference	Amount
Total Operating Expenses	1	OP	\$56,906,238
Less:			
Purchased Water Expenses	2	PWPTR	\$14,258,442
Purchased Wastewater Expenses	3	PSPTR	20,865,353
Other Pass-through Expenses	4	PT	0
Adjusted Operating Expenses	5=1-2-3-4		\$21,782,443
Effective Price Index		EPI	
April 2015 CPI Index	6		245.195
April 2016 CPI Index	7		248.741
Change in CPI Index	8=7-6		3.546
Annual Percent Change	9=8/6		1.44%
Additional Required Revenue (Numerator)	10=5*9		\$313,667
Actual Applicable Rate Revenues Earned	11	ER	\$73,291,986
Less:		PTR	
Purchased-Water Pass-Through Rate Revenue	12		\$15,498,307
Purchased-Sanitary Sewer Pass-Through Rate Revenue	13		22,679,732
Applicable-Rate Revenue (Denominator)	14=11-12-13		\$35,113,974
Price Index Factor before Adjustments	15=10/14		0.89%
Adjustments:			
Department of Environmental Resources Management	16	DF	8.00%
Taxes and Tax Equivalentents	17	T	0.00%
Other Adjustments	18	O	0.00%
Adjustment Factor = $1/(1-(D+T+O)) = 1/0.92$	19		1.08696
Price Index Adjustment	20=15*19	PIF	0.97%

(ii) *Determination of indexed rates.* The indexed rates shall be determined based on the price index factor applied uniformly to the applicable rates

in effect and shall be rounded to the nearest cent. The determination shall be based on the following formula:

$$IR = (AR)(1 + PIF)$$

Where:

IR = The indexed applicable rates that are to be placed in effect in the current fiscal year through application of the price index factor.

AR = The applicable rates in effect immediately prior to the application of the price index factor.

PIF = The price index factor determined for the calculation period.

[D] = Pass-Through of Purchased Wholesale Sanitary Sewer Charges and Rate Indexing.

Pass-Through of Purchased Wholesale Sanitary Sewer Charges. The Purchased Sanitary Sewer Pass-Through Rate, which is applied to all sanitary sewer consumers being billed for sewer service, shall be increased or decreased by the city by applying a pass-through adjustment factor for any change in the rates charged to the city for wholesale wastewater treatment and disposal services purchased from WASD (the "Sanitary Sewer Pass-Through Adjustment") to the Purchased Sanitary Sewer Pass-Through Rate charged by the city.

- (1) ***Adjustment schedule.*** The implementation of the adjustment to the Purchased Sanitary Sewer Pass-Through Rate for any month that a change in wholesale sanitary sewer rates by WASD is effectuated ("Sewer Cost Recovery") shall occur without a public hearing. Sewer Cost Recovery shall be employed each time that WASD adjusts the average annual wholesale sanitary sewer rates that are billed to the city. Any adjustment to the Purchased Sanitary Sewer Pass-Through Rate based on the determination of the change in wholesale rates shall be implemented in the month immediately following the determination of the Purchased Sanitary Sewer Pass-Through Adjustment. The Purchased Sanitary Sewer Pass-Through Rate as shown in Appendix A and as may be further adjusted automatically in the future by the implementation of the provisions of this section and which are then in effect shall be increased or decreased by the city by applying a Purchased Sanitary Sewer Pass-Through Adjustment established in accordance with this subsection to the then effective Purchased Sanitary Sewer Pass-Through Rate prior to such application. Nothing herein shall preclude the city from making additional changes to the monthly sanitary sewer user rates for service.
- (2) ***Applicability of Purchased Sanitary Sewer Rates.*** The Purchased Sanitary Sewer Pass-Through Rate shall be in addition to any sewer consumption rates for all retail and wholesale customers that are billed for wastewater treatment and disposal services by the city. The following are the customers that shall be subject to the application of the Purchased Sanitary Sewer Pass-Through Rate

and shall be subject to the pass-through for changes in the cost of purchased wastewater treatment and disposal services from WASD (the "Applicable Customers"):

- (i) The retail water customer classes that are billed the sewer consumption charge referenced in this section.
 - (ii) All separate utilities or local governments that may receive wholesale sewer service provided by the city currently or in the future which is not considered as retail customers.
- (3) *Calculation of Purchased Sanitary Sewer Pass-Through Adjustment.* The Purchased Sanitary Sewer Pass-Through Adjustment shall be calculated using the following formula:

$$PSPTA = ((IWWC - PWWC) * (1/(1-(DF + T + O))))$$

Where:

PSPTA = The Purchased Sanitary Sewer Pass-Through Adjustment to be used for Sewer Cost Recovery to determine the monetary adjustment in the Purchased Sanitary Sewer Pass-through Rate to be applied the Applicable Customers. The PSPTA represents the respective dollar increase or decrease to account for changes in average annual wholesale wastewater rates charged by WASD to the city that is added or subtracted, respectively to the Purchased Sanitary Sewer Pass-Through Rate.

IWSC = The increased average annual wholesale or purchased sanitary sewer rate charged by WASD expressed on a dollar per 1,000-gallons basis that became effective for the month immediately after the PWSC.

PWSC = The prior average annual wholesale or purchased sanitary sewer rate charged by WASD expressed on a dollar per 1,000-gallons basis immediately prior to the billing of the adjusted wholesale or purchased sewer rate by WASD.

DF = The fee paid to the Department of Environmental Resources Management (DERM) which is based on a percent of rate revenues billed by the city.

T = Any and all taxes or tax equivalents that may be paid by the sewer system that is based on revenues billed by the city, including any payment in lieu of tax imposed by the city on its sanitary sewer system.

O = Any and all charges that may be paid by the city on behalf of the sanitary sewer system that is based on revenues billed by the city, including any funding of renewals and replacement fund deposits that is determined as a percent of revenues billed.

- (4) *Determination of Purchased Sanitary Sewer Pass-Through Rate.* The Purchased Sanitary Sewer Pass-Through Rate shall be determined based on the addition or subtraction of the Purchased Sanitary Sewer Pass-Through

Adjustment to the rates in effect immediately preceding such adjustment and shall be rounded to the nearest cent. The Purchased Sanitary Sewer Pass-Through Adjustment application shall be based on the following formula:

$$APSTR = PSTR + PSPTA$$

Where:

APSTR = The Adjusted Purchased Sanitary Sewer Pass-Through Rate that is to be placed in effect after the application of the Purchased Sewer Pass-Through Adjustment to all Applicable Customers billed for wastewater service.

PSTR = The Purchased Sanitary Sewer Pass-Through Rate in effect immediately prior to the application of the PSPTA.

PSPTA = The Purchased Sanitary Sewer Pass-Through Adjustment as determined as a result of a change in wholesale wastewater rates as billed by WASD.

- (5) *[Example of calculation.]* An example of the calculation of the determination of the Purchased Sanitary Sewer Pass-Through Adjustment and the corresponding change to the Purchased Sanitary Sewer Pass-Through Rate is illustrated in the following table:

	Line No.	Formula Reference	Amount
Prior Wholesale Purchased Sanitary Sewer Rate (\$/1,000 gallons)	1	PWSC	\$2.7879
Increased Wholesale Purchased Sanitary Sewer Rate (\$/1,000 gallons)	2	IWSC	\$2.9477
Percent Change in Wholesale Purchased Sanitary Sewer Rate	3=(2-1)/1		5.73%
Adjustments			
Department of Environmental Resources Management	4	DF	8.00%
Taxes and Tax Equivalents	5	T	0.00%
Other Adjustments	6	O	0.00%
Adjustment Factor = $1/(1-(D+T+O)) = 1/0.92$	7		1.08696
Purchased Sewer Pass-Through Percent Adjustment	8=(3*7)		6.22%
Prior Purchased Sanitary Sewer Pass-Through Rate (\$/1,000 gallons)	9	PSTR	\$3.50
Purchased Sanitary Sewer Pass-Through Adjustment	10=9*8	PSPTA	\$0.22
Adjusted Purchased Sanitary Sewer Pass-Through Rate (\$/1,000 gallons)	11=9+10	APSTR	\$3.72

Pass-Through Adjustment Charges. The Applicable Rates as shown in Appendix A and as may be further adjusted automatically in the future by implementation of the provisions of this section and which are then in effect shall be increased or decreased by the city by applying a pass-through adjustment factor established in accordance with this subsection (the "Pass-Through Factor") to the Applicable Rates for increases or decreases in the Applicable Costs. All Applicable Rates so adjusted (the "Pass-Through Rates") shall be charged by the city's sanitary sewer system.

- (1) ***Adjustment Schedule.*** The implementation of Pass-Through Rates for any month associated with a change in Applicable Costs ("Cost Recovery") shall be placed into effect automatically and shall occur without a public hearing. Nothing herein shall preclude the city from making additional changes to the monthly sanitary sewer user rates for service.
- (2) ***Applicable Rates.*** The sewer base facility, sewer consumption charges, and Purchased Sewer Pass-through Rate referenced in subsection 110-167(a) shall be subject to Cost Recovery.
- (3) ***Applicable Costs.*** Only the following cost categories qualify as Applicable Costs for Cost Recovery:
 - (i) All increases or decreases in the percentage charge of the Department of Environmental Resources Management.
 - (ii) All increases or decreases in the application of any tax or tax equivalents, including any payment in lieu of tax imposed by the city on its sanitary sewer system.
 - (iii) All other cost increases incurred by the sanitary sewer system as a result of any regulatory changes or requirements imposed by any regulatory agency having jurisdiction over the utility system operations (a "Regulator").
- (4) ***Calculation of Pass-Through Factor.*** The Pass-Through Factor shall be calculated using the following formula:

$$PTF = ARR/ER$$

Where:

PTF = The Pass-Through Factor used for Cost Recovery to determine the monetary adjustment in the Applicable Rates. The PTF represents the estimated annual increase in the Applicable Costs, expressed as a percentage of the most recent historical revenues derived from the Applicable Rates for the most recently completed fiscal year.

ARR = Additional Required Revenue equal to the estimated annual change in the Applicable Costs that will affect the overall cost of providing sanitary sewer system services as determined by the city.

ER = The total actual revenues earned by the Enterprise System from the Applicable Rates for the sanitary sewer system as reported in the city for the most recently completed fiscal year.

- (5) *Determination of Pass-Through Rates.* The Pass-Through Rates shall be determined based on the Pass-Through Factor applied uniformly to the Applicable Rates in effect and shall be rounded to the nearest cent. The Pass-through application shall be based on the following formula:

$$PTR = (AR)(1 + PTF)$$

Where:

PTR = The Pass-Through Rates that are to be placed in effect for the current fiscal year through application of the Pass-Through Factor.

AR = The Applicable Rates in effect immediately prior to the application of the Pass-Through Factor.

PTF = The Pass-Through Factor as determined by the city to recover the net change in Applicable Costs.

Rate Indexing. Effective for all bills rendered on or after October 1, 2025, and except as otherwise provided, the monthly user rates established in subsections 110-167(a) for the water system and 110-168(a) for the sanitary sewer system (collectively, the "applicable rates") as shown on Appendix A and as may be further adjusted automatically in the future by implementation of the provisions of this section and which are then in effect shall be increased by the city each year by applying the price index factor established for that year in accordance with this subsection (the "price index factor") to the then applicable rates to offset the effects of inflation on the cost of operating and maintaining the system. The Rate Index shall never be less than 0.0%. All applicable rates so adjusted (the "indexed rates") shall be implemented by the city.

- (1) *Adjustment schedule.* Each implementation of indexed rates ("rate indexing") shall be placed into effect automatically and shall occur without a public hearing. Rate indexing shall not be employed more than once in any fiscal year. Any indexed rates based on the operating and maintenance expenses for the most recently completed fiscal year shall be implemented as of October 1 of the subsequent fiscal year. Nothing herein shall preclude the city from making additional changes to the water or wastewater rates for service.
- (2) *Applicable rates.* The water base facility charge and water consumption charges referenced in subsection 110-167(a) for the water system and sanitary sewer base facility charge and sanitary sewer consumption charges referenced in subsection 110-168(a) for the sanitary sewer system shall be subject to rate indexing. The purchased water pass-through rate and the purchased sanitary sewer pass-through rates as referenced in the respective subsections shall not be subject to rate indexing.

- (3) *Calculation of price index factor.* The price index factor shall be determined based on the actual reported financial results as contained in the annual comprehensive annual financial report and the records for the most recently completed fiscal year preceding the determination of the rate index (the "calculation period"). By way of example, the rate index to be applied on October 1, 2017 would be based on the actual financial results for the 12 months ended September 30, 2016. The price index factor shall be calculated using the following formula:

$$\text{PIF} = \frac{([\text{OP} - (\text{PWE} + \text{PSE} + \text{PT})] * \text{EPI})}{[(\text{ER} - \text{PTR}) / * (1 / (1 - (\text{DF} + \text{T} + \text{O})))]}$$

Where:

PIF = The price index factor used for rate indexing to determine the monetary adjustment in the applicable rates. The PIF represents the estimated increase in operation and maintenance expenses during the calculation period that is subject to inflation, expressed as a percentage of applicable rates revenues earned during the calculation period. The amount of the rate index increase is a component of any additional revenue required by the utility system to ensure compliance with the bond covenants and fiscal requirements of the utility system (the "additional required revenue").

OP = The total expenses, paid or accrued, for the operations, maintenance, and repair of the water and wastewater systems as reported in the comprehensive annual financial report and other financial records for the city for the calculation period after excluding: (a) allowances for depreciation and amortization expense; and (b) capitalized salaries and other overhead related to the city's capital improvement program (CIP). Such total expenses as adjusted for the stated exclusions are hereinafter referred to as the "operating expenses".

PWE = That component of the operating expenses (OP) that represent the cost of purchased water service from WASD for the calculation period, adjusted to include the fee paid to the Department of Environmental Resources Management (DERM) which is based on a percent of rate revenues billed by the city for this component of expense.

PSE = That component of the operating expenses (OP) that represent the cost of purchased sanitary sewer service from WASD for the calculation period, adjusted to include the fee paid to the Department of Environmental Resources Management (DERM) which is based on a percent of rate revenues billed by the city for this component of expense.

PT = The sum of all other components of the operating expenses (OP) for the Calculation Period for which increases in those components may be recovered separately as a pass-through adjustment pursuant to subsections 110-167(d) for the water system and 110-168(a) for the wastewater system.

EPI = The Consumer Price Index - All Urban Consumers. Miami-Fort Lauderdale-West Palm Beach (Series ID: CUURS35BSA0), as published by Bureau of Labor Statistics (the "effective price index") as reported for the month of April of the current year compared to the index reported for the immediately preceding month of April. By way of example, the effective price index published by Bureau of Labor Statistics - All Urban Consumers, Miami-Fort Lauderdale, as of April 2015 was 245.195 and as of April 2016 was 248.741 or a change of 1.446% which shall be applied to the applicable operating expenses reported for fiscal year 2015.

ER = The total actual revenues earned by the utility system from the applicable rates as reported in the comprehensive annual financial reports and other financial records for the calculation period.

PTR = The total actual revenues earned by the utility system during the calculation period from the application of i) the purchased-water pass-through rate; ii) the purchased-wastewater pass-through rate; and iii) any other expense that was categorized as a pass-through expense and separately evaluated.

(4) *Price index calculation example.*

- (i) An example of the calculation of the Price Index Factor based on reported fiscal year 2015 information is illustrated in the following table:

	Line No.	Formula Reference	Amount
Total Operating Expenses	1	OP	\$56,906,238
Less:			
Purchased Water Expenses	2	PWPTR	\$14,258,442
Purchased Wastewater Expenses	3	PSPTR	20,865,353
Other Pass-through Expenses	4	PT	0
Adjusted Operating Expenses	5=1-2-3-4		\$21,782,443
Effective Price Index		EPI	
April 2015 CPI Index	6		245.195
April 2016 CPI Index	7		248.741
Change in CPI Index	8=7-6		3.546
Annual Percent Change	9=8/6		1.44%
Additional Required Revenue (Numerator)	10=5*9		\$313,667
Actual Applicable Rate Revenues Earned	11	ER	\$73,291,986
Less:		PTR	
Purchased-Water Pass-Through Rate Revenue	12		\$15,498,307

Purchased-Sanitary Sewer Pass-Through Rate Revenue	13		22,679,732
Applicable-Rate Revenue (Denominator)	14=11-12-13		\$35,113,974
Price Index Factor before Adjustments	15=10/14		0.89%
Adjustments:			
Department of Environmental Resources Management	16	DF	8.00%
Taxes and Tax Equivalentents	17	T	0.00%
Other Adjustments	18	O	0.00%
Adjustment Factor = $1/(1-(D+T+O)) = 1/0.92$	19		1.08696
Price Index Adjustment	20=15*19	PIF	0.97%

- (ii) *Determination of indexed rates.* The indexed rates shall be determined based on the price index factor applied uniformly to the applicable rates in effect and shall be rounded to the nearest cent. The determination shall be based on the following formula:

$$IR = (AR)(1 + PIF)$$

Where:

IR = The indexed applicable rates that are to be placed in effect in the current fiscal year through application of the price index factor.

AR = The applicable rates in effect immediately prior to the application of the price index factor.

PIF = The price index factor determined for the calculation period.

SECTION 3. REPEALER.

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

SECTION 4. SEVERABILITY.

If any section, subsection, clause or provision of this Ordinance is held invalid, the remainder shall not be affected by such invalidity.

SECTION 5. 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 a part of the Miami Beach City Code. The sections of this ordinance may be renumbered


or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.


SECTION 6. EFFECTIVE DATE.

This Ordinance shall take effect on January 1, 2021, and the revised rates shall be applied to all bills rendered on or after the effective date.

PASSED and ADOPTED this 9 day of December, 2020

ATTEST:

 1/28/2021
Rafael E. Granado, City Clerk



Dan Gelber, Mayor

Underline denotes additions
~~Strikethrough~~ denotes deletions

(Sponsored by David Richardson)



**APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION**

 12-15-20
City Attorney PLAP Date