

RESOLUTION NO. 2024-074

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COCOA, FLORIDA, TEMPORARILY SUSPENDING THE AUTOMATIC FOUR PERCENT (4%) ANNUAL RATE INCREASE TO CITY UTILITY CHARGES AND USAGE RATES FOR FY 2024/2025 ONLY AND ACCEPTING STANTEC'S FY 2024/2025 UTILITY REVENUE SUFFICIENCY STUDY, VALIDATING IN LIEU OF A FOUR PERCENT INCREASE, THE IMPLEMENTATION OF A TWO PERCENT (2%) INCREASE TO THE WATER, FIRE LINES, HYDRANT, WASTEWATER AND RECLAIMED WATER FIXED MONTHLY CHARGES AND USAGE RATES EFFECTIVE OCTOBER 1, 2024 THROUGH SEPTEMBER 30, 2025; PROVIDING FOR THE REPEAL OF PRIOR INCONSISTENT RESOLUTIONS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, after a duly noticed public hearing, the City Council adopted Resolution No. 2021-016 establishing utility rate charges for water, sewer, reclaimed water, and fire lines and hydrants; and

WHEREAS, Resolution No. 2021-016 establishes an automatic four percent (4%) annual rate adjustment to said charges effective October 1, 2021 and ending with the last adjustment on October 1, 2025; and

WHEREAS, Section 5 of Resolution No. 2021-016, however, further provides that the annual 4% adjustment is subject to suspension or reduction by the City Council on an annual basis prior to the effective date of the automatic annual adjustment based upon Council's periodic evaluation of the financial management plan of the City's Utility System, particularly the updated revenue and expenses, as well as changes in economic conditions, water consumption, regulatory requirements and other factors; and

WHEREAS, a comprehensive rate study for FY2024/25 has been prepared by Stantec and was presented to City Council for review at its August 13, 2024 meeting ("2024 Study"); and

WHEREAS, based on the 2024 Study, the City's rate consultant and City Staff are recommending the implementation of a two percent (2%) increase to the water, fire lines, hydrant, wastewater and reclaimed water fixed monthly charges and usage rates for FY 2024/2025 only; and

WHEREAS, the annual rate increase is intended to fund the capital improvements necessary to repair and maintain the aging utilities infrastructure, as analyzed by the City’s utility engineering consultant Jacobs, and the City’s rate consultant Stantec; and

WHEREAS, the intent and purpose of this Resolution is to implement the terms and conditions of Resolution No. 2021-016; and

WHEREAS, the City Council hereby finds that the Utility capital improvement projects are large, long-term projects that require dedicated funding sources for debt service for a definite period of time; and

WHEREAS, based on the 2024 Study, the City Council desires to exercise the rate provision set forth in Section 5 of Resolution No. 2021-016, and hereby finds it is in the City’s best interest to temporarily suspend the automatic four percent (4%) for Fiscal Year 2024/2025 only and reduce the increase to two percent (2%) for Fiscal Year 2024/2025; and

WHEREAS, pursuant to the terms and conditions of Resolution No. 2021-016, the automatic four percent (4%) rate increase will resume next fiscal year subject to the City Council’s annual review.

WHEREAS, the City Council deems it to be in the best interest of the City of Cocoa and its utility customers to adopt this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COCOA, as follows:

SECTION 1. Recitals. The aforesaid recitals are true and correct and hereby incorporated herein as a material part of this Resolution.

SECTION 2. Rates Fiscal Year 2024/2025.

(A) Pursuant to Resolution No. 2021-016, the City Council hereby temporarily suspends the automatic four percent (4%) annual rate increase to City utility charges and usage rates for FY 2024/2025 only and accepts Stantec’s FY 2024/2025 Utility Revenue Sufficiency Study, validating in lieu of a four percent increase, the implementation of a two percent (2%) increase to the water, fire lines, hydrant, wastewater and reclaimed water fixed monthly charges and usage rates effective October 1, 2024 through September 30, 2025.

(B) The current and proposed Fiscal Year 2024/2025 utility rates and charges are set forth in **EXHIBIT “A”** which is attached hereto and fully incorporated herein by this reference.

(C) The automatic four percent (4%) increase established by the City Council in Resolution No. 2021-016 shall resume effective October 1, 2025 in accordance with Resolution No. 2021-016 and subject to the annual review of the City Council.

SECTION 3. Repeal of Prior Inconsistent Resolutions. All prior resolutions or prior resolutions inconsistent with this Resolution are hereby repealed to the extent of the conflict. However, nothing contained herein shall be construed or interpreted as repealing or modifying Resolution No. 2021-016. This Resolution is intended to implement Resolution No. 2021-016.

SECTION 4. Severability. If any section, subsection, sentence, clause, phrase, word or provision of this Resolution and/or Exhibit “A” is for any reason held invalid or unconstitutional by any court of competent jurisdiction, whether for substantive, procedural, or any other reason, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 5. Incorporation into Utility Handbook and City Code. This Resolution and Exhibit “A” shall be incorporated into the City’s Utility Handbook and City Code of Cocoa to the extent deemed necessary by the City Manager, and any section or paragraph, number or letter, and any heading may be changed or modified as necessary to effectuate the foregoing. Grammatical, typographical, and like errors may be corrected and additions, alterations, and omissions, not affecting the construction or meaning of this Resolution and Exhibit and the Utility Handbook and City Code may be freely made.

SECTION 6. Effective Date. This Resolution shall become effective immediately upon its adoption by the City Council of the City of Cocoa, Florida.

ADOPTED by the City Council of the City of Cocoa, Florida, in a regular meeting assembled on the 13th day of August, 2024.

Michael C. Blake, Mayor

ATTEST:

Monica Arsenault, City Clerk