



ADMINISTRATION DEPARTMENT

6591 ORANGE DRIVE • DAVIE, FLORIDA 33314
PHONE: 954.797.1030 • FAX: 954.797.2061 • WWW.DAVIE-FL.GOV

**MEETING SUMMARY: TOWN OF DAVIE RESIDENTS RECEIVING
UTILITIES SERVICES FROM THE CITY OF SUNRISE (APRIL 15, 2019)**

FREQUENTLY ASKED QUESTIONS (FAQS)

The Town of Davie and City of Sunrise recently held a joint community meeting for Davie residents who receive a bill for water/wastewater services from the City of Sunrise. The meeting was an opportunity for Davie and Sunrise officials to provide information about the history of utilities in Davie, to show comparative water and wastewater rates in Broward County, to explain the investments being made to keep both Davie's and Sunrise's utility systems among the highest quality in South Florida, to explain how Sunrise's water and wastewater rates are established, and to address Davie resident questions/concerns regarding their Sunrise utility bills and charges. This document provides a summary of the typical questions and answers regarding Sunrise Utilities that were discussed at the meeting.

Q. What municipal or private utilities provide water and/or wastewater services to the Town of Davie?

A. Town of Davie residents receive water and/or wastewater services from the following providers:

- Broward County
- City of Fort Lauderdale
- City of Hollywood
- City of Sunrise
- Ferncrest Utilities
- Town of Davie

Q. Why do I receive water and/or wastewater services from the City of Sunrise?

A. In the 1970's, the City of Sunrise began providing water and/or wastewater services to unincorporated areas that later were annexed into the Town of Davie. Therefore, these areas were legally designated as the City of Sunrise Utilities Service Area. Furthermore, the City of Sunrise purchased private utilities companies that provide water/wastewater services to Davie Residents (i.e., Southwest Broward Utilities – Ivanhoe and Imagination Farms communities; Pine Island Utilities Corporation – areas east of Pine Island Road; and West Broward Utilities, Inc. – areas west of Pine Island Road).

Q. Why is my Sunrise Utilities water and wastewater bill higher than the rates paid by the City of Sunrise residents?

A. In 1970, the Florida legislature adopted Chapter 70-997 which established a limitation on the ability of municipally owned electric, water, sewer, and gas utilities to set rates and surcharges on consumers located outside the municipal boundaries. Recognizing that there are typically additional costs to the municipal utility to deliver services outside of its jurisdiction, State Statute § 180.191 allows municipalities to add a surcharge not to exceed 50% of rates, fees, and charges for services to consumers outside the municipal boundaries. For surcharges exceeding 25%, the municipality must complete a cost of service study that supports the rate surcharge. For surcharges at 25% or less, no study is required. Therefore, the City of Sunrise can legally charge a 25% surcharge on the Davie resident's bills.

Please note that Florida Statute §180.191 has been litigated throughout the years and has been upheld as legal. Numerous municipalities throughout Broward County and the State of Florida charge a surcharge to those water and/or wastewater customers outside their municipal boundaries.

Q. What actions has the Town of Davie taken regarding the Sunrise rates and/or surcharge?

A. The Town of Davie first litigated the issue of Utility service against the City of Sunrise in 1985. This litigation ended in an amicable agreement between the Town of Davie and the City of Sunrise in 1987. In this agreement, the City of Sunrise agreed that they would not charge the residents of Davie more than what the Town of Davie utility customers are paying.

The second litigation arose in 1998. This ended in another amicable agreement in 2000. In this agreement the City of Sunrise issued credits to their Davie customers to the total amount of \$6.1 million dollars over a six year time period. During this time period, the City of Sunrise agreed to not increase their rates to Davie customers, unless required to. Once this period ended, Sunrise was allowed to increase their rates, as needed, and within the prescribed statutory limits.

Q. Why doesn't the Town of Davie purchase the City of Sunrise Utilities service area in the Town of Davie?

A. The Town has explored purchase of the service area over the past three decades. The research has indicated that if the Town could purchase the Sunrise pipelines, storage tanks, and pumping stations, and assume all water and wastewater operating costs, the cost would be in the hundreds of millions of dollars. As a result, Davie residents would, for decades, see a dramatic increase in rates over what they currently pay.

In 2006, the Town of Davie passed a Resolution discontinuing any attempt to purchase the water and wastewater infrastructure from the City of Sunrise, to avoid the increase in rates that would fall onto the Davie residents.

Q. What is the average residential household water/sewer use? What is the price comparison between the City of Sunrise and Town of Davie service areas based on the average residential household?

A. The average residential customer utilizes 7,000 gallons per month. A Davie household receiving service from Sunrise Utilities will pay \$135.36 per month. If the same usage occurred in the Davie Utilities service area, the household would pay \$139.59 per month.

Q. What factors impact the Davie Utilities water and wastewater rates?

A. In 2012, due to anticipated growth, the Town of Davie opened up a state of the art water and wastewater facility to meet current and future regulatory and environmental requirements for residents within this service area. The plan recognized that the law for discharge will change and the Town will be unable to utilize the ocean outfall for its wastewater disposal. Therefore, the construction of the new wastewater plant was designed to include the use of deep injection wells to dispose of its wastewater and will be compliant with the 2025 legislative requirement.

The Town's water treatment plant must utilize water from the Floridan aquifer, which is deeper than the Biscayne aquifer and results in a more brackish water that requires more pretreatment prior to delivery to homes and residences.

Other factors that impact the rate structure include:

- Age of Facilities/Rehabilitation Costs
Condition and Replacement of existing underground and above ground infrastructure.
- Future Growth
What are the needs to meet future residential and commercial development?
- Municipal Interlocal Agreements (Interconnects, Large User)
Existing agreements to provide water and/or wastewater customers outside the Davie service area.
- Population Density Related to Area Served
Distance from the water/wastewater facility to customers.
- Sewer vs. Septic
Number of homes on sewer vs. septic; significant number of homes remain on septic.
- Underground and Aboveground Infrastructure Ownership – Water and/or Wastewater
Ownership of utilities infrastructure.

Q. Why have the Sunrise Utilities rates increased in the past decade?

A. Sunrise Utilities did not increase rates from 2000 to 2008 due to their 2000 settlement agreement with the Town. In 2009, Sunrise Increased water and sewer rates for all customers including Davie residents to cover operating expenses; invest in capital improvements; meet regulatory requirements; and meet bond commitments. Subsequent rate adjustments have been tied to annual increases in the CPI (Consumer Price Index).

Q. What steps can I take to reduce my water consumption?

A. Residents have multiple opportunities to reduce their water consumption such as reducing lawn irrigation, installing low flow shower heads and faucet aerator, and replace old toilets with high efficiency toilets. Davie residents are eligible to submit for rebates for their high efficiency toilets. Please go to <https://conservationpays.com/> for more information.

Q. I receive the same water bill every month. Is the City of Sunrise reading my meter?

A. Your bill will remain the same month to month if you are utilizing the same water usage. On your bill, you are charged in 1,000-gallon increments. Therefore, if you utilize approximately 4,000 gallons of water each month, you will be paying the same bill each month (the bill would list usage as 4). Your bill will vary if your usage increases or decreases or if the City of Sunrise increases rates due to a CPI (consumer price index) increase or rate study.

The City of Sunrise representative reads your meter on a monthly basis. If you have a concern that your meter is not being read or the reading is inaccurate, please contact the City of Sunrise at (954) 746-3232 during normal business hours.

Q. What water and sewer capital projects has the City of Sunrise implemented that directly benefit Davie customers?

A. Since 2010, Sunrise Utilities has allocated or expended \$19.8 million towards the following improvements in Davie:

- Park City Estates Watermain Replacements - \$5.4 Million (completed)
- Escape and Valencia Community Watermain Replacement - \$4.8 Million (completed)
- SW 121st Avenue Watermain Replacement - \$4.7 Million
- Nova Drive Watermain and Forcemain Replacement - \$2.3 Million (completed)
- SW 130th Avenue Forcemain Upgrade - \$2.2 Million
- Pine Island Road Watermain and Forcemain Replacements - \$225,000 (completed)
- Rexmere Village Watermain Improvements - \$145,000 (completed)

Furthermore, Sunrise Utilities is spending \$33.8 million to upgrade their Southwest Treatment facilities that serve the Ivanhoe and Imagination Farms communities. These improvements include:

- Southwest Wastewater Treatment Plant Reuse & Plant Rehabilitation - \$12 Million (completed)
- Southwest Water Treatment Plant Rehab & Water Quality Improvements - \$17.7 Million
- Southwest Water Treatment Plant Raw Water Production Wells - \$2.2 Million
- Southwest Water Treatment Plant Security Upgrades - \$1.7 Million (completed)

Q. Who do I contact if I have questions regarding my Sunrise Utilities account, the reading of my meter, or other general Sunrise Utilities questions?

A. Residents can call the City of Sunrise at (954) 746-3232 Monday through Friday between 9 am and 5 pm if they require assistance.

Q. What are the Town's next steps to address concerns raised regarding Sunrise Utilities customer service and the surcharge.

A. Town staff continues to have dialogue with Sunrise staff regarding customer concerns expressed at the community meeting. These concerns varied from the validity of their meter readings, customer service issues, and the rates they pay as customers outside the Sunrise boundaries. Sunrise staff visited each customer from the community meeting who referenced concerns regarding their meter reading and/or customer service. According to the City of Sunrise, in every instance, the meter reads obtained were consistent with prior reads for the property. Town staff will work to address any outstanding questions and will seek to ensure that our residents receive excellent customer service from Sunrise Utilities.

The Town has pursued legislative initiatives in the past to eliminate or reduce the surcharge. However, numerous municipalities throughout Broward County and the State of Florida have a surcharge on those water and/or wastewater customers outside their municipal boundaries resulting in significant revenue for their communities. There have been several legislative bills filed to eliminate the surcharge, but all have failed. The Town will continue to monitor legislative opportunities for further discussion regarding the surcharge.