

LEE COUNTY BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY **BLUE SHEET NO: 20030372-UTL**

1. REQUESTED MOTION:

ACTION REQUESTED:

Approve adjusted final rate for FY 01/02 for wastewater treatment provided by the City of Fort Myers of \$1.57 per 1,000 gallons; and, accept reimbursement from the City of Fort Myers to Lee County Utilities in the amount of \$255,755.43.

WHY ACTION IS NECESSARY:

Provides for final wastewater treatment rate for FY 01/02 of \$1.57 per 1,000 gallons, adjusted downward from the estimated rate of \$1.69 per 1,000 gallons.

WHAT ACTION ACCOMPLISHES:

Completes FY 01/02 fiscal requirements under the terms of the Interlocal Wastewater Treatment Agreement between the City of Fort Myers and Lee County.

2. DEPARTMENTAL CATEGORY: 10 - UTILITIES
COMMISSION DISTRICT #: CW

CIOE

3. MEETING DATE:

04-08-2003

4. AGENDA:

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- WALK ON
- TIME REQUIRED: _____

5. REQUIREMENT/PURPOSE:

- (Specify)*
- STATUTE _____
 - ORDINANCE _____
 - ADMIN. CODE _____
 - OTHER Rate Adjustment

6. REQUESTOR OF INFORMATION:

- A. COMMISSIONER: _____
- B. DEPARTMENT: Lee County-Public Works
- C. DIVISION/SECTION: Utilities Division
- BY: Rick Diaz, Utilities Director

DATE: *3/25/03*

[Signature] For R.D.A.

7. BACKGROUND:

On 2/19/02, the Board of County Commissioners approved payment, by Lee County Utilities to the City of Fort Myers, of a wastewater treatment cost for FY 01/02, estimated at \$1.69 per 1,000 gallons.

The final rate decreased to \$1.57 per 1,000 gallons from the projected rate of \$1.69 per 1,000 gallons. This is due primarily to wastewater treatment operating and capital costs being less than projected.

Utilities' staff has reviewed the final costs submitted by the City of Fort Myers and concurs that the amount of reimbursement from the City of Fort Myers is \$255,755.43.

Check was deposited in Account No. OD5360348700.503490
 (Utilities Operating/Wastewater Treatment Contract/Utilities/Other Contracted Services)

Attachment: Copy of Check
 Copy of CFM 3-14-03 Letter
 Copy of Purvis Gray & Company Final Audit Report

8. MANAGEMENT RECOMMENDATIONS:

9. RECOMMENDED APPROVAL

(A) DEPARTMENT DIRECTOR	(B) PURCH. OR CONTRACTS	(C) HUMAN RESOURCES	(D) OTHER	(E) COUNTY ATTORNEY	(F) BUDGET SERVICES				(G) COUNTY MANAGER
					OA	OM	Risk	GC	
<i>J. Lavender</i> Date: <i>3-26-03</i>	N/A Date:	N/A Date:		<i>S. Owen</i> Date: <i>3/24/03</i>	<i>P.M.</i> <i>3/27/03</i>	<i>J.S.</i> <i>3/27/03</i>	<i>J.S.</i> <i>03/27/03</i>	<i>J.S.</i> <i>3/27/03</i>	<i>J. Lavender</i> Date: <i>3-26-03</i>

10. COMMISSION ACTION:

- _____ APPROVED
- _____ DENIED
- _____ DEFERRED
- _____ OTHER

Rec. by CoAtty
 Date: *3/26/03*
 Time: *2:10 PM*
 Forwarded To:
 City Admin
3-26-03 3:30

REC'D BY
 COU ADMIN. *PM*
3-26-03
4:10
 COU ADMIN.
 FWD TO:
3/27/03

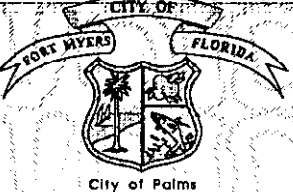


Date	Check #
13 Mar 03	232334

CITY OF FORT MYERS STATE SALES TAX EXEMPTION #:46-07-044724-54C EXP DATE 6/23/2002

ACCOUNT NUMBER	INVOICE NUMBER	P.O. NUMBER	AMOUNT	DISCOUNT	NET AMOUNT
401-0000-208-0002	031003	REFUND OVER	255755.43	0.00	255755.43
<p><i>Deposit into Acct: 005360348700.503490</i></p>					

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT. CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.



CITY OF FORT MYERS

"CITY OF PALMS"
PAYABLE FROM POOLED CASH

63-4
630

Date	Check #
13 Mar 03	232334

Bank of America

PAY ONLY **255,755.43**
TWO FIVE FIVE FIVE FIVE CTCTS

TWO HUNDRED FIFTY-FIVE THOUSAND SEVEN HUNDRED FIFTY-FIVE DOLLARS AND 43 CENTS *****

Pay To The Order Of LEE COUNTY BOARD OF COUNTY COMMISSIONERS
LEE COUNTY UTILITIES
PO BOX 398
FORT MYERS, FL 33902

*Jim Humphrey
Debra J. Baurista*

⑈ 232334 ⑈ ⑆ 063000047⑆ 003446506521 ⑈



City of Fort Myers, Florida

**FINANCIAL SERVICES DEPARTMENT
ACCOUNTING DIVISION
PO DRAWER 2217
FORT MYERS, FLORIDA 33902-2217
(239) 332-6371
lwalker@cityftmyers.com**

14 March 2003

Mr. Orlando Figueroa
Fiscal Manager
Lee County Public Works Center
P O Box 398
Fort Myers, Florida 33902-0398

Re: Fiscal Year 2002 Wastewater Interlocal

Dear Mr. Figueroa:

Attached please find a check in the amount of \$255,755.43 made payable to the Lee County Board of Commissioners. This check is a refund on the overpayment for wastewater services provided by the City of Fort Myers under the Interlocal Wastewater Treatment Agreement between Lee County and the City of Fort Myers.

Also attached is the report on the computation of operating and capacity costs per 1,000 gallons for the fiscal year ended September 30, 2002.

Should you have any questions, please feel free to contact me.

Sincerely,
CITY OF FORT MYERS, FLORIDA

A. Leigh Walker, Jr., CPA, CPFO
Controller

Attach:

Cc: File

MAR 20 2003

**CITY OF FORT MYERS, FLORIDA
INTERLOCAL WASTEWATER
TREATMENT AGREEMENT**

**COMPUTATION OF OPERATING AND
CAPACITY COSTS PER 1,000 GALLONS**

SEPTEMBER 30, 2002

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Mayor and City Council
City of Fort Myers, Florida
Fort Myers, Florida

We have performed the procedures enumerated below to the accompanying schedule of computation of operating costs, capacity costs and combined operating and capacity costs per 1,000 gallons of the City of Fort Myers Wastewater Treatment and Disposal Facilities for the fiscal year ended September 30, 2002, under the Interlocal Wastewater Treatment Agreement (the Agreement) dated November 16, 1983, and amended on September 12, 1984, April 9, 1986, and March 3, 1993, between the City of Fort Myers and Lee County. These procedures, which were agreed to by representatives of the City of Fort Myers and Lee County, were performed solely to assist you in complying with Section 5.06D of the Agreement. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures are as follows:

- Agreed Operating, Administrative and Capitalized Costs to the City's September 30, 2002, Trial Balance and Audited Financial Statements;
- Agreed Number of Units Per Page 4 to a Schedule Prepared By the City;
- Agreed Interest and Principal Payments to the Bonds' Respective Debt Service Schedules;
- Agreed Reserve Fund and Sinking Fund Interest Income to Trust Company Statements;
- Confirmed Amount Paid By Lee County to the City; and
- Recalculated Mathematical Accuracy of Schedules.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the aforementioned schedule. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

January 17, 2003
Ocala, Florida

Purvis, Gray and Company

Certified Public Accountants
P.O. Box 23999 • 222 N.E. 1st Street • Gainesville, Florida 32602 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
1727 2nd Street • Sarasota, Florida 34236 • (941) 365-3774 • FAX (941) 365-0238

MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

**SCHEDULE OF COMPUTATION OF OPERATING COSTS, CAPACITY COSTS
AND COMBINED OPERATING AND CAPACITY COSTS PER 1,000 GALLONS
(SEE INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
CITY OF FT. MYERS, FLORIDA**

Computation of Operating Costs Per 1,000 Gallons

Operating Costs	
Sewer Plant Operating Expenses (See Page 3)	\$ 3,772,941.14
Administrative Expenses (See Page 3)	1,592,899.00
Capitalized Expenses (See Page 4)	100,768.52
Total Operating Costs	<u>\$ 5,466,608.66</u>
Total Gallonage (See Page 4)	<u>4,165,604,100</u>
Operating Cost Per 1,000 Gallons	<u>\$ 1.312320741</u>

Computation of Capacity Costs Per 1,000 Gallons

Capacity Costs Related to Debt Service (See Page 5)	<u>\$ 1,069,023.61</u>
City of Fort Myers Capacity Cost Per 1,000 Gallons	
Allocation of Percentage of Capacity	50.0%
Capacity Cost - City of Fort Myers	<u>\$ 534,511.81</u>
City of Fort Myers Gallonage (See Page 4)	<u>2,074,693,680</u>
Capacity Cost Per 1,000 Gallons - City of Fort Myers	<u>\$ 0.257634086</u>
Lee County Capacity Cost Per 1,000 Gallons	1,069,023.61
Allocation of Percentage of Capacity	50.0%
Capacity Cost - Lee County	<u>\$ 534,511.81</u>
Lee County Gallonage (See Page 4)	<u>2,090,910,420</u>
Capacity Cost Per 1,000 Gallons - Lee County	<u>\$ 0.255635921</u>
Combined Operating and Capacity Costs Per 1,000 Gallons	
City of Fort Myers	<u>\$ 1.569954827</u>
Lee County	<u>\$ 1.567956662</u>
Lee County Gallonage	2,090,910,420
Total Reimbursement Due to City of Fort Myers	3,278,456.92
Total Paid By Lee County For Fiscal Year 2001-2002	<u>3,534,212.35</u>
Amount Due to Lee County	<u>\$ 255,755.43</u>

**SCHEDULE OF UTILITIES OPERATING EXPENSES -
EXCLUDING DEPRECIATION AND CAPITAL OUTLAY
(SEE INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
CITY OF FT. MYERS, FLORIDA**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Plant Operations			
Salaries and Wages	\$ 491,956.90	\$ 1,406,309.49	\$ 1,898,266.39
Employee Benefits	117,896.20	347,227.33	465,123.53
Telephone and Utilities	555,650.01	827,178.52	1,382,828.53
Repairs and Maintenance	92,841.37	261,918.94	354,760.31
Operating Supplies	260,359.61	628,515.05	888,874.66
Contractual Services	72,004.91	261,872.57	333,877.48
Fleet Equipment Rental	10,752.00	17,300.00	28,052.00
Office and Other Expenses	10,528.47	22,619.24	33,147.71
Total Plant Operations	<u>1,611,989.47</u>	<u>3,772,941.14</u>	<u>5,384,930.61</u>
Distribution and Collection			
Salaries and Wages	629,568.21	765,850.50	1,395,418.71
Employee Benefits	163,484.25	221,989.41	385,473.66
Telephone and Utilities	12,302.27	82,506.98	94,809.25
Repairs and Maintenance	125,646.20	153,190.60	278,836.80
Operating Supplies	45,040.35	39,102.87	84,143.22
Contractual Services	8,214.66	12,528.41	20,743.07
Fleet Equipment Rental	93,347.00	141,700.00	235,047.00
Office and Other Expenses	23,344.88	5,333.78	28,678.66
Total Distribution and Collection	<u>1,100,947.82</u>	<u>1,422,202.55</u>	<u>2,523,150.37</u>
Totals	<u>\$ 2,712,937.29</u>	<u>\$ 5,195,143.69</u>	<u>\$ 7,908,080.98</u>
Administrative			
Salaries and Wages			\$ 589,967.48
Employee Benefits			142,510.11
Professional Services			177,162.82
Office and Other Expenses			829,809.24
Insurance and Bonds			129,384.00
General Fund - Administrative Charge			1,463,841.00
Repairs and Maintenance			6,040.51
Total Administrative			<u>\$ 3,338,715.16</u>
Allocation of Administrative Expenses of Utilities to Sewer Plant Operations ($\\$3,772,941.14/\\$7,908,080.98 = 47.7099457\%$) $\\$3,338,715.16 \times 47.7099457\%$			<u>\$ 1,592,899.00</u>

SCHEDULE OF TOTAL GALLONAGE AND CAPITALIZED EXPENSES
(SEE INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
CITY OF FT. MYERS, FLORIDA

Gallongage

Type of Facility	<u>Class</u>	<u>Number of Units</u>	<u>Yearly Average (Rounded)</u>	<u>Total Gallongage</u>
City Facilities:				
Residential	1	9,199	80,001	735,933,333
Duplex/Apartments	2 & 3	10,241	60,001	614,470,000
Mobile Homes	4 & 7	702	53,981	37,894,500
Motel/Hotel	5 & 6	1,889	60,000	113,340,000
Commercial	8	3,178	180,320	573,055,847
Total		<u>25,209</u>		<u>2,074,693,680</u>
County Facilities				
Residential	1	15,382	80,000	1,230,560,000
Duplex	2	469	60,000	28,140,000
Commercial	8	1,280	324,434	415,275,420
Commercial (Units)	3	6,949	60,000	416,935,000
Total		<u>24,080</u>		<u>2,090,910,420</u>
Total Gallongage, All Facilities				<u>4,165,604,100</u>

Capitalized Costs

	<u>Project Number</u>	<u>Amount</u>
Odor Control SWWTP	6020	\$ 45,754.67
Dry Well Piping CWWTP	6119	2,781.45
Grit Removal System CWWTP	6221	24,748.14
Dry Well Piping SWWTP	6223	2,781.44
Grit Removal System SWWTP	6225	24,702.82
Total Capitalized Expenses		<u>\$ 100,768.52</u>

SCHEDULE OF WASTEWATER CAPACITY COSTS
(SEE INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
CITY OF FT. MYERS, FLORIDA

		April 1, 2002 Payment	October 1, 2002 Payment
1985 Issue	Issued June 11, 1985 Deceased By Series 1989A Issue Dated November 1, 1989	\$ 0.00	\$ 0.00
1989A Issue	Issued November 1, 1989 Deceased In Part By Series 1993A Remainder Deceased By Series 1999A	0.00	0.00
1993A Issue	Issued August 12, 1993 Refunded \$15,655,000.00 Series 1989A Bonds Refunded \$47,001,084.25 Series 1989B Bonds Debt Service Allocable to Refunding of Series 1989A Bond is 24.99% (1) April 1, 2002 = \$1,428,197.50 X 24.9856023% October 1, 2002 = \$1,430,717.50 X 24.9856023%	356,843.75	357,473.38
1999A Issue	Issued September 30, 1999 Refunded \$24,395,000.00 Series 1989A Bonds Resulted in \$36,495,000 New Construction Funds Debt Service Allocation to Refunding of Series 1989A Bonds is 40.06% (2) April 1, 2002 = \$1,597,434.38 X 40.0640499% October 1, 2002 = \$2,297,434.31 X 40.0640499%	639,996.91	920,445.23
Totals		\$ 996,840.66	\$ 1,277,918.61
Combined Totals			2,274,759.27
Pay Agent Fees			800.00
Less Interest Income (3)			(9,238.28)
			2,266,320.99
Allocation Percentage to Wastewater Plants			47.17%
Wastewater Debt Service			\$ 1,069,023.61

(1) Allocation of Debt Service on City of Fort Myers Series 1993A Utility System Refunding Revenue Bonds:

Series 1989A Bonds Refunded	\$ 15,655,000.00	24.9856023%
Series 1989B Bonds Refunded	47,001,084.25	75.0143977%
	\$ 62,656,084.25	100.00%

SCHEDULE OF WASTEWATER CAPACITY COSTS
(SEE INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
CITY OF FT. MYERS, FLORIDA
(Concluded)

(2) Allocation of Debt Service on City of Fort Myers Series 1999A Utility System Refunding Revenue Bonds:

Series 1989A Bonds Refunding	\$ 24,395,000.00	40.0640499%
Series 1999A Bonds New Money	<u>36,495,000.00</u>	<u>59.9359501%</u>
Total	<u><u>\$ 60,890,000.00</u></u>	<u><u>100.00%</u></u>

(3) Allocation of Interest Income Earned on Sinking Fund for Series 1993A and 1999A Utility System Refunding Revenue Bonds:

	<u>1993A</u>	<u>1999A</u>
Total Interest Income Series 1993A	\$ 10,618.93	\$ 16,436.38
Allocation Percentage From Above	<u>24.9856023%</u>	<u>40.0640499%</u>
Earnings Allocated	<u>2,653.20</u>	<u>6,585.08</u>
Total Combined Interest Income to Allocate		<u><u>\$ 9,238.28</u></u>