

**LEE COUNTY BOARD OF COUNTY COMMISSIONERS**  
**AGENDA ITEM SUMMARY** **BLUE SHEET NO: 20040467-UTL**

**1. REQUESTED MOTION:**  
**ACTION REQUESTED:**

Approval partial payment to the City of Fort Myers for FY03-04 wastewater treatment costs at the estimated rate of \$2.24 per thousand gallons; total FY03-04 cost will be \$4,779,969.38, based on an estimate provided by the City, of 2,141,456,241 gallons.

**WHY ACTION IS NECESSARY:**

To partially pay wastewater treatment costs for FY03-04 based on the City of Fort Myers' flow estimates. The rate for wastewater treatment is an estimated flow based on the City's calculations, until actual costs are available at the end of the fiscal year. The Interlocal Wastewater Treatment Agreement dated 11-06-83, and as amended, between the City of Fort Myers and Lee County requires a rate be set on the City's budgeted wastewater treatment costs.

**WHAT ACTION ACCOMPLISHES:**

Sets rate for FY03-04 wastewater treatment costs and authorizes Lee County Utilities to pay this rate to the City of Fort Myers based on their adopted budget until actual costs are available at the end of the fiscal year.

**2. DEPARTMENTAL CATEGORY: 10**  
**COMMISSION DISTRICT #: CW**

C10B

**3. MEETING DATE:** 08-03-2004

**4. AGENDA:**

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- WALK ON
- TIME REQUIRED: \_\_\_\_\_

**5. REQUIREMENT/PURPOSE:**

- (Specify)
- STATUTE
  - ORDINANCE
  - ADMIN. CODE
  - OTHER Approval to Pay

**6. REQUESTOR OF INFORMATION:**

- A. COMMISSIONER: \_\_\_\_\_
- B. DEPARTMENT: Lee County-Public Works
- C. DIVISION/SECTION: Utilities Division
- BY: Rick Diaz, Utilities Director
- DATE: 7/19/04

**7. BACKGROUND:**

Under the Interlocal Wastewater Treatment Agreement, dated 11-6-83, amended 4-9-86, 4-18-90, and again on 11-4-96, between the City of Fort Myers and Lee County, the City treats Lee County Utilities' wastewater at their Central and South Plants.

Each fiscal year the City estimates the cost of treatment per 1,000 gallons based on its adopted budget. For FY03-04, the City's estimated cost for treating Lee County Utilities' wastewater is \$2.24 per 1,000 gallons, which is a 3.02% decrease from last year's estimated rate of \$2.31.

Once actual costs are available at the end of FY03-04, a revised rate based on actual costs will be calculated and any required adjustments to the amount paid will be made at that time.

The partial payment is based on the billing sent by the City for the months of October 2003 through April 2004. The amount of this partial payment is \$2,809,971.18 as shown on the enclosed pending invoices list.

Funds are available in account OD5360348700.503490.

Attachment: City of Fort Myers Letter w/actual and projected operating costs data  
 City of Fort Myers Sewer Billing Pending Invoices

**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	
Lavender Date: 7-19-04	N/A Date:	N/A Date:		Date:	7/20/04	7/21/04	7/21/04	7/20/04	Lavender Date: 7-19-04

**10. COMMISSION ACTION:**

- \_\_\_\_\_ APPROVED
- \_\_\_\_\_ DENIED
- \_\_\_\_\_ DEFERRED
- \_\_\_\_\_ OTHER

Rec. by CoAtty

Date: 7/20/04

Time: 3:25 PM

Forwarded To:  
Admin 7/20/04  
4:59 PM

7/20/04

4:25 PM

ADMIN

FORWARDED TO: [Signature]

7-20-04

11 AM



# *City of Fort Myers, Florida*

**Financial Accounting Group**  
P. O. DRAWER 2217  
FORT MYERS, FLORIDA 33902-2217  
(239) 332-6756

April 8, 2004

Mr. Orlando Figueroa  
Lee County Utilities  
1500 Monroe Street  
Ft Myers, FL 33901

RE: FY 2004 Interlocal Wastewater Treatment Agreement

Dear Mr. Figueroa:

Please find enclosed the calculation for the FY 2004 Interlocal Wastewater Treatment Agreement. The annualized total for the year is \$4,799,969.38. This is an increase over fiscal year 2003 of \$539,818.46 due to a significant increase in our capital projects budgets. This calculation factors in the capital budgets at 25%.

Also enclosed are the final audits for the fiscal year ending September 30, 2003 for the Interlocal Reclaimed Water Agreement and the Interlocal Wastewater Treatment Agreement.

Please let me know if you need any additional information or have any questions regarding the payment.

Regards,

Robin Grammer  
Accountant III  
239-332-6756

**Lee County/City of Fort Myers  
Wastewater Interlocal Agreement  
Fiscal Year 03/04 Budget**

Prepared by rlg 2/5/04

	Operating <u>Costs</u>	Capacity <u>Costs</u>	<u>Total</u>
Lee County Gallonage (02/03 Actual)	2,141,456,241	2,141,456,241	2,141,456,241
Costs per 1,000 Gallons (Projected)	1.991376675	0.250074395	2.241451069
Total Reimbursement due the City	4,264,446.01	535,523.37	4,799,969.38
Total Paid by Lee County, Fiscal Year <del>02/03</del> (1) 03/04			0.00
<b>FY <del>02/03</del> amount due to City of Fort Myers (Lee County) 03/04</b>			<b>4,799,969.38</b>

(1) Billings/Collections:

Month <u>Bill Sent</u>	<u>For:</u>	Amount <u>Billed</u>	Amount <u>Collected</u>	Date <u>Collected</u>
November-03	October-03	405,674.70		
December-03	November-03	414,785.62		
January-04	December-03	415,214.94		
	January-04			
	February-04			
	March-04			
	April-04			
	May-04			
	January-00			
	January-00			
	August-03			
Totals for FY 03/04		1,235,675.26	0.00	

**Lee County/City of Fort Myers  
Wastewater Interlocal Agreement  
Fiscal Year 03/04 Budget**

Prepared by rlg 2/5/04

**INTERLOCAL WASTEWATER TREATMENT  
COMPUTATION OF OPERATING COSTS FOR FY 02/03 Actual)**

OPERATING COSTS	Based upon Estimated Gallons
Sewer Plant Operating Expenses	4,421,565.72
Administrative Expenses (1)	1,750,700.65
Capitalized Expenses (2)	2,251,421.00
Total	8,423,687.37
 Total Gallonage (02-03 Actual)	 4,230,082,374
 Operating Cost per 1,000 gallons	 1.991376675
 <b>CAPACITY COSTS</b>	
Capacity costs related to debt service (3)	1,071,046.75
City of Fort Myers Capacity Allocation (50%)	535,523.37
City of Fort Myers Gallonage (02/03 Actual)	2,088,626,133
City of Fort Myers Capacity Cost per 1,000 Gallons	0.256399824
 Lee County Capacity Allocation (50%)	 535,523.37
Lee County Gallonage (02/03 Actual)	2,141,456,241
Lee County Capacity Cost per 1,000 Gallons	0.250074395
 Combined Costs:	
Fort Myers:	
Operating	1.991376675
Capacity	0.256399824
Total	2.247776499
Lee County	
Operating	1.991376675
Capacity	0.250074395
Total	2.241451069

**NOTES:**

- (1) See calculation of administrative costs attached.
- (2) See schedule of capitalized expenses attached.
- (3) See calculation of capacity costs attached.

**Lee County/City of Fort Myers  
Wastewater Interlocal Agreement  
Fiscal Year 03/04 Budget**

Prepared by rlg 2/5/04

COMPUTATION OF OPERATING COSTS FOR FY 03/04 Projection

Calculation of Administrative Expense  
Allocable to Sewer Plant Operations

Water Plant Operations (0908)	1,899,622.00
Water Distribution - Maintenance (0909)	1,412,656.00
Sewer Plant Operations - Central Plant (0911)	2,241,876.00
Reclaimed Water Production Facility (Based on 02/03 actual + 4% for inc wages)	(142,295.28)
Sewer Plant Operations - South Plant (0912)	2,321,985.00
Sewer Maintenance - Lift Stations (0913)	727,650.00
Sewer Maintenance - Maintenance (0914)	<u>1,149,055.00</u>
	9,610,548.72
 Administration Expense - Total (0907 +2301) (1)	 3,805,257.00

Sewer Plant Operations:

Central Plant (0911+ Reclaim Wtr Cost)	2,099,580.72
South Plant (0912)	<u>2,321,985.00</u>
	4,421,565.72

Prorated portion of Sewer Plant Operations to total  
Water and Sewer Operations: \$4,421,565.72 / \$9,610,548.72 46.007422144%

Administrative Expense allocable to Sewer Plant  
Operation: \$3,805,257 x 46.007422144% 1,750,700.65

(1) Administrative Expense total excludes transfers to other funds except for  
General Fund administrative charge to Utility Fund for services provided  
by General Fund programs/departments.

**Lee County/City of Fort Myers  
Wastewater Interlocal Agreement  
Fiscal Year 03/04 Budget**

Prepared by rlg 2/5/04

**INTERLOCAL WASTEWATER TREATMENT  
COMPUTATION OF OPERATING COSTS FOR FY 3/04 (Projection)**

**CAPITALIZED EXPENSES:**

Central Plant (0911) (1)	0.00
Sewer Maintenance - Maintenance	
Odor Control SWWTP (6020)	3,548.00
CWWTP Roof Repairs (6090)	0.00
CWWTP On Site Disinfection (6093)	987,125.75
On Site Disinfection SWWTP (6097)	1,018,755.25
Dry Well Piping CWWTP (6119)	0.00
Grit Removal System CWWTP (6221)	41,063.25
Dry Well Piping SWWTP (6223)	0.00
Grit Removal System SWWTP (6225)	35,062.50
CWWTP Polymer Storage (6294)	22,138.00
CWWTP Return Activated Sludge Pump Upgrade (6295)	54,126.25
CWWTP Nitrific Gearbox Rebuild (6296)	25,000.00
SWWTP Laboratory Automatic Analyzer (6341)	18,750.00
SWWTP Polymer Storage (6342)	22,138.00
SWWTP Nitrific Gearbox Rebuild (6343)	23,714.00
SWWTP Roof Repairs (6344)	0.00
SWWTP Other Maintenance (6345)	<u>0.00</u>
	2,251,421.00

**Lee County/City of Fort Myers  
Wastewater Interlocal Agreement  
Fiscal Year 03/04 Budget**

Prepared by rlg 2/5/04

**INTERLOCAL WASTEWATER TREATMENT  
COMPUTATION OF OPERATING COSTS FOR FY 03/04 Projection**

**Schedule of Utilities Operating expenses - Excluding Depreciation and Capital Outlay**

	<u>Water</u> (0908)	<u>Sewer</u> (0911 + 0912 - Reclaimed water costs)	<u>Total</u>
<u>Plant Operations</u>			
Salaries and wages	\$587,188.00	1,626,914.72	\$2,214,102.72
Employee benefits	166,403.00	483,555.00	649,958.00
Telephone and utilities	547,844.00	937,494.00	1,485,338.00
Repairs and maintenance	84,725.00	230,149.00	314,874.00
Operating supplies	343,273.00	587,028.00	930,301.00
Contractual services	76,835.00	389,605.00	466,440.00
Fleet equipment rental	23,044.00	38,416.00	61,460.00
MIS Charges	34,020.00	67,941.00	101,961.00
Office and other expenses	36,290.00	60,463.00	96,753.00
	<u>1,899,622.00</u>	<u>4,421,565.72</u>	<u>6,321,187.72</u>

	<u>(0909)</u>	<u>(0913 + 0914 + 0915)</u>	<u>Total</u>
<u>Distribution and Collection</u>			
Salaries and wages	731,767.00	881,909.00	1,613,676.00
Employee benefits	221,625.00	304,196.00	525,821.00
Telephone and utilities	42,976.00	118,486.00	161,462.00
Repairs and maintenance	171,507.00	185,786.00	357,293.00
Operating supplies	27,872.00	94,610.00	122,482.00
Contractual services	20,600.00	56,484.00	77,084.00
Fleet equipment rental	139,159.00	229,457.00	368,616.00
MIS Charges	32,120.00	0.00	32,120.00
Office and other expenses	25,030.00	5,777.00	30,807.00
	<u>1,412,656.00</u>	<u>1,876,705.00</u>	<u>3,289,361.00</u>

<u>\$3,312,278.00</u>	<u>\$6,298,270.72</u>	<u>\$9,610,548.72</u>
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Administrative (0907 + 2302)

Salaries and wages	761,921.00
Employee benefits	232,504.00
Professional services	176,183.00
Office and other expenses	969,811.00
Insurance and bonds	253,858.00
General Fund - administrative charge	1,253,938.00
MIS Charges	150,107.00
Repairs and maintenance	6,935.00
	<u>\$3,805,257.00</u>

Allocation of administrative expenses of utilities to sewer plant operations (\$4,421,565.72 / \$9,610,548.72 = 46.0074221441%)	46.007422144%
\$3,805,257 x 46.007422144%	<u>\$1,750,700.65</u>

**CITY FORT MYERS SEWER BILLING  
PENDING INVOICES**

October	\$394,175.97
November	\$403,029.64
December	\$403,446.25
January	\$412,181.73
February	\$410,232.55
March	\$358,700.39
April	\$428,204.65
	<b>\$2,809,971.18</b>