



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#13-0793

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee Feldman, ICMA-CM, City Manager

DATE: June 4, 2013

TITLE: Motion approving the issuance of refunds to the large user wastewater participating cities – fiscal year ending September 30, 2012

Recommendation

It is recommended that the City Commission adopt a Motion approving the issuance of refunds to the large user wastewater participating cities for fiscal year ended September 30, 2012, based upon the rate computation presented in the Large User Agreements audit.

Background

The Broward County Wastewater Facilities Plan, developed in March 1978 in accordance with PL 92-500, recommends that the County be divided into three wastewater regions:

- North Region
- Central Region
- South Region

Under this plan, the City of Fort Lauderdale is the lead agency in the Central Wastewater Region. The region includes the Cities (Customers) of Fort Lauderdale, Oakland Park, Wilton Manors, Tamarac, the Port Everglades Authority (succeeded by Broward County effective October 1, 1994), and the Town of Davie for the purpose of wastewater collection and treatment.

On May 21, 2013 (CAM 13-0763), the City Commission accepted the Large User Agreements audit for fiscal year ending September 30, 2012. The large user wastewater treatment agreements rate computation presents the wastewater transmission, treatment and disposal charges allocated to the central regional wastewater treatment plant operated by the City of Fort Lauderdale, Florida (City). The basis for calculation of the costs to operate the plant is defined in Article 5 of the large user agreements with each of the respective governmental units listed above.

The large user agreements provide for the City to bill each user an interim wastewater treatment rate based on budgeted operation and maintenance costs, debt service, and bond covenant costs, and replacement costs for the fiscal year. The interim-billing rate used in fiscal year 2012 was \$1.480 per 1,000 gallons. At the close of the fiscal year, an adjustment was made based on actual user charges of \$1.2806431 per 1,000 gallons. This resulted in refunds due to the participating cities.

Per Article 5.1.4 of the large user agreements;

- Should CUSTOMER'S actual charge exceed the amounts previously paid, a special bill will be presented to CUSTOMER showing the additional charge due.

Or

- Should CUSTOMER'S actual charge be less than the amounts previously paid, the difference will be refunded to CUSTOMER.

During the FY 2012 audit, the Finance Department recognized a liability in the Central Regional Wastewater System Fund for the refunds due to the participating cities. The liability account has \$3,113,873.52 for the anticipated refunds as listed below.

Participating Cities	Balance Due
OAKLAND PARK	446,003.64
WILTON MANORS	104,086.32
TAMARAC	19,898.24
FORT LAUDERDALE	2,540,083.29
DAVIE	3,802.03
TOTAL	3,113,873.52

It is recommended that the City Commission approve the issuance of refunds to the large user wastewater participating cities and ratify the previous actions taken by the Finance Department that set up the liability account.

Resource Impact

There is no fiscal impact associated with this action, as the refunds were already recognized as a liability in FY 2012.

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