



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

#17-0806

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

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: July 11, 2017

TITLE: Motion to Approve the Issuance of Refunds to the Large User Wastewater
Participating Cities – Fiscal Year Ending September 30, 2016

Recommendation

It is recommended that the City Commission approve the issuance of refunds to the large user wastewater participating cities for Fiscal Year Ended September 30, 2016 and ratify the prior action taken by the Finance Department to recognize a liability of \$2,078,479.36.

Background

The Broward County Wastewater Facilities Plan, developed in March 1978 in accordance with Public Law 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 (City), 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.

The large user wastewater treatment rate computation includes the wastewater transmission, treatment, and disposal charges allocated to the central regional wastewater treatment plant operated by the 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, bond covenant costs, and replacement costs for the fiscal year. The interim billing rate used in Fiscal Year 2016 was \$1.800 per 1,000 gallons. At the close of the fiscal year, an

adjustment was made based on actual user charges of \$1.65958986 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 2016 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 \$2,078,479.36 for the anticipated refunds as listed below.

Participating Cities	Balance Due
OAKLAND PARK	\$ 244,172.61
WILTON MANORS	73,686.20
TAMARAC	10,745.39
FORT LAUDERDALE	1,746,519.90
DAVIE	3,355.26
TOTAL	\$ 2,078,479.36

As required by the City's Large User Agreements, Crowe Horwath LLP has issued a contractual compliance report for Fiscal Year Ending September 30, 2016 (Exhibit 1). The auditor's opinion contained in this report is that the rate computation presents fairly in all material respects allowable user charges in conformity with Article 5.

It is recommended that the City Commission approve the issuance of refunds to the large user wastewater participating cities and ratify the previous action 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 2016.

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder, specifically advancing:

- Goal 12: Be a leading government organization, managing our resources wisely and sustainably.
- Objective 1: Ensure sound fiscal management

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Community*.

