

**1. Requested Motion:**

**Meeting Date: September 4, 2012**

Authorize staff to move forward with the preparation of the petition for a rate adjustment to reflect the increase to the wholesale water rate that will be charged by Lee County.

**Why the action is necessary:**

Direction to staff is necessary to move modifications to the rate structure forward.

**What the action accomplishes:**

Allows staff to bring forward the necessary documents to begin the process for a rate adjustment.

**2. Agenda:**

- Consent
- Administrative

**3. Requirement/Purpose:**

- Resolution
- Ordinance
- Other:

**4. Submitter of Information:**

- Council
- Town Staff – Public Works
- Town Attorney

**5. Background:**

Notice has been received by Lee County Utilities that the Lee County BOCC held a hearing on August 9, 2012 whereby approval was given to increase the wholesale water rate on an incremental basis through Fiscal Year 2014. The wholesale water rate is proposed to increase effective October 1, 2012 from \$3.46 to \$3.67 per thousand gallons, October 1, 2013 to \$3.75 and October 1, 2014 to \$3.84. In accordance with the provisions of Addendum #1 of the Wholesale Water Inter-Local Agreement, Lee County BOCC shall provide to the Town a 90 day notice of the intent to modify the wholesale water rates and implementation of the same. Pursuant to this provision, confirmation has been received from LCU that the wholesale water rate adjustment will not be implemented until at least November 6, 2012, to provide the Town the ability to follow its process. Attached for reference is a memo to the Town Manager regarding this increase, LCU notice of rate increase, and projected timeline.



**6. Alternative Action:**

Do not pass the wholesale water rate increase to customer base.

**7. Management Recommendations:**

Staff recommends the approval to move this forward.

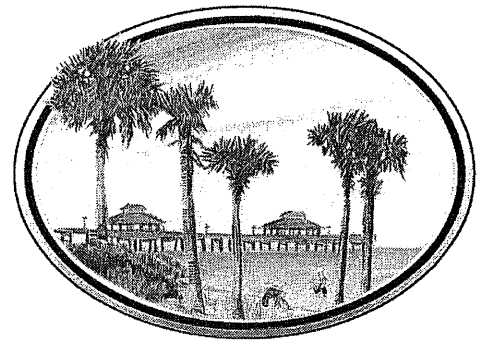
**8. Recommended Approval:**

Town Manager	Town Attorney	Finance Director	Public Works Director	Community Development Director	Cultural Resources Director	Town Clerk
						

**9. Council Action:**

- Approved
- Denied
- Deferred
- Other

# TOWN OF FORT MYERS BEACH



## **MEMORANDUM**

DATE: August 16, 2012

TO: Terry Stewart, Town Manager  
Marilyn Miller, Fowler White Boggs (via e-mail)

FROM: Cathie Lewis, Public Works Director *C. Lewis*

SUBJECT: Wholesale Water Rates

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The Town is in receipt of a notice from Lee County Utilities that the County Commissioners approved the incremental rate increase to the wholesale water rates from \$3.46 to \$3.67 per thousand gallons. An increase to the water and wastewater retail rates is also included in the proposal.

On August 5, 2008, the BOCC approved an addendum to the Interlocal Agreement with the Town associated with increases to the wholesale rates (copy attached). The addendum provides for a thirty day advance notice of scheduled public hearings associated with wholesale rate increases and a 90 day advance notice of the proposed increase. These provisions were put in place to provide the Town with sufficient time to hold the required hearings should the Town choose to increase rates to offset the County's increase.

The County is scheduled to implement this increase effective October 1, 2012, however due to the notification requirements the increase is scheduled to become effective to Fort Myers Beach on November 6, 2012. I have prepared a critical path (as attached) to assist with setting dates, etc.

Attached is a copy of the notice that was received regarding this modification. After you have had an opportunity to review this and the attached information, I will be happy to discuss this further.

Attachment

pc: file



LEE COUNTY  
SOUTHWEST FLORIDA

BOARD OF COUNTY COMMISSIONERS

John E. Manning  
*District One*

Brian Bigelow  
*District Two*

Ray Judah  
*District Three*

Tammy Hall  
*District Four*

Frank Mann  
*District Five*

Karen B. Hawes  
*County Manager*

Michael D. Hunt  
*County Attorney*

Diana M. Parker  
*County Hearing Examiner*

**August 15, 2012**

**SUBJECT:** Lee County Utilities / Wholesale Water & Wastewater Rate Increase

Dear Wholesale Customer:

This letter serves as a notification to existing Lee County Utilities' wholesale customers of the recently approved rate increase.

The Board of County Commissioners approved new rates for Lee County Utilities' (LCU's) water and wastewater wholesale customers at a public hearing held on August 9<sup>th</sup>, 2011.

The rate changes will be as follows:

	Effective Dates			
	<u>10/01/11</u>	<u>10/01/12</u>	<u>10/01/13</u>	<u>10/01/14</u>
<b>Wholesale Water Service</b>				
Metered User Charge (Per 1,000 Gals)	\$3.46	\$3.67	\$3.75	\$3.84
<b>Wholesale Wastewater Service</b>				
Metered User Charge (Per 1,000 Gals)	\$4.33	\$4.68	\$4.89	\$5.12

If you should have any questions regarding this rate change or need additional supporting documentation, please feel free to contact me at (239)533-8845 or via e-mail at [ajobes@leegov.com](mailto:ajobes@leegov.com).

Sincerely,

LEE COUNTY UTILITIES

Amanda Jobes,  
Customer Service Manager

PUBLIC WORKS SERVICES INC.  
CRITICAL PATH FOR RATE ADJUSTMENT PROPOSAL  
August 16, 2012

Ordinance 08-06 - Requires a minimum of 30 days from Petition for Rate Adjustment presented to Town Council until Public Hearing on Rate Increase shall be scheduled.

August 9, 2011 BOCC Public Hearing - Wholesale Water Rate Increase

September 4, 2012 Town Council Meeting - Introduce information to Town Council

September 17, 2012 Approve "Petition" for Rate Adjustment  
and authorize staff to schedule it to Town Council (Resolution)

September 17, 2012 Petition for Rate Adjustment - Council action to send the Notice of Intention and set  
hearing date. (Resolution)

September 18, 2012 - Notice of Intent  
Prepare and mail Notice of Intent to hold a Public Hearing  
to customer base, with the September billing.

October 15, 2012  
OR Publish Notice of Hearing

October 22, 2012

November 5, 2012 Town Council Meeting - Public Hearing by Town on Petition for Rate Adjustment  
(Resolution to Approve/Deny)

November 5, 2011  
OR Amend Budget to reflect Council Action on Rate Adjustment  
November 19, 2011 (If applicable)

November 6, 2012 Implement rate adjustment (if applicable)  
First month will be prorated from Nov. 6 and will show on the  
bill received in December