

COUNCIL AGENDA STATEMENT



Meeting Date: September 13, 2022
To: Honorable Mayor & Members of the City Council
From: Daniel Saus, Utilities Director
Through: George Garrett, City Manager

Agenda Item: **Resolution 2022-103**, Approving A Third Amendment To The Interlocal Agreement With Florida Keys Aqueduct Authority; Requesting the City of Marathon to reimburse the Florida Keys Aqueduct Authority 2.5% On Credit Card Fees When Our Customers Pay Via Credit Card Each Month; Authorizing The City Manager To Execute The Amendment And Expend Budgeted Funds On Behalf Of The City; And Providing For An Effective Date

BACKGROUND & JUSTIFICATION:

Pursuant to Resolution 2009-183, adopted on December 8, 2009 the City amended the Interlocal Agreement between the City and Florida Keys Aqueduct Authority (dated May 22, 2008) to add billing services for all the City of Marathon wastewater accounts.

The proposed Amendment to the Interlocal Agreement allows for the City of Marathon to reimburse the Florida Keys Aqueduct Authority 2.5% credit card fees.

CONSISTENCY CHECKLIST:

	Yes	No
1. Comprehensive Plan	_____	_____
2. Other – 2010 Sewer Mandate	_____	_____
3. Not applicable	_____	_____

FISCAL NOTE:

The impact of the fee is estimated to be approximately \$71,000 per year. Staff is recommending exercising the 1% rate increase, currently allowed in the utility rate resolution, to offset the increase.

RECOMMENDATION:

Approval of Resolution

**CITY OF MARATHON, FLORIDA
RESOLUTION 2022-103**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, APPROVING A THIRD AMENDMENT TO THE INTERLOCAL AGREEMENT WITH FLORIDA KEYS AQUEDUCT AUTHORITY; REQUESTING THE CITY OF MARATHON TO REIMBURSE THE FLORIDA KEYS AQUEDUCT AUTHORITY 2.5% ON CREDIT FEES GENERATED WHEN OUR CUSTOMERS PAY VIA CREDIT CARD EACH MONTH; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AMENDMENT AND EXPEND BUDGETED FUNDS ON BEHALF OF THE CITY; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City of Marathon (the “City”) and the Florida Keys Aqueduct Authority (the “FKAA”) entered into an interlocal agreement whereby for a set fee the FKAA agreed to bill on behalf of the City the monthly City wastewater charges and collect and transmit those charges, net of FKAA fees to the City (the “Interlocal Agreement”); and

WHEREAS, the FKAA and the City find it necessary to enter into a third interlocal agreement to reimburse the Florida Keys Aqueduct Authority 2.5% on credit card fees per bill generated and charged by the FKAA to provide the aforementioned billing service (the “Amended Interlocal Agreement”).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THAT:

Section 1. The above recitals are true and correct and incorporated herein.

Section 2. The City Council hereby approves the Amended Interlocal Agreement with the FKAA attached hereto as Exhibit A, and authorizes the City Manager to execute the agreement on behalf of the City.

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THIS 13TH DAY OF SEPTEMBER, 2022

THE CITY OF MARATHON, FLORIDA

John Bartus, Mayor

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Diane Clavier, City Clerk

(City Seal)

**APPROVED AS TO FORM AND LEGALITY FOR THE USE AND RELIANCE OF THE
CITY OF MARATHON, FLORIDA ONLY:**

Steve Williams, City Attorney



Florida Keys Aqueduct Authority

1100 Kennedy Drive
Key West, Florida 33040
Telephone (305) 296-2454
www.fkaa.com



J. Robert Dean
Chairman
District 3

Richard J. Toppino
Vice-Chairman
District 2

Antoinette M. Appell
Secretary/Treasurer
District 4

Nicholas W. Mulick
District 5

Cara Higgins
District 1

Kerry G. Shelby
Executive Director

July 19, 2022

SENT VIA USPS MAIL

John Bartus, Mayor
City of Marathon
9805 Overseas Highway
Marathon, FL 33050

RE: Third Amendment to the Interlocal Agreement between the Florida Keys Aqueduct Authority and the City of Marathon

Dear Mayor Bartus:

Enclosed please find two (2) originals of the above reference Third Amendment to the Interlocal Agreement. Please return one fully executed original to my office once it has been approved by your commission if necessary.

If you have any questions or concerns, please feel free to contact my office.

Sincerely,

George B. Wallace
Assistant General Counsel
Florida Keys Aqueduct Authority

CC: Kerry Shelby,
Executive Director

Greg Veliz,
Deputy Executive Director

Robert T. Feldman,
General Counsel

George Garrett, Marathon City Manager

Enclosures as stated

**THIRD AMENDMENT TO INTERLOCAL AGREEMENT
BETWEEN
THE FLORIDA KEYS AQUEDUCT AUTHORITY
AND
THE CITY OF MARATHON**

THIS THIRD AMENDMENT TO INTERLOCAL AGREEMENT is entered into by and between the Florida Keys Aqueduct Authority (the “Authority”), an independent special district existing as a public agency under the laws of the State of Florida and the City of Marathon, Florida (“Marathon”), a Florida municipal corporation.

WHEREAS, the Authority was created in 1976 by the Legislature of the State of Florida, Chapter 76-441, Laws of Florida, said law having been amended from time to time, for purposes of obtaining, supplying and distributing an adequate supply of water to the Florida Keys and to purchase, construct, acquire, operate, manage and control wastewater systems; and

WHEREAS, Marathon was formed in 1999 by the Legislature of the State of Florida pursuant to Chapter 99-427 Laws of Florida; and

WHEREAS, the Authority generates records of water usage by its customers within the boundaries of Marathon, which records are capable of being used to calculate wastewater charges imposed by Marathon, and the Authority has in place a billing system capable of being modified to incorporate billing for Marathon wastewater charges; and

WHEREAS, on May 22, 2008, the Authority and Marathon entered into an Interlocal Agreement whereby the Authority, for compensation, bills Marathon customers for Marathon wastewater charges and collects and transmits those charges, net of Authority fees, to Marathon; and

WHEREAS, on November 23, 2009, the Authority and Marathon Amended the 2008 Interlocal Agreement, Section 2.05 Charges for Service, providing for a reduction to the rate charged for generating wastewater bills; and

WHEREAS, on October 1, 2015, the Authority and Marathon entered into a Second Amendment Interlocal Agreement again revising Section 2.05 of the Agreement; and

WHEREAS, the parties find it necessary to further amend Section 2.05, Charges for Services of the 2008 Interlocal Agreement to provide for a change to the Charges for Service; and

WHEREAS, the parties have the legal authority to enter into this Third Amendment to the 2008 Interlocal Agreement to implement its terms;

NOW, THEREFORE, in consideration of the mutual covenants, representations and promises to set forth in this Third Amendment and for other good and valuable consideration each to the other, receipt of which is hereby acknowledged by each party, the Authority and Marathon hereby agree, stipulate, and covenant as follows: The following language shall be added to SECTION 2.05

1. Beginning October 1, 2022, Marathon will reimburse the Authority 2.5% credit card fees incurred on all credit card payments made by Marathon's customers. The credit card fee may be increased at the Authority's discretion based on credit card fee increases incurred by the Authority.
2. **No Further Modification**. All other provisions of the Interlocal Agreement dated May 22, 2008, not inconsistent herewith, shall remain in full force and effect.
3. **EFFECTIVE DATE**: This Third Amendment to Interlocal Agreement shall become effect on October 1, 2022.

IN WITNESS WHEREOF, the parties have caused this Third Amendment to be executed in counterparts on their behalf by the Authority's Executive Director and Marathon's Mayor.

FCAA Board Approved: _____, 2022.

FLORIDA KEYS AQUEDUCT AUTHORITY

ATTEST:

By: _____
Kerry G. Shelby, Executive Director

Clerk

CITY OF MARATHON

ATTEST:

By: _____
John Bartus, Mayor

Clerk