



AGENDA MEMORANDUM

Public Works Department

City Council Regular Meeting Date: September 8, 2025

To: City Council
From: Jason Goodrich, Deputy Utilities Director
Alfred J. Mittl, P.E., Public Works Director
Date: August 26, 2025

SUBJECT: Ten-Year Extension of the Reclaimed Water Disposal Agreement with Island Water Association

BACKGROUND: The Donax Water Reclamation Facility (WRF) is a domestic wastewater treatment plant with a permitted capacity of 2.375 million gallons per day (MGD) maximum monthly average daily flow (MMADF). The treated effluent (reclaimed water) is disposed of through Land Application System R-001 (serving the Beachview, Dunes, and Sanctuary golf courses, and commercial and residential areas) and Underground Injection System U-001, the deep injection well (DIW) located at the Island Water Association (IWA).

Despite periods of reclaimed water shortages, typically 2–3 months in late spring and early summer, the DIW serves as a last resort backup system during high flow periods, wet weather events, and times of low reclaimed water demand, helping the City to avoid illegal wastewater discharges. According to the “*Evaluation of Alternatives for Donax Water Reclamation Facility Effluent Reuse and Disposal Preliminary Feasibility Study, Tetra Tech, October 13, 2023*,” the historical capacity utilization as percent of permitted effluent disposal capacity is 12% during normal monthly conditions and 62% during maximum monthly conditions.

Pursuant to a Consent Order issued by the Florida Department of Environmental Protection (FDEP), due to insufficient disposal capacity resulting in illegal wastewater discharges in 1997 and 1998, the City committed to expanding its effluent disposal capacity by installing a reclaimed water transmission main interconnecting the Donax WRF, the Wulfert Wastewater Treatment Plant (WWTP), and the IWA DIW.

The City originally partnered with IWA in 1998 to construct the DIW, contributing \$1.5 million (28.57% of the total project cost). A Reclaimed Water Disposal Agreement was established on September 30, 1998, and subsequently extended for ten years on April 7, 2015, under the same terms and conditions.

Under the current agreement:

- IWA is allocated 1.6 MGD (1,111 gpm) for brine disposal.
- City of Sanibel is allocated 1.7 MGD (1,181 gpm) for normal flow and 2.5 MGD (1,736 gpm) for peak flow.
- The City pays 28.57% of the Annual Operation and Maintenance (O&M) fee, including personnel, routine maintenance (repairs ≤\$5,000), and mandatory testing (e.g., annual and Five-Year Mechanical Integrity Tests [MIT] to confirm the DIW is not leaking into underground sources of water).
- The O&M fee is adjusted annually based on the Consumer Price Index for All Urban Consumers (CPI-U), with the most recent (March 24, 2025) fee being \$13,156.

On June 17, 2025, the City formally issued its Notice of Intent to extend the agreement for an additional ten-year term. During contract extension discussions, a Five-Year MIT and Permit Renewal Adjustment was proposed to account for significantly increased MIT costs, which are expected to exceed standard CPI-U adjustments. The proposed adjustment would require the City to pay its proportional share (28.57%) of those costs above the CPI-U benchmark.

FUNDING SOURCE: Funding for the Annual Operation and Maintenance Fee related to the extension of the Reclaimed Water Disposal Agreement is included the FY2026 Sewer System Operating Budget.

RECOMMENDED ACTION: Approve the resolution.

Sanibel is and shall remain a barrier island sanctuary