

**UTILITY ADVISORY BOARD
MEETING
MONDAY, FEBRUARY 22, 2010**

MEMBERS PRESENT: John Dauster, Chairman
Howard Bennett, Thomas Carroll,
Joseph Sabatino, Steve Fabian,
Thomas Kessler, Jeff Weiler

OTHERS PRESENT: Tom Jackson, Utilities Director
Steve Adams, Engineering Manager
Steve Leonard, Senior Project Manager
Tim Smallwood, Water Distribution Supervisor
Councilmembers Wallace and McCormick
Sharon Knippenberg, Controller
John Noviello, Richard Kebrdle,
Carol Kebrdle, John Obial

CALL TO ORDER/ANNOUNCEMENTS

- A. Roll Call
- B. Next Scheduled Meeting – March 22, 2010
- C. Election of Officers
 - Mr. Tom Jackson called for nominations for Chairman.
 - Mr. Fabian nominated Mr. Dauster.
 - Mr. Jackson confirmed there were no further nominations; thus, Mr. Dauster was elected via acclamation.
 - Mr. Dauster called for nominations for Vice Chairman.
 - Mr. Carroll nominated Mr. Fabian.
 - Mr. Dauster confirmed there were no further nominations; thus, Mr. Fabian was elected Vice Chairman via acclamation.

APPROVAL OF MINUTES

- A. Regular Meeting – December 28, 2009
 - Mr. Fabian MOVED, Mr. Carroll SECONDED approval.
 - Mr. Bennett stated he did not receive the memorandum mentioned on page 3, adding that Mr. Sabatino also mentioned not receiving it.
 - Mr. Sabatino clarified he had received the information as a member of the Utility Advisory Board (UAB).
 - MOTION CARRIED UNANIMOUSLY.

STATUS REPORT

- A. Utility Operational Data – Dec. 2009 & Jan. 2010

- Mr. Jackson displayed the United States Geological Survey (USGS) graph of the reservoir, as delineated in the agenda materials, reporting the current flow over the spillway was 5.21 feet above mean sea level (msl) which equated to approximately 124 million gallons per day (mgd). He reported raw chlorides were 160 milligrams per liter (mpl), which was favorable. He displayed the Shell Creek Reservoir Level graph, as delineated in the agenda packet, noting the data was tracking on the 40 year average; however, rainfall was slightly above that average. He displayed the Utility Operational Data for January 2010, as delineated in the agenda packet, briefly reviewing same.
 - Mr. Fabian questioned the waste water level, inquiring if same was due to rain.
 - Mr. Jackson replied staff had been conducting some pilot filter testing and had pumped a lot of water through the system; therefore, it was likely a combination of that and the rain, adding that number varied due to the timing of the measurement.
 - Mr. Sabatino questioned why the numbers were not trending above the ten year average given the greater than average rainfall.
 - Mr. Jackson replied staff was researching same, explaining the variability of the frost/freeze protection wells upstream of the spillway had been activated three times this winter, but were not typically activated at all. He stated that added water but it did not necessarily raise the stage level because that water ran out through various channels.
- B. Capital Project Data Sheet – Priority Efforts
- Mr. Steve Leonard offered to answer questions regard the projects.
 - Mr. Kessler questioned the zero complete items for the Water Treatment Plant Phase One Groundwater Expansion.
 - Mr. Jackson replied staff would be meeting with Southwest Florida Water Management District (SWFWMD) staff next week regarding cooperative funding, adding the City’s application had been approved; thus, the zero was an error. He reported a special exception for zoning had been submitted to the County approximately ten days ago, noting same requested exceptions to landscaping requirements and to allow height for a scrubber tower. He explained public meetings had been included in case public outreach was necessary.
 - Mr. Fabian questioned whether the late start on the Hendrickson Dam project would extend the completion date.
 - Mr. Jackson replied the contractor was moving forward quickly; therefore, staff hoped the project would be on schedule.
 - Mr. Bennett questioned why the estimate for the Aqui Esta project had increased by 33%.

- Mr. Jackson replied the bids had come in higher than anticipated, clarifying the planning number had been low.
 - Mr. Weiler confirmed the actual cost of the spillway was \$1.9 million and the design fee was \$500,000, recalling the Board had questioned the high contingency. He stated the design fee represented more than 25% of the cost, confirming there had been no grant funding for the project. He questioned if that figure was high.
 - Mr. Leonard replied the bidding climate had allowed construction costs to be low.
 - Mr. Weiler reiterated the Board had questioned the 40% contingency, opining the design fee had increased. He recommended being more cautious in the future.
 - Mr. Jackson agreed.
 - Mr. Sabatino stated the cost listed for the Piper Road project was \$2 million; however, the low bid was \$1.8, adding the revised column should be corrected.
 - Mr. Jackson stated the column would be adjusted after the bid was actually awarded.
 - Mr. Sabatino stated there had been no update to the Force Main projects for six months.
 - Mr. Jackson replied the City required a 1.05 acre easement from the Florida Fish and Wildlife Conservation Commission (FWC), adding when he requested the project be moved forward, FWC indicated the City's application and survey had been lost. He stated staff reconstructed the documents within 24 hours and FWC promised to respond soon.
 - Mr. Leonard stated staff expected to receive a value on the easement this week. He estimated the East Side Sewer Group project was 90% complete and power was likely now in place, pointing out the percentage complete was based on billing.
 - Mr. Bennett opined billing was independent of the project's progress, opining the percentage of the project completed should be included.
 - Mr. Leonard explained staff verified quantities when invoices were received.
 - Mr. Jackson offered to adjust the data.
 - Mr. Leonard displayed several photographs and a short video of the Hendrickson dam work, as delineated in the agenda materials, briefly reviewing same.
- C. City Council Action on Utilities Agenda Status
- Mr. Jackson reported City Council had approved a letter of support regarding the Conservancy of Southwest Florida's recommended changes to Water Classification Rule 62-302 of the Florida Administrative Code.
- D. Utility Fund Balance – Dec. 2009 and Jan 2010
- Ms. Sharon Knippenberg displayed the revenue data for January 2010, as delineated in the agenda materials, briefly reviewing same. She reported the City had expended 29.7% year-to-date (YTD), noting the largest debt service payment occurred in January

each year.

- Mr. Bennett questioned the revenue to projection differences for December 2009 and January 2010 listed in the Significant Current Information comments at the bottom of the summary page.
- Ms. Knippenberg replied revenue differed each month; however, based on the 5 to 7 year average, there was a certain expectation of monthly revenues, adding for the months in question, those expectations had not been met. She reported YTD revenues were \$23,500 in excess of the projection, noting for fiscal year 2009, revenues were \$206,000 greater than what was projected. She continued a review of the revenue data.
- Mr. Dauster asked whether there was a minimum for the operating reserve.
- Ms. Knippenberg explained that figure was an annual figure and would not fluctuate each month, adding staff preferred a minimum of \$2 million, which was based on 10% of operations or a certain number of months of operations. She stated if there was growth in future years, staff would ask City Council to build up the reserve. She then explained when encumbrances decreased, they were shifted to an actual expense, which increased the expense.
- Mr. Fabian inquired if encumbrances were deferred expenses or if they were for one time purchases.
- Ms. Knippenberg replied both, pointing out half were planned expenses but staff was uncertain when they would occur.
- Mr. Weiler inquired as to the charge for one equivalent residential unit (ERU).
- Ms. Knippenberg replied the rate was variable.
- Mr. Weiler inquired if all expenses were included in the rate.
- Ms. Knippenberg replied affirmatively; however, with the exception of \$2 million, capital was not included.
- Mr. Weiler inquired if the impact fees came out of that \$2 million.
- Ms. Knippenberg replied rather than using impact fees to pay for cash projects, they would be used for debt service.
- Mr. Weiler opined either way, incentives had to impact rates.
- Ms. Knippenberg agreed.
- Mr. Kessler interjected the City had excess water for which there was a demand, adding if the City could sell more water, they could increase revenue and reduce pressure on rates. He opined it was necessary to discuss impact fees and the usage of water that incentives would generate.
- Ms. Knippenberg agreed, asserting the purpose for completing the East Side Force Main was to allow more development in that direction, which would result in more customers

and additional revenue. She stated the question was when that would happen; however, she was not prepared to have a discussion today regarding same, adding staff needed some projection of the kind of development that would occur as well as a timeframe in order to project a stream of revenues.

- Mr. John Noviello, resident, opined the use of excessive water was discouraged; however, the Board was discussing using more water, noting residents were being fined for watering their lawns or washing their cars.
- Mr. Jackson explained from a business standpoint, he wanted residents to use as much water as possible, adding SWFWMD had imposed watering restrictions on the City due to a severe drought; however, those restrictions would not last forever. He stated the restrictions and the lack of development due to the downturn in the economy had put a strain on the City's budget.
- Ms. Knippenberg displayed and reviewed the Monthly Comparison of Water Revenues graph, confirming there were no further questions. She stated all City departments had submitted their target 5% budget cuts to bring operating expenses down without any impact on service levels, concluding City Council would review the suggested cuts at their March 17, 2010 meeting.
- Mr. Jackson stated he would provide members with a breakdown of water rates which would help them better understand the base charges, fixed charges and incremental increases in the tiered system.
- Mr. Carroll suggested the City Manager include that information in his next news article as residents did not understand the rate structure.

BUSINESS ITEMS

A. Piper Road Bid

- Mr. Steve Adams explained City Council had approved an interlocal agreement between the City and Charlotte County to widen Piper Road to four lanes between Jones Loop Road and Henry Street, noting the City had water and waste water utility lines in the project limits which had to be adjusted. He reported the project had been bid and a contractor had been selected, noting the cost was estimated at approximately \$1.3 million, which was consistent with the budgeted figure. He advised no formal action was needed from UAB, noting a pre-construction meeting would take place at the end of the month.
- Mr. Kessler inquired who would pay the \$149,000 expense for pipe removal.
- Mr. Adams responded those funds would be recovered from Charlotte County, confirming the expense would be included on the next capital project data sheet.
- Mr. Sabatino opined it was important to keep contractors moving forward to take

advantage of the current economic environment.

- Mr. Jackson agreed, adding the City Attorney would be contacting Charlotte County's attorney sometime after March 1, 2010 regarding same.

DISCUSSION ITEMS

A. Impact Analysis of Utility Incentive Proposal

- Councilmember McCormick displayed a presentation of an Impact Analysis of Utility Incentive Proposal, as delineated in the agenda materials, stating the purpose was informational. He asserted the benefit was directed at the large use customer only, opining they would come to the City for this benefit. He asserted because of the way the water rates were structured, the low volume user paid less than the high volume user, suggesting it was a quirk related to how the billing was done. He announced he wanted to work with the County Commission to make this part of an economic package.
- Mr. Fabian countered the amount paid per gallon by the low use customer was greater than that paid by the high use customer, clarifying the less water a residential customer used, the more he paid per gallon. He then stated City residents represented 11% of the County's population; however, over the past 4 to 5 years, they had paid between 14% and 18% of the County's taxes, questioning the financial impact of the incentive and inquiring what the County was contributing to same.
- Councilmember McCormick replied he was not comfortable answering what the County could do, adding the proposal was related to the City's utility operation and was something the City could do exclusive of the County. He stated he would like to see the Charlotte County Economic Development Council offer a package of enticements to prospective developers.
- Mr. Sabatino recalled the Board had discussed this issue at their last meeting with the majority of the members not in favor of moving forward at this time, adding this type of economic incentive was not traditionally within the purview of a utility. He suggested it was important to consider why no other municipality had done this, asserting new high use customers would eventually have an impact on demand. He recommended including a clawback provision, opining it was necessary for the City Attorney to determine whether the City was creating bias toward any user to the detriment of others. He stated it was necessary for Finance staff to provide more data about the financial impact to the utility. He concluded he was in favor of economic development incentives; however, City rate payers must not be indirectly subsidizing them for the benefit of the County taxpayers.
- Mr. McCormick agreed with points one, two and three made by Mr. Sabatino, asserting the City's situation was unique as few utilities serviced outside of their service area.

- Mr. Kessler reiterated the City had an excess supply of water, opining it would be an advantage to the City's utility customers if the utility was able to sell more water. He asserted luring business and jobs to Southwest Florida was everyone's responsibility. He then suggested the presentation was missing a diagram for the users outside the City that would continue to pay the full 25% surcharge, adding this proposal was only to reduce the surcharge for new development at Airport Enterprise Park.
- Councilmember McCormick stated he would need to verify same.
- Mr. Kessler opined an equity issue would arise, adding certain users would resent the break being given to other users. He stated due to the City's location in a subtropical zone which experienced climate changes, a substantial drought could cause problems with the water supply.
- Mr. Weiler voiced concern there was no way to give a discount and not raise rates, asserting the City was spending \$30 million because there was a lack of good quality water, not just a lack of quantity. He stated he met with Dr. Abdul Ahmadi of the Florida Department of Environmental Protection (DEP), who was adamant about same. He then inquired if the discount was a negotiation point with the developer or if it was something the County had proposed the City do.
- Mr. McCormick replied the suggestion was made by the Enterprise Charlotte Economic Council, adding there was a lack of information coming from them.
- Mr. Weiler again questioned if the discount was a negotiating point, asserting the City was spending a lot of time and money on it. He maintained it would increase rates, opining County customers paid an increased rate because it cost more to service them. He voiced concern the City would not receive sufficient revenue to cover that cost.
- Mr. McCormick stated the City had to meet a deadline for reducing total dissolved solids (TDS), questioning if the deadline had been altered.
- Mr. Jackson replied in the negative, requesting Mr. Weiler include him in any future meetings with Dr. Ahmadi.
- Mr. Sabatino interjected the DEP's position was not to consider changes to the TDS rules unless instructed to do so by the legislature.
- Mr. Jackson clarified DEP would not consider relaxing the standard of 500, pointing out if they were not going to enforce the standard, the Board would not be having this discussion. He confirmed the City had a variance with an absolute timeframe.
- Mr. Weiler interjected the State issued an emergency order giving everyone an additional year.
- Mr. Jackson stated he had not been able to ascertain whether or how the State mandate affected the variance date.

- Mr. Fabian opined the interconnect should be part of the discussion.
- Mr. Sabatino stated it was necessary to consider SWFWMD's opinion with regard to this issue due to conservation issues, questioning if aggressively soliciting large scale users would jeopardize the City's position for future funding.
- Mr. McCormick opined the City was in an odd position with SWFWMD, which was almost operating independently of the edict to resolve the TDS issue. He stated SWFWMD had been encouraging the City to develop an RO program, adding it was clear that SWFWMD believed tapping down into the Floridian Aquifer was adding to the water supply of the entire system.
- Mr. Jackson stated SWFWMD's position was a result of their responsibility for regulating the source and usage of water, adding SWFWMD staff would question why the City was seeking large water users; however, higher level management understood it was vital to the health and welfare and recovery of the State of Florida to create jobs and revenue.
- Mr. Sabatino asserted many past decisions had been made on assumptions that had now changed, stressing it was necessary for the Board to have sufficient information to make an informed decision and recommendation to City Council; however, he did not think the Board was in a position to do that at this point.
- Mr. McCormick opined this was a jobs program rather than a stimulus.
- Mr. Bennett reiterated it was important to note that this had never been done before, stressing much fact gathering and evaluation was necessary to make any decision; however, that was not being done. He inquired whether growth could exceed water availability, questioning the long term availability of water. He stated these questions were not being answered, adding it was important for the utility not to lose control over the use of its water and its ability to serve its customers. He stated this was a big decision, and the Board did not have the facts to move it forward.
- Mr. McCormick agreed the issue should be looked at very carefully and the Board deserved to have their questions answered, asserting the issue had been judged and dismissed as being improper for the Board to consider; however, he was trying to keep the idea alive. He stated this was one attempt to stem the loss of population, adding he would like to stem that loss and replace the missing people that had taken their children out of the schools and left the County with 14% unemployment.
- Mr. Bennett countered the 14% unemployment figure had nothing to do with this issue, reiterating there was insufficient data to make a decision.
- Councilmember Wallace stated the County had \$500,000 to assist with a project, adding the Economic Council indicated it was to build a solar panel for the production plant. He agreed the numbers were not there; however, he also agreed it was necessary for the

City to sell more water, asserting with the City paying \$30 million for the RO plant, \$6 million for the dam and \$7.5 million for a force main project, rates had already been increased. He questioned how the City was going to diminish that impact to the ratepayers, adding it was necessary to find an answer.

- Mr. Fabian questioned if the incentive was a deal breaker, inquiring if this incentive was going to bring businesses to the airport park. He opined there was much more involved in a company making a location decision than what would be paid for water.
- Mr. Sabatino asserted if the water rate was significant, it could be a quantitative factor; however, salaries and wages were often the largest number to be considered.
- Mr. Bennett recalled the City previously budgeted 6% population growth, adding the current lack of growth had nothing to do with the availability of water. He opined growth would come back in the future; however, at this time, he did not see how this proposal would benefit the citizens of Punta Gorda, asserting the cost of water was not a deal breaker.
- Councilmember McCormick acknowledged more research was needed, opining members seemed to agree that a developer would weigh this proposal in some manner. He stated at this time the proposal was not on the table and no staff had been assigned to it, suggesting everyone could benefit from giving it more consideration.
- Mr. Carroll inquired if the proposal came from the County's Economic Development Board.
- Councilmember McCormick replied it came from staff, adding they had reviewed it for ways to help the Economic Board.
- Mr. Carroll questioned why the presentation was being made to the Board, opining this should be addressed by City Council.
- Mr. McCormick explained it was prepared as a January 2010 presentation for City Council, adding when the meeting ran long, Mr. Fabian suggested it be presented to UAB. He stated he was more comfortable working with an advisory board that was somewhat cognizant of what he was doing, apologizing for taking up the Board's time with his views; however, he appreciated the informative discussion. He stated the most important thing he had learned was that if impact fees were discussed at the next joint meeting with the County, the City's utility impact fees would probably be swept up into the discussion, adding that might not be in the utility's best interests until UAB agreed that was something that should be done.
- Mr. Dauster thanked Councilmember McCormick for the presentation and including the Board in the discussion.

B. Total Dissolved Solids (TDS) Briefing Memo

- Mr. Weiler inquired if the City was moving forward with the reservoir.
- Mr. Jackson replied in the negative.
- Mr. Weiler inquired if the ASR wells would be converted for the RO.
- Mr. Jackson replied staff would be researching the feasibility of same, adding if it was not possible, new wells would have to be constructed.
- Mr. Weiler explained his meeting with Dr. Ahmadi had been by chance, adding his understanding was that Dr. Ahmadi wanted more information about what the City was doing.
- Mr. Jackson stated City staff spoke to Dr. Ahmadi's staff on a weekly basis, adding he would distribute the draft PDR to UAB when he received it in early March 2010. He then stated Mr. Weiler had the right to talk to whomever he wanted; however, this was a very sensitive issue that would cost the City much money, reiterating he would like to be made aware of what Mr. Weiler was doing. He voiced concern Mr. Weiler was negotiating on behalf of the City, especially as a variance was involved.
- Mr. Weiler clarified there had been no negotiating; however, he had asked about the chance of going to the legislature and requesting a change, asserting there were a number of facilities in Florida that exceeded the standard, which was why an emergency order had been issued.
- Mr. Jackson clarified every surface water facility exceeded 500.
- Mr. Weiler stated there were 30 of them; however, there were 7,000 water treatment facilities, suggesting staff request their lobbyist go to Tallahassee to see if one of the local legislators could get the standard increased.
- Mr. Jackson drew members' attention to the TDS briefing memorandum, explaining its purpose was to help elected officials better understand TDS, its trends in Shell Creek, the technologies for removing it, the impact it had on the City's system and the related state and federal regulations. He stated staff was waiting for City Council to give them direction.
- Mr. Sabatino questioned if a reservoir would be part of Phase II.
- Mr. Jackson replied his instructions from UAB and City Council were to move forward with Phase I to solve the TDS problem, then reconvene to discuss growth and other issues and decide the system requirements for 2014 or 2020. He stated the focus now was groundwater to solve the TDS issue.
- Mr. Sabatino stated he wished to ensure that was not off the table.
- Mr. Jackson replied nothing was off the table.
- Mr. Sabatino stated according to the Carollo report, various agencies agreed higher

levels of TDS were acceptable, adding other states had higher thresholds. He inquired if that was part of the rationale to get the standard increased.

- Mr. Jackson replied affirmatively, adding it had to become a legislative process, which could take a long time and potentially cost much money. He stated there was a date certain for the City to solve the problem, adding he received many complaints regarding plumbing problems, burned out water heaters and spotty glasses; however, groundwater would help with those issues.
- Mr. Dauster inquired if there was anything the Board could do at this point.
- Mr. Jackson replied staff would move forward with groundwater unless City Council directed them to do otherwise, opining in the meantime, City Council should begin discussing the issue with their State legislators to determine whether there was any potential for relief or a postponement. He confirmed it was not likely the standard of 500 would be changed.
- Mr. Dauster inquired if an RO plant using groundwater was a good idea despite the other issues.
- Mr. Jackson replied there were many advantages to having diversified sources, adding at some point SWFWMD would impose minimum flows downstream of the City's spillway. He explained there would likely be times of very low flow when the City would be restricted as to the amount of water withdrawn from the reservoir to insure that the environment was protected downstream of the spillway. He stated an alternative source would help deal with those issues and rest the surface water, adding other good reasons included better water quality and improved plant operations.
- Mr. Dauster confirmed the ASR wells would go away, pointing out the RO plant would also be dependent upon rainfall and the availability of surface water.
- Mr. Jackson stressed this was a replacement for ASR rather than a new water source, adding the City would still have a 10 mg treatment plant.
- Mr. Sabatino stated it was not that long ago that the City invested millions in the ASR system because of the information that was available at the time, adding that investment was not providing a long term benefit. He opined it was necessary to move forward carefully.
- Mr. Jackson stated unlike ASR, RO was tried and true technology, adding ASR had been a new concept and nobody could have anticipated the problems the City would have with arsenic and reduced recoveries.

C. I&I - Jeff Weiler

- Mr. Weiler stated infiltration was identified based on the chloride mass balance, opining that was not a reliable way to estimate infiltration. He stated the salinity of seawater,

which was approximately 35 parts per thousand (ppt), was also used, adding brackish water could be anywhere from 1 to 30 ppt; however, the water in this area was approximately 7 ppt. He asserted the estimate on infiltration was off by a factor of 5, suggesting it needed to be fine tuned. He stated even if the numbers were correct, 212 mg were being treated each year, estimating at a cost of \$11 per thousand gallons, more than \$2 million was being spent to treat infiltration. He stated according to the report, staff could fix the problems by 60% or 70%; however, he felt it could be more.

- Mr. Jackson clarified the report stated 61% had already been corrected since 1996.
- Mr. Weiler stated the reported assumed 70% chloride reduction in rehabilitated basins, adding the City was spending \$100,000 per year to look at the problem. He stated infiltration was reported as 30 million per year, adding that could be off. He acknowledged it was a difficult thing to measure, maintaining measuring based on chlorides did not work. He reiterated the salinity of the water was 7 ppt, adding if 35 ppt was used for seawater, it was off by a factor of 5, which bumped the number to 150 million and equated to 300 mg being treated. He stated if that number was divided by 1,000 and multiplied by \$11, it was a big number.
- Mr. Jackson questioned if Mr. Weiler was suggesting the City spend more money to solve the problem.
- Mr. Weiler responded he was asking the Board whether it would be a good idea to look into it more closely.
- Mr. Jackson stated it would be necessary to cut other budget items to spend more money on infiltration, adding he was under a mandate by the ratepayers to maintain low rates. He stated staff would be researching the issue further, adding they would be looking at the cost of treatment versus the impact obtained. He stated staff had been following the 13 points outlined in the I&I study, which had resulted in a 61% reduction. He clarified \$100,000 was not spent on looking at the problem, but rather it was spent in the field making repairs.
- Mr. Weiler countered that 61% was a potential reduction, adding staff had concluded that since wastewater flows had not increased as much as water flows, it must be working; however, there was no explanation for that either.
- Mr. Jackson stated the report had been reviewed and accepted by DEP and SWFWMD.
- Mr. Weiler stated he was not saying the report was wrong, adding this was just his opinion. He stated the report indicated 212 mg per year of infiltration was being treated, suggesting staff take a closer look at the numbers. He stated this was a cheap plant expansion since it was 2.3 million every year forever.
- Mr. Jackson stated it was a regulatory requirement for staff to review the results and do

this level of work every five years, confirming staff spent \$300,000 on line repair and replacement each year.

- Discussion ensued regarding inflow and infiltration.
- Mr. Jackson agreed to redistribute the I&I report for members to review.

D. Galvanized Fittings

- Mr. Tim Smallwood displayed a new galvanized fitting, explaining the old fittings were not galvanized, were approximately 25 years old and were failing.
- Mr. Dauster inquired as to the expected life span.
- Mr. Smallwood replied the old fittings were 25 to 30 years old, adding the new fittings were expected to last 50 years.
- Mr. Jackson stated when the older fittings were installed, they were the standard for the industry; however, they would not be allowed today.
- Mr. Dauster inquired if they would be replaced as they failed or if they would be proactively replaced.
- Mr. Jackson responded there were no funds to do it proactively, adding the replacement cost that did not involve tearing out a driveway was \$1,200, and there were approximately 17,000 fittings. He stated the City had approximately 13,000 service connections, adding with regard to breaks that were attributable to galvanized fittings, there had been 14 breaks in 2007, 57 in 2008 and 31 in 2009. He stated there had been 11 to date for 2010, explaining as the metal corroded it became thin. He stated the fittings could probably last for years; however, expansion and contraction due to temperature variations caused breaks, adding rather than thousands of failures, there had been 113 failures in 4 years.
- Mr. Sabatino stated the majority of the breaks had occurred in Punta Gorda Isles, Burnt Store Isles and Seminole Lakes, requesting Mr. Jackson discuss the costs as well as a system of notification for residents.
- Mr. Jackson stated the breaks were not concentrated in one area, otherwise, he might suggest it be addressed as a budgeted project. He then reported the break that occurred on January 9, 2010, had been fixed with reduced pressure rather than turning the water off. He explained when connections were replaced, the water had to shut off completely, adding replacement of all the connections in one area would be expensive and it would be necessary to shut down the entire street for as much as a week. He stated when driveways had to be torn up, the cost increased by approximately \$6,000, estimating 10% of the fittings were under driveways. He stated staff had been working on a better notification and information system.
- Mr. Carroll inquired if the current building code allowed driveways to be constructed on

top of the fittings.

- Mr. Jackson replied affirmatively.
- Mr. Carroll suggested the code be changed to prohibit same.
- Mr. Jackson stated that would only help with new construction, adding utility staff already determined where those connections would be located.
- Mr. Adams explained the land was already platted, adding water services should ideally be oriented on the lot line and not be in conflict with the driveways; however, the lots in the City were not parallel. He stated on the side of the street where the water main was located, the meters split the lot lines; however, on the other side of the street the line might line up with the middle of the lot, which was generally where the saddle was located. He pointed out the existing saddles had been installed by the developer.
- Mr. Sabatino stated 25% of the lots in Burnt Store had not been improved, opining the connections should be moved when a residence was constructed to avoid the driveway from being installed over the fitting.
- Mr. Jackson stated staff did take advantage of opportunities for moving the connections.
- Mr. Carroll clarified a connection should never be permitted to be under a driveway.
- Mr. Jackson agreed to discuss same with the building staff and report back to the Board.
- Mr. Richard Kebrdle, resident, stated when a fitting on Paola Drive failed, the fire hydrant at the corner was opened, adding when that hydrant was closed, a pipe in the cul de sac broke. He questioned whether the connections being discussed were located in the cul de sacs, asserting two pipes were broken in order to fix one pipe.
- Mr. Jackson stated those types of saddles were not in the cul de sacs, adding that was an unusual situation and he would have to research same.
- Mr. John Obial, resident, opined the procedure used by workers to repair the broken pipe was dangerous, asserting the street had been damaged by the amount of water.
- Mr. Rudy Lupp, resident, questioned if there was a maintenance procedure for pipe breaks.
- Mr. Jackson replied the old fitting was replaced with the new galvanized fitting that staff displayed earlier, confirming it was the nipple rather than the pipe that was failing.
- Mr. Sabatino questioned whether the problem with the fire hydrant occurred due to live repairs.
- Mr. Jackson responded that was possible.
- Mr. Sabatino reiterated staff needed to do a better job of informing the citizens of what the problem was, what the fix was and when they could expect service to be restored, opining the Code Red system could be programmed for that purpose.
- Mr. Dauster stated it was up to staff to develop a process and inform the Board of same.

- Mr. Jackson agreed, reiterating this problem had occurred only 31 times in 2009. He stated it was important not to “hit the fly with a baseball bat”, adding on January 9, 2010, there were 276 calls to the Water Treatment Plant. He stated there were 2 people working at the time, adding they were working to make water, not to return 276 phone calls. He stated every call had been documented; however, it was not possible to call everyone back, adding staff was working on a solution.
- Mr. Carroll questioned why Code Red was not being used, recalling members had previously recommended it be used.
- Mr. Jackson explained the Code Red system was paid for and belonged to the Police Department, adding Utility staff had used it several times; however, the Utility Department would have to share the cost. He explained identifying who should be notified was somewhat complex to program, adding it was a good system, however, residents who were not members would not receive notification.
- Mr. Sabatino opined residents could be encouraged to sign up, adding residents did not care where the system resided. He requested staff bring a proposal to the Board next month for their approval.
- Ms. Carol Kebrdle, resident, questioned what assurances there were that dirt and bacteria were not getting into her system through the pin holes, adding when she had her water analyzed four years ago, the results were that dirt and dead bacteria were in it.
- Mr. Jackson explained dead bacteria was not a problem, adding disinfectant was added to the water to kill bacteria. He stated the dirt could well be the TDS that had been discussed earlier, briefly explaining the process of replacing a galvanized fitting.
- Mr. Obial questioned how much water was lost during a repair.
- Mr. Jackson replied he could not answer the question without some additional research.
- Mr. Sabatino suggested the information regarding the procedure be disseminated to the various homeowner groups when it became available.

MEMBER COMMENTS

- Mr. Dauster inquired as to the status of the Shreve/Airport intersection.
- Mr. Jackson responded the utility work was finished, adding he would speak with Mr. Rick Keeney and email the members with the answer.

ADJOURNMENT

- Meeting Adjourned: 11:52 a.m.

John Dauster, Chairman

Karen Smith, Recording Secretary