

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

MEMBERS PRESENT: John Dauster, Chairman
Howard Bennett, Steve Fabian,
Terry Miller, Joe Sabatino

MEMBERS ABSENT: Thomas Kessler

OTHERS PRESENT: Tom Jackson, Utilities Director
Steve Adams, Engineering Manager
Steve Leonard, Senior Project Manager
Sharon Knippenberg, Controller
Kristin Simeone, Finance Department

CALL TO ORDER/ANNOUNCEMENTS

- A. Roll Call
- B. Next Scheduled Meeting
- 1. To be Discussed Due to Holiday
 - Mr. Tom Jackson pointed out the December meeting date fell on a day when the City would be closed for the Christmas holiday. He explained there was a pending construction bid for a relief force main, voicing concern regarding the timeframe for the Board to review same. He stated staff was anxious to move the project forward quickly, suggesting the regular December, 2010 and January, 2011 meetings be combined into one special meeting early in January, 2011.
 - Mr. Dauster agreed, inquiring if there were other items needing to be addressed.
 - Mr. Jackson replied staff was also waiting to receive a Request for Additional Information (RAI) from the Department of Environmental Protection (DEP) on the City's variance request, which was due later this week, adding he would email same to the Board and would accept their comments via email since it was necessary for the City to respond within 30 days.
 - Mr. Fabian inquired if the bids would be received by January 10th.
 - Mr. Jackson replied staff hoped to have same ready for the Board's review by January 10th or January 17th, depending upon the Procurement Division being able to complete their process.
 - Mr. Sabatino stated due to the number of members remaining on the Board, it was necessary to insure a quorum would be present.
 - Mr. Fabian suggested scheduling the meeting for January 17th.
 - Mr. Jackson agreed.

- Mr. Dauster confirmed members were amenable to the meeting date. He then pointed out the regular meeting time was listed as 9:30 a.m. in the newspaper.
- Mr. Jackson stated staff would insure it was corrected. He then stated he would email the operational reports for December, 2010 early next month.

APPROVAL OF MINUTES

A. Regular Meeting - October 25, 2010

- Mr. Sabatino MOVED, Mr. Fabian SECONDED approval. MOTION CARRIED UNANIMOUSLY.

STATUS REPORT

A. Utility Operational Data

- Mr. Jackson reported according to the United States Geological Survey (USGS), the reservoir was 5.29 feet above mean sea level (msl), which equated to approximately 182.58 million gallons per day (mgd) of flow over the spillway, noting that was typical for this time of the year. He stated chlorides were 128 milligrams per liter (mpl) and Total Dissolved Solids (TDS) were close to the maximum allowed of 500 mpl; thus, staff was no longer injecting water into the Aquifer Storage and Recovery (ASR) wells. He displayed the Shell Creek Reservoir Levels, as delineated in the agenda packet, stating levels were equal to the 40-year average figures. He reported the Southwest Florida Water Management District (SWFMWD) and the National Weather Service had predicted a dryer than normal dry season, adding last year the forecast had been similar; however, there had been several timely rainfalls in conjunction with cold fronts and other weather events. He announced SWFMWD had declared a modified Phase I water shortage, explaining same prompted utilities to conduct a review of their water usage. He stated City staff had a procedure for same, concluding the City's watershed was in good condition for this time of year.
- Mr. Fabian stated there was much construction on Piper Road, noting there were two pipes gushing water in that area.
- Mr. Jackson advised those new lines were being flushed and cleared for usage, adding that water was tracked and included in the water audit. He then displayed the monthly operational data for October, 2010, as delineated in the agenda packet, briefly reviewing same, explaining raw waste water numbers were slightly high since filter testing was still occurring. He stated the lack of rainfall in October represented a deficit of approximately 2.5 inches.
- Mr. Sabatino inquired why the raw water number was 40% higher than the previous year.
- Mr. Jackson replied 40 million gallons (mg) had been injected into the ASR wells.
- Mr. Dauster opined it was still high at 158 mg.
- Mr. Jackson recalled temperatures had risen in October and there had been no rain,

pointing out increased usage represented increased revenue.

B. Capital Project Data Sheet – Priority Efforts

- Mr. Dauster inquired how Charlotte County determined what percentage of work orders and change orders was to be paid by the City.
- Mr. Steve Leonard explained the County’s bid process, stressing the City paid the difference between the bid cost and the modified cost rather than a set percentage for a project.
- Mr. Sabatino stated it had been a month since the variance request had been sent to DEP, inquiring whether staff had received any feedback.
- Mr. Jackson replied in the negative.
- Mr. Fabian inquired if staff had determined the overhead costs for the Charlotte Park project which had been completed in-house.
- Mr. Jackson responded staff was still working on same.

C. City Council Action on Utilities Agenda Status

- Mr. Fabian recalled there had been a finance related agenda item.
- Mr. Jackson stated a Resolution was placed on City Council’s Consent Agenda, explaining same was the first step in the process of borrowing money.

D. Utility Fund Balance

- Ms. Kristin Simeone displayed the financial statements for October, 2010, briefly reviewing same, noting water revenues were slightly higher than anticipated and operating expenses were on track, reporting the first payment for debt service had been made on October 1, 2010.
- Mr. Fabian recalled Mr. Dauster had questioned the meaning of “PRTS” at the previous meeting, noting same was a large number.
- Ms. Simeone responded same was the base rate.

NEW BUSINESS

A. Connection Fee Installment Payment Program DRAFT Ordinance

- Mr. Jackson gave a brief explanation of the connection to the force main by several mobile home parks on Riverside Drive, adding residents had questioned whether the City could finance the cost and bill them monthly for same. He stated at the City Manager’s request, staff had drafted an ordinance to address same.
- Mr. Dauster drew members’ attention to Section 17-32 on page one, questioning whether the City could choose to omit single family homes.
- Mr. Jackson replied he would ask the City Attorney.
- Mr. Sabatino opined the impact of a per-mobile-home-basis would be the same as a single family home.

- Mr. Jackson countered the mobile home parks were master metered, explaining the homeowner's association would have to pay the City \$500,000 when the park was connected to the force main and then collect payment from the individual homeowners, which was a hardship. He reiterated he would discuss the matter with the City Attorney, stressing if the Finance Department had to do the accounting and record keeping for charging interest every month for a single family home connection, it could be costly for the City in the long term.
 - Mr. Dauster drew members' attention to page two, paragraph (b), questioning accrued interest, which was later referred to as percentage on prime.
 - Mr. Jackson observed the ordinance referred to percentage over prime and also specified a number, noting it could not be both.
 - Mr. Fabian confirmed repayment would be on a monthly basis.
 - Mr. Sabatino confirmed the homeowner's association would be responsible for the monthly payment regardless of whether they collected the funds from the homeowners.
 - Mr. Fabian commented the association would also be responsible for late payment penalties.
 - Mr. Jackson agreed, noting many of the residents were tenants rather than owners. He confirmed the ordinance would be revised and reviewed by the Board again.
- B. Wastewater Collection System for Charlotte Park Grant Extension
- Mr. Jackson recalled Representative Lindsay Harrington had obtained \$750,000 in grant funds for the City's deep injection well, adding \$750,000 was also granted for installing sewers in Charlotte Park; however, Charlotte Park residents were not in favor of installing sewers. He stated he had been submitting annual requests to extend the deadline, adding although the DEP had established an absolute deadline of December 31, 2010, he recently received an email inquiring if the City wished to extend the deadline again. He stated City Council indicated they did not want to entertain the question, adding he was in favor of extending the grant, and the City Manager had requested input from the Board.
 - Mr. Sabatino inquired why City Council did want to entertain the question.
 - Mr. Jackson replied the grant funds would pay only for the design, adding the City would have to assess property owners approximately \$7,000, and City Council was reluctant to do so in these economic times.
 - Mr. Dauster inquired if the Charlotte Park residents were aware that grant funds were available to help offset the design cost. He then inquired if sewers would be mandatory at some point in the future.
 - Mr. Jackson replied the Legislature had enacted a law that regulated the maintenance of

septic systems and included a requirement for inspections, adding they later stayed the deadline of December 31, 2010 due to the current economic climate. He stated he met with the Director of Charlotte County Utilities to discuss combining the Charlotte Park project with one of the County's larger sewer projects in order to obtain a better price, adding the Director had agreed; however, that was prior to the new law being stayed. He opined the law would not be enacted for another year. He then stated he would send DEP a letter requesting additional time for the grant, adding sewerage would eventually be required; however, that could be several years in the future.

- Mr. Fabian MOVED, Mr. Sabatino SECONDED recommending that Mr. Jackson prepare a letter to DEP requesting an extension of the timeframe for the grant.
- Ms. Miller inquired if the DEP could decide to enforce the deadline for the grant.
- Mr. Jackson replied there were no guarantees; however, he felt the deadline would be extended. He then stated he would discuss the matter with the City Manager, adding it would be scheduled for City Council discussion in the future.
- Mr. Sabatino opined it showed the City was attempting to minimize expenses.
- Mr. Bennett agreed, opining it was foolish to turn down grant funds that could be used for the project design. He agreed sewers would be required at some point in the future, suggesting the DEP had a reason for wanting the program to move forward.
- Mr. Jackson agreed the DEP was likely encouraging the City to extend the deadline as there would possibly be a statewide push next year to move the program forward.
- Ms. Miller stated the Environmental Protection Agency (EPA) had enacted new rules despite the Governor-Elect's request not to do so, inquiring what effect that would have on sewer projects or the utility.
- Mr. Jackson replied that was uncertain, adding it was likely it would have very little effect on the utility since the City did not have a pipe discharge, explaining sewage was collected and put down a permitted deep injection well. He stated the rule also applied to stormwater discharges, which had a greater potential for ramifications to the City, adding Mr. Steve Adams had been attending the workshops and meetings and was well informed about the matter.
- Mr. Adams explained an agreement between EPA and the State would be needed before the rule could take effect, adding the DEP would be responsible for implementation; however, no agreements had been negotiated.
- Ms. Miller inquired if it would be beneficial for local governments or the DEP to insist on sewer service whenever the sewer was near a body of water, questioning whether the new rule could be used to enforce same. She asked if there was a relationship between the new set of rules and installing sewer systems, voicing concern sewage was running

into open bodies of water.

- Mr. Adams replied he was uncertain whether the new rule was enough to motivate policymakers to require sewer expansion, adding the State of Florida already had an impaired waters rule that had been in effect for ten years. He stated they rules were related in that they both addressed impaired water bodies and methods to restore water quality.
- MOTION CARRIED UNANIMOUSLY.
- Mr. Jackson asked Ms. Sharon Knippenberg to explain the resolution adopted by City Council at their last meeting.
- Ms. Sharon Knippenberg reiterated the resolution was City Council's authorization to allow staff to begin the process of obtaining financing, adding bids would be received sometime in January, 2011. She stated staff was looking to obtain the most favorable terms possible for 20 year financing.

COMMITTEE/BOARD COMMENTS

- Mr. Dauster inquired if Taylor Road south of Jones Loop Road was within the City's utility service area.
- Mr. Jackson replied affirmatively, clarifying the City provided water service only.
- Mr. Dauster inquired why a water meter and backflow preventer would be located in the front lawn rather than against the house, inquiring whether they could be moved.
- Mr. Adams responded when a backflow preventer was installed against a house, it was generally separating an underground sprinkler system from domestic use, advising installing a backflow preventer next to the meter was now required for newer connections; however, nothing in the rule forced owners of existing homes to install a backflow preventer if they did not already have one.
- Mr. Dauster clarified he was questioning the location of the backflow preventer.
- Mr. Adams responded he would have to research whether a location was specified.
- Mr. Jackson agreed a backflow preventer located against a house was to protect the water supply from the irrigation system, adding the new Plumbing Code specified they must be located in the right-of-way or at the meter. He stated he was uncertain whether Charlotte County would allow the backflow preventer to be moved.

ADJOURNMENT

- Meeting Adjourned: 9:55 a.m.

John Dauster, Chairman

Karen Smith, Recording Secretary