

**UTILITY ADVISORY BOARD
MEETING
OCTOBER 17, 2019**

MEMBERS PRESENT: Bil Tucker, Chairman
Mike Dougherty, James Hoffman,
Christopher Pflaum, Haskell Rhett

OTHERS PRESENT: Tom Jackson, Utilities Director
Kristin Simeone, Finance Director
Mr. Steven Leonard, Senior Utilities Project Manager
Cindy Blondin, Bill Harbor, Gary Skillicorn

CALL TO ORDER/ANNOUNCEMENTS

- A. Roll Call
- B. Next Scheduled Meeting
- 1. November 25, 2019

CITIZENS COMMENTS ON AGENDA ITEMS ONLY

- None.

APPROVAL OF MINUTES

- A. Review and Approval of Minutes from July 22, 2019 and September 30, 2019.
 - Mr. Dougherty MOVED, Mr. Pflaum SECONDED approval of the July 22, 2019 minutes. MOTION CARRIED UNANIMOUSLY.
 - Mr. Pflaum MOVED, Mr. Dougherty SECONDED approval of the September 30, 2019 minutes. MOTION CARRIED UNANIMOUSLY.

REPORTS

- A. Utilities Operational Data: Review of water and wastewater flows from July and August 2019.
 - Mr. Tom Jackson, Utilities Director, reviewed the July 2019, August 2019 and September 2019 reports from the agenda material, noting the Shell Creek Reservoir levels were at record height in July 2019 and August 2019; however, flow conditions deviated below the 40 year average by September 2019 and reached no flow conditions by October 2019. He explained the Phase 1a Interconnect Pipeline and the completion of the Reverse Osmosis (RO) Water Treatment Plant would alleviate concerns related to no flow conditions, opining those issues would soon stabilize. He then provided a brief review of the September 2019 reports, concluding the rolling 12-month average for rainfall was down by 11.1 percent.

- B. City Council Action on Utilities Agenda: Utilities agenda items presented to City Council in July and August 2019. Items presented to City Council in September will be distributed at the meeting.
- Mr. Jackson reported City Council had accepted the Phase 2 Financial Analysis of the Septic to Sewer (STS) Master Plan at their August 21, 2019 meeting, noting same would be discussed later this date. He then stated action at the September 2019 meetings concerned the announcement of vacancies on the Board, adding at the September 18, 2019 meeting, City Council accepted utilities infrastructure within Windward Isles at Vasco Street. He reported the Board's vacancies were announced at the October 2, 2019 meeting, noting two new members were appointed at the October 16, 2019 meeting.
 - Ms. Cindy Blondin introduced herself as a new member of the Board and provided a brief history of her experience with municipal infrastructure.
- C. Utilities Financial Report: Review of Monthly and Year End Revenue and Expenses for Utilities July and August 2019
- Ms. Kristin Simeone, Finance Director, reviewed the July 2019 and August 2019 reports from the agenda material, stating the September 2019 reports would be available at the November 25, 2019 meeting. She noted revenues were greater than anticipated. She then explained Transfers to Utilities Construction was slightly over budget as funds had to be transferred prior to receipt of reimbursement grants.
 - Mr. Dougherty inquired as to the cause of the \$300,000 increase in Miscellaneous Revenue in the August 31, 2019 report.
 - Ms. Simeone replied interest income and sale of assets likely accounted for the increase. She then drew attention to the Major Water and Sewer User Fee Revenues report, noting same included revenues from customers located outside City limits.
 - Mr. Pflaum inquired as to the location of those customers.
 - Mr. Jackson provided a brief overview of properties outside City limits which connected to City sewer infrastructure, noting Charlotte County (County) required new development in close proximity to City sewer infrastructure to connect to same.
 - Ms. Simeone concluded reviewing the reports, noting revenues were approximately \$1 million dollars above the original year-to-date budget.

NOTE: Unfinished Business was heard following New Business.

UNFINISHED BUSINESS

- A. R.O. Plant Status Update: Review of Monthly Schedule Update and Progress Meeting Status August/September 2019
- Mr. Jackson announced staff held a meeting regarding progress on the RO Plant, noting the project was on schedule and on budget.

- Mr. Dougherty questioned the status of the sodium hypochlorite (bleach) conversion.
- Mr. Steven Leonard, Senior Utilities Project Manager, stated the conversion was covered under owner contingency, noting same was created by tax savings from owner direct purchases of equipment.

NEW BUSINESS

A. Total Trihalomethanes (TTHMs) Notice

- Mr. Jackson drew attention to the Total Trihalomethanes (TTHMs) Notice detailed in the agenda material, stating same would be mailed to all City utilities customers. He reviewed the process which produced TTHMs, noting exposure to high levels over a long period of time might cause health concerns. He reported testing discovered one sample had TTHMs at a level 3 parts per billion greater than the amount allowed, explaining a new sample was immediately taken and tested, which produced results 50% lower than the initial sample. He explained samples were taken at four locations each quarter, noting other test results from that location aligned with historical results. He noted two samples were taken and sent to two separate labs, both of which produced TTHM levels close to each other and aligned with historical levels for the location. He opined a dilution error likely had caused the TTHM result above the allowable standard. He stated staff had increased flushing at that location and took weekly samples, all of which had been below 60 parts per billion. He concluded the State did not accommodate suspected lab problems in its requirements to notice utilities customers, adding he was addressing same with legislators and policy makers.
- Mr. Rhett opined a public trust issue might occur, particularly as the newspaper had published an article on the matter but the City had not yet notified customers.
- Mr. Jackson clarified information had been provided in the City's Weekly Reports, explaining the City had to contract with a printer to produce the notices. He then confirmed a Code Red system was in place which allowed the City to notify the public if there was an immediate need to cease consumption of City water.
- Discussion ensued regarding the laboratory which held the contract analysis of water samples.

NOTE: Item B New Business was heard following Item C Reports.

B. Financial Analysis from Christopher Pflaum re: Septic to Sewer Consultants' Reports

- Mr. Jackson provided a brief review of the Septic to Sewer (STS) Project, explaining same was recommended by the Board at the June 24, 2019 meeting. He recalled City Council had approved the financial plan for the STS Project, explaining the County must institute the assessment for the STS Project as it concerned properties served by City utilities infrastructure outside City limits. He stated City Manager Howard Kunik was meeting

with the Charlotte County Commissioners individually to discuss the project, noting the County had assessed \$11,400 per connection; however, that would cost \$18,000 per equivalent residential unit (ERU). He concluded the County was researching additional funding sources such as grant funding, adding the City would consider the same funding sources.

- Mr. Tucker opined taking action at this time was premature.
- Mr. Jackson stated a new contract would be required for Jones Edmunds to reexamine the STS Project's financial analysis.
- Mr. Pflaum stated the Jones Edmunds' report was an engineering economic study which concluded the gravity system was preferred, noting he originally voted to recommend their report. He stated the study Jones Edmunds completed was based on 1,340 ERUs; however, the number had been reduced to approximately 840 ERUs when the project was presented to City Council. He asserted a Septic Tank Effluent Pump (STEP) sewer system was more economical given the reduced number of ERUs. He then provided a detailed account of the memorandum he provided to members, as delineated in the agenda material, focusing in particular on his financial analysis of implementing a STEP sewer system or a gravity sewer system in the project area. He suggested the City approve the STEP system as the County had, opining the gravity system increased costs for customers. He suggested the Board rescind its recommendation to City Council to accept the Jones Edmunds report.
- Discussion ensued regarding the Jones Edmunds financial analysis and the most appropriate time to address members' concerns.
- Mr. Dougherty pointed out the motion made at the June 2019 meeting did not approve the Jones-Edmund report, but supported the STS Project.
- Mr. Rhett concurred with Mr. Pflaum's findings, speaking in favor of considering same now the Board had reviewed his memorandum.
- Ms. Simeone pointed out the STS Project's financial plan was developed using the gravity sewer because same was selected in 2016, adding the sewer system implemented could be revisited during the project's design phase. She stated the financial plan was a starting point, noting funding was not yet established.
- Mr. Pflaum stated the first step should be to determine what approach would be most cost effective, asserting Jones Edmunds had forced a conclusion through the financial assumptions made in the engineering economy study.
- Mr. Tucker concluded the Board shared concerns regarding the STS Project, suggesting the Board clearly state their reservations.

- Mr. Pflaum MOVED, Mr. Hoffman SECONDED after further review of the Jones Edmunds report presented at the June 24, 2019 meeting, the Board expressed reservations about the engineering economic analysis which appeared to select a specific technical system (gravity); therefore, the Board suggested that system selection might be incorrect and should be revisited. MOTION CARRIED UNANIMOUSLY.

COMMITTEE/BOARD COMMENTS

- Mr. Dougherty requested an update on the Automated Meter Infrastructure (AMI) Project.
- Mr. Jackson responded approximately two large meters still required components to be replaced. He explained all residential meters were complete, adding the customer portal was a work in progress.
- Ms. Simeone stated mailings for customers would soon be distributed through email, noting an announcement would be included in the Weekly Report and customers would be notified via postcards.
- Mr. Dougherty congratulated the Water Plant Operators who had received license upgrades.
- Mr. Hoffman questioned whether TTHMs were in the same category as the high levels of arsenic and total dissolved solids for which the City had variances.
- Mr. Jackson replied secondary standards did not exist for TTHMs, noting same were a primary standard which required high levels of exposure over a period of many years to produce adverse health effects.

CITIZENS' COMMENTS

- Mr. Bill Harper pointed out his book included a review of TTHMs as well as a history of the Utility System. He then welcomed Ms. Blondin and provided her with a copy.
- Mr. Gary Skillicorn inquired how staff would present information to the County regarding the assessment of residents given the difference in funding amounts identified by Mr. Pflaum.
- Mr. Jackson pointed out the County would only provide \$11,400 per connection; therefore, the City would be required to establish funding for the difference.

ADJOURNMENT

- Meeting Adjourned: 10:41 a.m.

Bil Tucker, Chairman

Leah Pues, Recording Secretary