

**UTILITY ADVISORY BOARD
MEETING
FEBRUARY 26, 2018**

MEMBERS PRESENT: Bill Schindler, Chairman
Thomas Dillon, Mike Dougherty, Thomas Feneran,
James Hoffman, Christopher Pflaum, Bil Tucker

OTHERS PRESENT: Tom Jackson, Utilities Director
Kristin Simeone, Financial Analyst
Helen Meiller, Billing and Collections Supervisor
Sharon Knippenberg, Controller
Mark Green

CALL TO ORDER/ANNOUNCEMENTS

- A. Roll Call
- B. Next Scheduled Meeting
 - 1. March 26, 2018
 - Mr. Dougherty advised he would be unable to attend the Board's next meeting.

CITIZENS COMMENTS ON AGENDA ITEMS ONLY

- There were none.

APPROVAL OF MINUTES

- A. Meeting of January 18, 2018
 - Mr. Feneran MOVED, Mr. Hoffman SECONDED approval of the January 18, 2018 minutes. MOTION CARRIED UNANIMOUSLY.

REPORTS

- A. City Council Action on Utilities Agenda: Utilities Agenda Presented to City Council for January.
 - Mr. Jackson stated Utilities had no agenda items at City Council on January 17, 2018, or February 7, 2018.
- B. Utilities Operation Data: Review of Water and Wastewater Flows for January 2018.
 - Mr. Tom Jackson, Utilities Director, displayed a graph of Shell Creek reservoir levels, as delineated in the agenda material, stating the Shell Creek Reservoir levels were at the 53-year average. He then drew members' attention to the Utility Operational Data Report for January 2018, as delineated in the agenda material, providing a detailed review of the monthly water and wastewater flows. He noted the Aquifer Storage Recovery System was full and would not be used to recover water until the end of the dry season. He explained two million gallons of water had been sent through the Interconnect to the Peace River Manasota Regional Water Supply Authority (PRMRWSA),

explaining the water exchange policy and practices used to keep the emergency interconnect serviceable.

- Mr. Schindler questioned why January 2018 delivered less water to town than the previous year.
 - Mr. Jackson explained irrigation was often the cause of such fluctuations, but also noted the timing of the exchange between the City and PRMRWSA could be the source of the fluctuation.
- C. Utilities Financial Report: Report of Monthly and Year-end Revenue and Expenses for Utilities – January 2018
- Ms. Kristin Simeone, Financial Analyst, drew members’ attention to the January 2018 financials, as delineated in the agenda material, providing a detailed review of revenues and expenses through January 31, 2018. She announced revenue was down approximately \$300,000 compared to Fiscal Year (FY) 2016–2017, but noted revenues were ahead overall. She opined the spikes in FY 2016–2017 were unusual, therefore the Finance Department had budgeted conservatively for FY 2017–2018 and used data from years preceding FY 2016–2017.
 - Mr. Feneran confirmed the revenues inside and outside the City would change once the Jones Loop property was annexed into the City.

Note: Item B, New Business was heard following Item C, Reports.

UNFINISHED BUSINESS

Note: Item A, Unfinished Business was heard following Item B, New Business.

- A. Automated Meter Infrastructure (AMI) Installation Update
- Ms. Helen Meiller, Billing & Collections Supervisor, introduced Mr. Mark Green, Zenner USA, one of the companies involved in the AMI project.
 - Mr. Green reported National Meter had installed 441 meters and more than 300 meters were transmitting readings as of this date. He announced radio infrastructure was being installed before units at residences and businesses. He then reviewed the readings transmission process, and provided an overview of the reading report as of this date, drawing attention to “trouble codes” which allowed staff to contact customers about leaks and other issues.
 - Mr. Pflaum confirmed the meters did not allow the Utilities Department to remotely shut off service to a house.
 - Mr. Green clarified an add-on could be purchased which enabled same.
 - Mr. Jackson stated 50 units which allowed remote shut off were being tested within the system, adding the Utilities Department was still considering how same could be implemented for all customers.

- Mr. Dougherty confirmed the antenna for the automated meter's radio communications would not present a tripping hazard.
- Mr. Tucker confirmed the units would not be damaged by lawnmowers.
- Mr. Hughes requested an estimate of the percentage of the AMI project which had been completed.
- Mr. Jackson replied approximately 440 out of 12,000 meters had been changed, projecting completion within one year.
- Mr. Dillon confirmed residents would still be able to view meter readings at their properties.
- Mr. Hoffman clarified property owners remained responsible for the cost of Utilities service at their rental properties.

NEW BUSINESS

- A. Election of Officers – Chairman and Vice Chairman
- Mr. Schindler opened the floor for nominations for Chairman.
 - Mr. Hoffman NOMINATED Mr. Schindler for Chairman.
 - Mr. Schindler called for any other nominations.
 - As there were no other nominations, Mr. Schindler was appointed Chairman by acclamation.
 - Mr. Schindler opened the floor for nominations for Vice Chairman.
 - Mr. Dillon NOMINATED Mr. Tucker for Vice Chairman.
 - Mr. Schindler called for any other nominations.
 - As there were no other nominations, Mr. Tucker was appointed Vice Chairman by acclamation.
- B. Long Range Financial Plan (LRFP) – Finance
- Ms. Simeone drew members' attention to the LRFP, as delineated in the agenda material, reviewing the 5 Year Proforma for the Utilities Department. She stated no rate increases were included in the revenues forecast. She noted the return of a full-time Geographic Information Systems Technician position, which the Utilities Department had relinquished previously to help balance the City's budget. She also drew attention to expected expenses related to the Reverse Osmosis (RO) project's increased costs, capital outlay, capital improvements, and debt service.
 - Mr. Schindler expressed concern the Utilities Department would need to expend reserves if revenues maintained their current performance.
 - Mr. Feneran opined it was understood reserves would be used for the RO project.

- Mr. Schindler suggested members attend City Council meetings to voice any concerns related to the Utilities Department's budget. He then inquired as to the lack of a rate increase in the current LRFP.
- Ms. Simeone explained a rate increase could be put in place for FY 2018–2019.
- Mr. Feneran drew attention to the expected revenues for FY 2018–2019, opining a rate increase would instead provide surplus revenue.
- Ms. Sharon Knippenberg, Controller, explained an unintentional reserve had been created in previous years; thus, the final 4% rate increase had been delayed. She further explained staff had budgeted conservatively to pay for an expected increase in the RO project's costs and would decide on a final course of action when the bids arrived.
- Mr. Feneran confirmed the usual reserve was \$3 million.
- Mr. Dougherty clarified the \$600,000 increase in Other Revenue was related to impact fees for the Jones Loop project.
- Ms. Simeone noted the Jones Loop project was over budget; however, staff would devise a plan to cover the increased costs at a later date.
- Mr. Jackson explained the Jones Loop project's costs increased as a lift station larger than initially expected was required.
- Ms. Simeone drew attention to the RO project's bidding process and the Septic to Sewer Master Plan Study as items which could still impact the budget.
- Mr. Dillon confirmed any remaining septic tanks were outside the City limits but within the service area.
- Mr. Schindler confirmed the Utilities Department did not receive funds from gas taxes.

ADJOURNMENT

- Meeting Adjourned: 10:09 a.m.

Bill Schindler, Chairman

Sara Welch, Recording Secretary