

**UTILITY ADVISORY BOARD
MEETING
MONDAY, FEBRUARY 28, 2011**

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

OTHERS PRESENT: Tom Jackson, Utilities Director
Steve Adams, Engineering Manager
Steve Leonard, Senior Project Manager
Mayor Harvey Goldberg
Councilmembers Larry Friedman, Rachel Keesling
Sharon Knippenberg, Controller
Kristin Simeone, Finance
Jonathon Cole

CALL TO ORDER/ANNOUNCEMENTS

- A. Roll Call
 - 1. Election of Chairman and Vice Chairman
 - 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. Fabian nominated Ms. Miller.
 - Mr. Dauster confirmed there were no further nominations; thus, Ms. Miller was elected Vice Chairman via acclamation.
- B. Next Scheduled Meeting
 - 1. March 28, 2011
 - Mr. Hoffman announced he would not be available for the meeting.

APPROVAL OF MINUTES

- A. Regular Meeting – January 24, 2011
 - Mr. Fabian MOVED, Mr. Hoffman SECONDED approval. MOTION CARRIED UNANIMOUSLY.

NOTE: Item IV.A. was heard after Item II.A.

REPORTS

- A. Utility Operational Data
 - 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 5.22 feet above mean sea level (msl) which equated to approximately 131 million gallons per day (mgd). He reported raw chlorides were 156 milligrams per liter (mpl), explaining chlorides and Total Dissolved Solids (TDS) were related. He stated finished water TDS was 508, which was still favorable, adding the 40-year average was 522. He stated the Southwest Florida Water Management District (SWFWMD) Governing Board were discussing watering restrictions; however, all of the local public supply systems that participated in the Dry Weather Workshop last week were reporting levels at or above averages, adding the SWFWMD Drought Coordinator agreed to take that information back to the Board and suggest there was no need for watering restrictions based on the condition of public supply. He displayed the Shell Creek Reservoir Level graph, as delineated in the agenda packet, stating according to the rainfall patterns, the City seemed to be fortunate to have rain occur in the just the right amounts at just the right time, noting the data was trending slightly above the 40-year average and spiking upwards. He displayed the Utility Operational Data for January 2011, as delineated in the agenda packet, briefly reviewing same.

- Mr. Dauster inquired if the 225 gallons per ERU was an average use.
- Mr. Jackson replied that figure should be 220, explaining that was a planning number used for line sizing for fire flow. He estimated the actual number to be closer to 190.

B. Capital Project Data Sheet – Priority Efforts

- Mr. Fabian inquired as to the projected time line for the Bal Harbor improvements.
- Ms. Miller interjected it was 8 months.
- Mr. Jackson responded the bid package would be sent out for proposals within the next week or two, adding bids would be reviewed by the Utility Advisory Board (UAB) and City Council for awarding a contract. He clarified the time line was 8 months after that point.
- Mr. Dauster inquired as to the Department of Environmental Protection’s (DEP) second request for additional information for the Water Treatment Plant Phase I dated January 11, 2011.
- Mr. Jackson replied DEP had deemed the application complete at this time, adding a draft exemption, which granted the City’s request, was under concurrent review with their Office of General Counsel. He voiced concern regarding the proposed increase to the required public noticing, adding he would be requesting it be reduced due to the cost involved.

C. City Council Action on Utilities Agenda Status

- No discussion.

D. Utility Fund Balance

- Ms. Kristin Simeone displayed the summary financial data for January, 2011, as delineated in the agenda materials, reporting year-to-date (YTD) revenues were 113% for water billings and 103% for sewer billings. She stated actual departmental expenses were 29.3%, adding debt service was high at 83.9%; however, that was due to the debt schedule which included a January 2011 payment.
 - Mr. Dauster inquired if the increase in expenses was related to chemicals.
 - Mr. Jackson explained a single purchase order was placed for an entire year, and then monthly shipments were received.
 - Mr. Sabatino questioned if revenues would continue to increase due to the lack of rain in February.
 - Ms. Simeone opined the February numbers were not as high as January; however, she did not have that information available at this time.
 - Mr. Fabian questioned the increase of \$5,000 depicted under "other revenue", inquiring if there should be an increase in the water billing.
 - Ms. Simeone replied staff was working on the projections for the current year, adding members would see a new figure included next month.
 - Mr. Bennett inquired how much of the total revenue increase was due to the rate increase versus how much was due to savings.
 - Ms. Sharon Knippenberg replied 2/3 of the total gross revenues were due to the rate increase with the remainder due to higher than anticipated consumption.
- E. Review of Utility Rate and Discussion of Operating Reserve Policy
- Ms. Knippenberg stated on February 2, 2011, City Council discussed the 3% increase that was implemented October 1, 2010, explaining Council requested that UAB review the same documentation and provide input for the FY 2012 budget process as to whether the existing utility rates should be changed. She stated staff could provide additional information if needed to make their recommendations to City Council.
 - Mr. Dauster requested a page-by-page review of the documents.
 - Ms. Knippenberg drew members' attention to the current Proforma Schedule of Revenues and Expenses, which included the 3% rate increase for 2011, as delineated in the agenda packet, noting there was no rate increase for years 2012 through 2014; however, there was a small projected increase in growth. She stated the 2015 data was slightly different than what members worked with last June during the budgeting process, adding it previously included a 5.5% increase. She explained changes were made when the budget document was finalized last September, based on the idea that the Reverse Osmosis (RO) plant and the need for debt would be delayed, as well as the

change in fund balance, or operating reserve, from the projected figure of approximately \$2.6 million to \$6.1 million.

- Mr. Sabatino inquired if any further adjustments were necessary due to the RO plant being on hold.
- Ms. Knippenberg replied in the negative, noting all of the operating expenses and debt service for same had been removed from the five year proforma.
- Mr. Sabatino inquired if adjustments were needed for the new five year proforma for 2016.
- Ms. Knippenberg clarified the document was dated October 1, 2010, adding staff had moved beyond that; however, a starting point was necessary for the discussion with City Council regarding what staff knew at what point in time and whether different decisions could have been made.
- Mr. Sabatino inquired if changes to the growth numbers were anticipated.
- Ms. Knippenberg replied the growth number for 2012 might be changed to zero.
- Mr. Fabian questioned the operating reserve for 2015.
- Ms. Knippenberg replied it was \$2.7 million, confirming the operating reserves would decrease from \$6.1 million this year to \$2.7 million in 2015, adding the \$381,000 figure was for new debt.
- Mr. Fabian stated it would be helpful to include the fund balance information.
- Ms. Knippenberg agreed to include beginning and ending fund balance information for each year, explaining no decisions were required of the UAB this date; therefore, members could take time to review the information and ask questions. She stated meetings were scheduled with the City Manager during the months of February and March to develop alternatives for balancing the budgets for each of the major funds, adding those alternatives would be discussed with City Council at their April 6, 2011 meeting. She suggested members make recommendations at their March meeting, which would be timely for Council's April meeting. She reiterated staff would provide the fund balance information after today's meeting, adding as part of the budget process, staff would move beyond the current proforma and would be providing to UAB the proforma that Council would be reviewing in April, which would include projections for actual figures for 2011 and growth estimates for 2012. She stated revenue numbers would be provided at the end of this presentation that would lead into that discussion. She then displayed the Utilities Fund Capital Improvement Program FY 2011 - FY 2015 (page 38 of 61), reporting the original 2011 budget included expenditures of \$12.1 million this year; however, because favorable bids with reduced prices had been received and some projects had been delayed, that figure had dropped

to \$8.8 million. She stated the third column depicted the funds that would be released, which represented financing that would not be required.

- Mr. Dauster questioned the line items identified as “project to be determined”.
- Ms. Knippenberg explained those line items represented an unknown number of lift stations and water lines to be repaired in the current year.
- Mr. Sabatino questioned the difference in the BPF/WWTP Relief Force Main costs.
- Mr. Steve Leonard replied the project sheets included total project costs, pointing out engineering costs had already been paid using funds budgeted in the previous year.
- Ms. Knippenberg then displayed the FY 2012 Project Planning Cost sheet, explaining the carryover project figure at the bottom of the page represented what staff anticipated not spending on the 2011 projects even though they were budgeted for 2011, adding when staff estimated the debt service numbers used in the proforma, they tried to fine tune those numbers as much as possible. She displayed the 2013 and 2014 Project Planning Cost sheets, noting in later years, the numbers and projects were less specific, but included more of the recurring type projects.
- Mr. Bennett asserted the numbers for certain line items were the same year after year, adding they were just a bunch of zeros which meant they were plugged in. He stated he did not understand same.
- Ms. Knippenberg stated staff discussed which projects would be completed five years into the future and how much they would cost, adding staff had to develop a budget within the constraints of revenues and impact fees received; therefore, staff allocated a certain amount of money to each line item to keep the plants and all the infrastructure running smoothly. She stated staff worked with consultants to review each part of the infrastructure to determine what work needed to be done and when, adding in addition to the five year plan, there was also a ten year plan that was developed (but not published). She stated impact fees had dropped substantially due to a decline in growth.
- Mr. Sabatino voiced concern regarding the affect that the decline in impact fees would have on planning for the future.
- Mr. Fabian questioned the total 20-year financing number of \$22 million.
- Ms. Knippenberg replied it was the total principal and interest of the current five-year CIP, adding one of the items being discussed was how much of the operating reserves should be used to pay down the debt to avoid that situation. She stated one consideration was who should be paying for the infrastructure and whether it should be current or future residents.
- Mr. Bennett stated the Charlotte Park project should be identified with phases.

- Ms. Knippenberg displayed a page from the budget book, drawing members' attention to the yearly column for the Charlotte Park project, explaining due to the scope of the Charlotte Park project, it was decided it would be a pay-as-you-go project and broken down into affordable phases. She stated staff had not anticipated that the downturn which occurred two years ago would continue this long, opining it would likely continue for another 2 years. She stated there had been no re-evaluation, adding as a government enterprise fund, staff took a conservative stance and decided not to react to a short-term situation as there were adequate reserves in order to continue business as usual and give customers the level of service they wanted and expected. She stated the service levels in Charlotte Park were not to the City's standards, adding staff had committed to allocating \$300,000 per year to keep the project moving forward. She stressed that had been explained to UAB; thus, the CIP was not a surprise to them, recalling when it was reviewed with them the prior year, staff had explained what could be paid with cash and what had to be financed.
- Mr. Dauster suggested returning to the page by page review.
- Ms. Knippenberg stated the CIP was developed with several documents in mind, adding this discussion would be valuable to the Board as well as staff since the Board would be providing recommendations regarding policies. She stated staff was explaining what their ideas were when they developed the budget information.
- Mr. Steve Adams asked Mr. Sabatino to restate his concern.
- Mr. Sabatino stated the documentation supplied indicated impact fees had decreased from \$3.148 million in 2006 to \$259,000 in 2010, which represented an 85% reduction in a 4 year period, adding staff indicated they did not anticipate any real growth for planning purposes; thus, it was necessary to scale back. He stated he was not suggesting not moving forward with projects, but rather that funding was coming from a source other than impact fees, adding that should be reflected in staff's analysis in the future. He reiterated the assumptions needed to be clear for the Board and City Council, adding it was then just a matter of plugging those into the computer. He stated impact fees were just one factor, asserting estimates and projections were usually wrong; however, the Board would do their best in evaluating what those were going forward so that City Council could make as informed a decision as possible.
- Mr. Dauster inquired if staff was using a list of sensitivities or assumptions to project growth.
- Mr. Adams replied when staff forecast the five-year planning boxes for different activities, they captured renew and replacement projects that were anticipated as having to be repeated for a certain number of years, adding staff looked at the greatest

needs and prioritized them. He agreed the numbers had not changed for many years for budgeting the renew and replacement projects; however, the major capital projects for growth had been scaled back.

- Mr. Dauster inquired what assumptions were being made for income, as that had to be balanced with needs.
- Mr. Adams replied staff worked cooperatively to find a balance between expenses and revenues, adding staff's planning methodology involved creating different line items with a very broad category of funding; however, that did not mean those projects would automatically be funded each budget year as it was based on revenue sufficiency.
- Mr. Sabatino reiterated the Board needed to be clear on what the assumptions were, adding most assumptions were too high or too low but that was the real world. He stated as long as members understood that and the information presented to them captured that, then the Board could do an evaluation and give a recommendation.
- Ms. Knippenberg stated with \$3.6 million of depreciation being recorded each year in the utility fund, a \$2 million budget for repair and rehabilitation was extremely conservative, adding when Mr. Jackson reached a point in his master plan where he could not cut back any more, and there were not sufficient revenues, it was necessary to finance. She stated in the past, the utility had been a pay-as-you-go system, adding improvements were only made when cash was available; however, the utility was no longer in that situation, which was uncomfortable since debt service greatly increased the expense of an improvement. She then drew members' attention to the six scenarios for Utilities Capital Improvement Program Funding that were given to City Council, explaining the intent was to give them a range of information to consider, noting the scenarios were a big picture. She stated staff was requested to put the scenarios into proformas, drawing attention to the proforma for scenario 5, briefly reviewing same. She explained the differences between years included high, old debt service in 2012 and 2013 which dropped off in 2014, adding at that point, the fund that was set up as required by the bond covenants to pay for the last year of debt was freed up to use for other projects. She stated it was unfortunate that there was a need for new projects before those funds became available, adding staff originally tried to smooth it out with creative financing and paying interest only for the first two years; however, that resulted in higher debt service costs. She stated the creative financing had been eliminated in these scenarios with only a straightforward 20-year financing principal and interest payment every year, adding using cash up front did not work because some of that money would be needed through 2012 and 2013. She then

displayed a proforma where the 3% rate increase was removed for 2011, adding it showed there would be a shortfalls and deficits for 2011, 2012 and 2013. She then displayed the information presented at the City Council meeting by Councilmember Larry Friedman, adding staff had verified that the assumptions presented therein were correct.

- Mr. Fabian asserted the FY 2011 revenue number should be the same in both charts.
- Ms. Knippenberg stated the remainder of the packet consisted of revenue information which depicted the volatility of same, stressing the importance of staff considering a lot of data in order to do projections; however, there were so many variables related to water that it was necessary to be conservative. She stated the numbers for sewer were much flatter, adding sewer revenue was only affected by significant changes.
- Discussion ensued regarding revenue.
- Ms. Knippenberg then displayed scenario 4, adding in addition to the 3% increase, this scenario depicted the use of \$1 million of the operating reserve this year. She advised this scenario did not violate any of the current financial policies of the City, adding the current financial policy indicated there would be an operating reserve of between 5% and 10% of expenses. She stated this scenario included several reserve options, briefly reviewing same, noting staff would like to retain at least \$1 million of reserves, which was approximately 7.5%.
- Mr. Fabian inquired as to the requirement for bonding.
- Ms. Knippenberg replied there was no required reserve, adding when she reviewed the policies, she would point out potential causes for concern.
- Mr. Fabian inquired as to the expenses of \$1.2 million in excess of revenues for 2012, inquiring if it was created by capital.
- Ms. Knippenberg replied much of that deficit would be eliminated when the \$2.2 million debt dropped off; however, new debt compounded the problem.
- Mr. Fabian clarified she was referring to financing \$7.7 million in 2012.
- Ms. Knippenberg stated it was a combination of standard operating expenses and old debt, adding if it would be helpful, rather than just including expenses, staff could show operating, old debt and new debt; however, the old debt did not change from year to year. She stated the real change was any increase in operations, such as the assumption there would be a 3% increase in personnel costs.
- Mr. Jackson clarified the assumption of a 3% increase in personnel was not related to additional personnel, but rather the increased cost of existing personnel.
- Ms. Knippenberg stated the assumptions for the proforma were lengthy. She displayed a page of assumptions, briefly reviewing same, noting staff provided a great deal of

detail to City Council and would discuss every assumption with scenarios at their April workshop.

- Mr. Dauster requested UAB members be provided with copies of the assumptions.
- Mr. Fabian inquired if the 3% increase in personnel expenses for FY12 to FY15 was realistic.
- Ms. Knippenberg replied that figure was no longer being used in the new proforma, adding 3% would not even cover the cost of insurance and pension. She stated the City was holding its own on worker's compensation; however, unemployment insurance was a difficult issue, adding staffing was the only other place for cuts and departments were considering what to do about same.
- Mr. Hoffman inquired if lacking two full-time staff resulted in higher overtime costs.
- Mr. Jackson replied not in the current budget year, adding supervisors were working shifts while maintaining their supervisory responsibilities.
- Ms. Knippenberg cautioned members that much of the savings were due to not being in a growth period, adding positions were being held open wherever possible.
- Mr. Sabatino requested members be provided the detail for operating and capital expenses.
- Ms. Knippenberg agreed. She displayed additional budget information, stating historically, the utility divisions had spent \$350,000 annually on capital; however, beginning in 2009, staff was asked to spend less, adding \$76,000 was spent in 2009, approximately \$64,000 was spent in 2010 and the budget was trimmed back to \$91,000 in 2011. She stated that could not continue, adding staff would decide what specific items were necessary in 2012; however, they would not be budgeted by item in case other repairs were necessary. She stated operating in that manner had a huge impact on helping balance the budget. She stated the department director was given a small contingency since their fuel budgets had been reduced, adding those funds could be used for unforeseen emergencies. She then displayed an excerpt from the City's financial policies, explaining they were related to fund balance and operating reserves, adding City Council had requested the Board's input on rates for 2012 and the operating reserve policy.
- Mr. Sabatino opined the terms prudent and adequate should be further defined.
- Mr. Dauster stated the bond rating of AA- was predicated on a number of factors contained in a formula, inquiring what it would cost to increase the reserve or go to an AA rating, and whether there was a reason for doing it.

- Ms. Knippenberg recalled she had reviewed the Standard & Poors statement as well as the criteria at the previous meeting, adding there was no one magic thing that could be done to increase the rating.
- Mr. Dauster inquired what would be gained in percentage if it went up.
- Ms. Knippenberg responded staff would look at the market to see what bonds sold at what ratings to determine savings in the interest on the bonds.
- Mr. Hoffman inquired as to the definition for reserve and restricted fund balance.
- Ms. Knippenberg replied there were quite a few definitions, adding she would put some in a memo and forward to the members. She stated the unrestricted unreserved was the remaining funds after all the other equity, whether it was restricted or reserved. She advised there were critical definitions of what could go into restricted and/or reserved, adding the remainder was the unrestricted unreserved. She stated she liked to think of some as working capital, especially in the utility fund, explaining all the cash that was unrestricted less the current liabilities amounted to the working capital which should match up with the unrestricted unreserved number.
- Mr. Dauster requested comments from Councilmember Friedman.
- Councilmember Friedman distributed a packet of financial information, as delineated in the agenda materials, explaining the first chart was presented to City Council at their first meeting in January, 2011 as part of the long range financial plan; however, the year end (Y/E) reserves figures were added subsequent to that, adding after reviewing that chart and the use of reserves, he questioned why it was necessary to raise rates by 3%. He recalled at the second meeting in January, Council discussed capital requirements and reducing borrowing, adding after that meeting, he asked for the information in chart 2, which depicted delaying the rate increase until 2015, to determine what would have happened given that the announced reserve objective in the long range financial plan was \$1 million or 7.5%. He stated it became obvious that it would have had no impact on debt service. He then stated Council had another discussion at the first meeting in February, adding at that time staff provided additional information, including the six scenarios. He stated page 2 contained the updated information based on scenario 2, which included borrowing what was needed year to year as new debt, adding same showed reserves in 2015 would end at \$1.644 million, which was better than the objective in the long range financial plan. He drew members' attention to the bottom chart on the page, explaining same indicated if the rate increase had occurred in 2015, with the updated information under scenario 2, borrowing all new capital requirements, the ending reserves for 2015 would be \$137,000, adding the far right column included a 9% increase which would result in

\$926,000. He stated these were very comparable scenarios, adding staff had corroborated all his numbers. He stated given these numbers, it would have been better to increase rates 9.5% four years from now rather than 3% every year leading up to it, adding although that did not sound like it made sense, there were reasons for it that he was willing to explain. He stated given the 3% increase this year, the only scenario that was viable was scenario 4, where \$1 million in reserves was used this year instead of borrowing, adding ending reserves would be slightly above \$1 million. He stated the two optimum scenarios with the increase this year were shown on page 4, noting the top chart used scenario 4 where \$1 million in reserves was spent this year, and ending reserves were slightly more than the objective of \$1 million. He stated the bottom chart included one year of revenues with the 3% increase; however, the increase was backed out for the next year, adding year end reserves would be the same at approximately \$1 million; thus, the two scenarios were comparable. He stated the last page included some philosophical observations, which basically said it was better to pay \$9.50 five years from now than to pay \$3 every year for the next five years, adding each of the scenarios showed new and existing debt service as well as beginning and ending reserves. He then stated the Board had been talking about two issues but intermixing them in terms of what City Council requested their help on. He stated members needed to review all inputs for developing a budget, adding the numbers could then be put into the computer to generate the proforma. He stated the second issue was UAB's recommendations for the rate policy, including whether there should be an increase and when it should take place. He stated a peripheral issue was the reserve levels.

- Mr. Fabian drew members' attention to page 4, stating scenario 4 was being compared to scenario 2, which was confusing.
- Mr. Friedman explained if there had been no rate increase this year, the only scenario that would work was scenario 2; however, given that there was a rate increase this year, either scenario 2 or 4 would work.
- Mr. Sabatino stated the 2011 revenues in scenario 2 implied that the increase would be refunded.
- Mr. Friedman clarified it was hypothetical to determine if the rate increase was needed, reiterating he did not believe it was. He stated the question was not whether it was needed but rather whether it was still needed now, adding if the increase was backed out for the next fiscal year, ending reserves would improve by almost \$400,000, or \$1.3 million, and only a 6% or 6.5% increase would be needed in 2015.

- Mr. Sabatino inquired if he envisioned retaining the 3% for 2011 and discontinuing it beginning in October 2011.
- Mr. Friedman stated he would have undone the increase; however, the other Councilmembers did not feel the same, adding members had an opportunity to make their own recommendations concurrent with the budget process; however, if the inputs such as capital programs, expenses and revenues did not change much, he did not believe the increase was needed. He stated if revenues continued ahead of budget bids for capital projects continued to come in one third less than budgeted, that would lead to reducing or eliminating the need for an increase, opining if there were going to be any excess revenues, it should remain in the pockets of the rate payers.
- Mr. Hoffman inquired if the 3% increase was for the RO plant.
- Mr. Friedman replied in the negative.
- Mr. Hoffman inquired as to the 15% rate increase the prior year.
- Mr. Friedman replied same had been necessary to meet the ratio for the bond covenants.

NOTE: Item VI. was heard after Item III.E.

NEW BUSINESS

- A. Bal Harbor Project – Presentation and Project Overview by Giffels Webster
 - Mr. Jackson introduced Mr. Jonathon Cole of Giffels–Webster and distributed copies of a report of the Bal Harbor Boulevard Improvements project, as delineated in the agenda materials.
 - Mr. Cole explained his firm had been working on the Bal Harbor project for approximately 6 months, noting the project began because the asphalt was scheduled to be repaved and it made sense to upgrade the utilities in conjunction with that work. He stated the upgrade included replacing a 12–inch force main and a 12–inch water main that would run along the east side of the roadway, explaining the project would disrupt most of the existing sidewalks in the area and would result in upgrades to most of the infrastructure. He displayed several photographs of the current deficient conditions in the area as well as a cross section of road, briefly explaining same. He stated the project was phased so that the water and sewer mains could be replaced in such a way that the disruption from construction would be minimized and traffic would be maintained two ways. He advised a new, five–foot sidewalk would be installed and the driveways on the east side would be replaced, adding there would be new sod for conveyance of the storm water areas. He stated new storm water pipes and catch basins on the east side of the roadway would be installed, adding the lifespan of the new facilities was a minimum of 30 years; however, it would likely last 50 or more

years. He stated they hoped to begin the work in May or June of 2011, which was off season and would further help to minimize the impact, estimating the cost to be approximately \$1.2 million; however, that did not include the asphalt overlay.

- Mr. Adams stated staff would work cooperatively with the Public Works Department (PW) on the project, noting the storm water improvements would be funded by PW.
- Mr. Sabatino inquired as to replacing driveways and sidewalks where the residents had upgraded them to a fancier finish.
- Mr. Adams replied there were very few driveways on Bal Harbor that had paver stones out to the edge of the pavement, adding most of the paving stone projects stopped at the right-of-way (ROW) at the sidewalk joint. He stated a mailer would be sent to citizens requesting they contact Utility Department staff regarding specialized driveway treatment into the ROW, adding the City would be installing only a standard concrete driveway; however, citizens would pay the difference to install a specialized treatment.
- Mr. Sabatino stated that had not been well received in the past.
- Mr. Adams offered to discuss the matter with administration to discuss other alternatives.
- Mr. Sabatino suggested involving the Punta Gorda Isles Civic Association (PGICA).
- Mr. Jackson stated staff understood the situation and would attempt to identify those situations early in the process; however, only a certain dollar amount per driveway was allowed per ordinance, advising the issue would be discussed with City Council when the project was presented to them. He stated staff would likely make a presentation to the PGICA.
- Ms. Miller inquired if the utilities south of Aqui Esta on Bal Harbor were newer.
- Mr. Adams replied affirmatively, adding there were no issues with those facilities.
- Mr. Fabian inquired whether homeowners on Aqui Esta had to pay extra for special treatment on their driveways.
- Mr. Adams replied with uncertainty, adding he assumed all the driveways received the same treatment.
- Mr. Sabatino interjected the pavers were not a problem since they could be removed and then reinstalled, adding the stamped concrete treatments were the issue. He asserted it was difficult to blend them without aesthetic issues.
- Mr. Fabian inquired if the manholes in the middle of the road would remain.
- Mr. Adams replied affirmatively; however, the street would be milled and resurfaced similar to Virginia Avenue between Shreve and US41 South.
- Mr. Fabian questioned the swale slope, asserting the swale on Aqui Esta was so steep that residents could not mow.

- Mr. Adams replied the concrete box culvert design would allow a swale of only 8 inches.
- Mr. Fabian inquired if the covers would be aluminum diamond plates rather than the open grate style on Aqui Esta.
- Mr. Adams replied the diamond plates with aluminum were standard.
- Mr. Dauster stated in canal maintenance when they replaced a seawall, the homeowner was responsible for the dock, adding this was not the first time the city performed work that then required the homeowner to be responsible for something else. He stated if they were doing this, he felt there was a rationale for the homeowner to be responsible for a certain part of this. He then questioned the minimum distance that separated the force main and the water main.
- Mr. Cole replied the minimum distance was 6 feet from edge to edge, adding it was also possible to set the force main 18 inches deeper than the water main on an independent shelf; however, in this case they were using the 6 foot standard.

NOTE: Item III.A. was heard after Item IV.A.

UNFINISHED BUSINESS

- None.

STAFF COMMENTS

- None.

COMMITTEE/BOARD COMMENTS

- Mr. Hoffman requested that backflow valves be discussed at the April meeting.
- Mr. Jackson agreed, adding he would need an entire meeting for the presentation, adding this was a time sensitive issue for City Council because they were working on the 2012 budget.
- Mr. Hoffman inquired if March 28th was too late to discuss the rate issue.
- Ms. Knippenberg replied staff would be able to provide the information from the meeting to City Council; however, she was uncertain whether they would have time to run proformas in time for that meeting. She stated the City Council would be reviewing many issues, adding it was possible to schedule the utility discussion for the 2nd meeting in April, or, the board could schedule a workshop and take the entire month to review the information if they chose.
- Mr. Dauster inquired as to City Council's preference.
- Councilmember Friedman stated there was no rush as to a recommendation for rate increases, adding that did not need to be complete until a later date as it was not effective until October 1st. He stated a line by line review should be done by the Board

every year on an ongoing basis, adding they could fine tune their recommendations over the next couple of months.

- Mr. Sabatino stated there had been much discussion by City Council on the fertilizer education program, inquiring what role the Board should play.
- Mr. Jackson replied the Board would not play a role in that process.
- Mr. Sabatino stated he was concerned with regard to what was happening upstream.
- Mr. Jackson stated he was mindful of same, adding the City had the higher level of protection above the spillway that the State afforded and was classified as Outstanding Florida Waters. He stated it was nearly impossible to get a direct pipe discharge into that as it was a potable water supply, adding the densities in that area were set by zoning standards, and Charlotte County had not proposed any changes to same. He offered to update the Board with any additional information as it became available.
- Mr. Dauster thanked staff and Councilmember Friedman for their input.

CITIZENS' COMMENTS

- None.

ADJOURNMENT

- Meeting Adjourned: 11:45 a.m.

John Dauster, Chairman

Karen Smith, Recording Secretary