

**UTILITY ADVISORY BOARD  
MEETING  
Monday, April 25, 2011**

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

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

**CALL TO ORDER/ANNOUNCEMENTS**

- A. Roll Call
- B. Next Scheduled Meeting
  - 1. May 23, 2011
    - Messrs. Fabian, Mazur, Bennett and Sabatino announced they would not be available for the May meeting.
    - Mr. Tom Jackson suggested cancelling the May meeting.
    - Ms. Miller pointed out there would be no quorum.
    - Mr. Jackson stated Finance staff would appreciate the extra time to develop their budget presentation.
    - Mr. Fabian suggested meeting on Monday, June 6, 2011.
    - Consensus was to meet Monday, June 6, 2011.

**APPROVAL OF MINUTES**

- A. Regular Meeting - March 28, 2011
  - Mr. Sabatino MOVED, Ms Miller SECONDED approval. MOTION CARRIED UNANIMOUSLY.

**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 5.21 feet above mean sea level (msl) which equated to approximately 385 million gallons per day (mgd). He displayed the Shell Creek Reservoir Level graph, as delineated in the agenda packet, stating the numbers were trending slightly above the 40 year average, adding it was likely the summertime rain pattern would begin early this year. He stated there was a 40% chance of rain this afternoon and a slight chance of rain every afternoon this week. He displayed the Utility Operational Data for March

2011, as delineated in the agenda packet, reporting no water had been injected or withdrawn from the Aquifer Storage and Recovery (ASR) wells. He stated the watershed had received 82.4% of normal rainfall for this year; however, if the rainy season began early, that deficit would be made up very quickly.

- Ms. Miller remarked chlorides had been diluted from 174 to 168 due to rainfall.
- Mr. Jackson agreed, explaining the City tracked chlorides because the Reasonable Assurance Plan that was developed by the Southwest Florida Water Management District (SWFWMD) had a target conductivity of 770 microhms per centimeter, which was roughly 170 parts chlorides.
- Ms. Miller inquired how low the chlorides number could go during the rainy season.
- Mr. Jackson replied he had seen it as low as 30 parts.

B. City Council Action on Utilities Agenda Status

- Mr. Dauster recalled City Council had proclaimed water conservation month.
- Mr. Jackson commented many Florida cities had made that proclamation at the request of SWFWMD.

C. Capital Projects Data Sheets – Priority Efforts

- Mr. Steve Leonard offered to answer questions.
- Mr. Sabatino questioned the status of the Piper Road improvements, adding the report indicated construction was 80% complete; however, the financial data had not been updated in a year.
- Mr. Leonard pointed out there had been no change to the financial data.
- Mr. Dauster inquired if the total budget for the Burnt Store Road improvements was \$2.6 million.
- Mr. Leonard replied the budget figures required updating, adding he would provide that information at the next meeting.
- Mr. Jackson drew members' attention to the Burnt Store Road widening line item for utility relocations, noting the revised estimate was listed as \$1.36 million.
- Mr. Leonard stated it was probable the engineering work was done in a previous year, adding although it was not included in the current budget, that cost of approximately \$300,000 would be included in the total project cost.
- Mr. Hoffman inquired if engineering costs were typically 30% of the construction cost.
- Mr. Leonard replied during normal periods when construction costs were coming in equal to the engineer's opinion, however, that percentage had increased due to the current favorable construction rates. He stated those costs were typically 15% for design with a possible additional 10% for construction services.
- Mr. Hoffman inquired as to the engineer.

- Mr. Leonard replied Giffels and Webster.
- Mr. Fabian stated much work had been done on Piper Road by the Water Plant; however, Charlotte County had shortened the project, inquiring if the work that had been done would still be of some benefit if the County should decide to move forward.
- Mr. Jackson replied the City had also stopped work at a certain point, noting the Department of Transportation (DOT) would be completing the remainder of the project out to Jones Loop. He clarified the work done by the City would not be lost.
- Mr. Dauster inquired as to the status of the funding that was budgeted for the Water Treatment Plant improvements.
- Ms. Kristin Simeone replied those funds had been released and were used to reduce the need for financing for other projects.
- Mr. Jackson reported the City's application for exemption had been deemed complete by the Department of Environmental Protection (DEP), adding although it might be some time before the exemption was issued, the local office had approved the application. He stated he recently inquired as to the status and was told it was now in the DEP's Office of General Counsel (OGC). He stated the OGC had probably not reviewed it as it was likely they were busy with lawsuits against the Environmental Protection Agency (EPA) and the federal government related to nutrient management criteria.
- Mr. Sabatino stated funds had been expended for engineering work, inquiring if any of that work would be useful in the future.
- Mr. Jackson replied the majority of those funds were used to complete the preliminary design report (PDR), which was necessary to apply for the exemption, adding funds were also expended on the groundwater permitting and modeling; however, that was all useful information and would be used at some point in the future. He then distributed bid information for the Bal Harbor force main project, as delineated in the agenda materials, noting there were 14 bidders. He stated the low bid from Stevens & Layton, had been qualified at \$1.207 million, noting the utility portion was \$935,000 with the remainder being for resurfacing of the roadway, storm water work and a turn lane. He stated Public Works staff were reviewing the bid, opining they would be amenable to Stevens & Layton doing all the work, including the road work. He stated after the lowest four bidders were qualified, staff would make a recommendation to City Council for review at their May 18<sup>th</sup> meeting.
- Mr. Fabian inquired if the ranking was done in a public meeting.
- Mr. Jackson replied in the negative.

- Mr. Fabian stated he recently attended a Sunshine Law class wherein a local attorney indicated that was illegal, adding he would speak to the City Manager regarding same.
- Mr. Jackson stated the Procurement Manager was a stickler for procedure, clarifying the bids were opened and the dollar amounts were ranked in a public meeting where the bidders were often present; however, qualifying the bids took place later.
- Mr. Dauster inquired if \$2.1 million had been set aside for the project.
- Mr. Jackson advised funds had also been allotted for some additional gravity work that had not yet been tied to this project, adding those dollars amounts would be added as needed; however, the project had come in under budget.

D. Utility Fund Balance

- Ms. Simeone displayed several graphs of financial data for the month ending March 31, 2011, briefly reviewing same, noting projections had been increased for water revenue by \$335,000 and sewer revenue by \$61,000. She stated March revenues were similar to the positive January figures; thus, staff had determined that an additional \$1 million could be transferred to the utility construction fund to reduce the need for financing.

**NEW BUSINESS**

A. FY 2012 CIP

- Mr. Jackson announced Ms. Sharon Knippenberg would arrive to discuss the Capital Improvement Program (CIP) after the City Manager's staff meeting. He recalled members had inquired whether staff had any recommendations for moving projects forward to take advantage of the bidding environment, explaining the Charlotte Park project had been split into three phases, and it might be possible to pull phase 3 forward into phase 2, which was currently in permitting. He stated the only other major construction project scheduled for the immediate future were the filters at the Waste Water Treatment Plant (WWTP), pointing out although same was already scheduled for next year, the final design would not be completed until later this year or at the beginning of next year due to technical issues. He then stated the total cost for phases 2 and 3 of Charlotte Park was \$2 million, adding moving part of phase 3 forward would be staff's only recommendation at this time; however, that would need additional review beforehand.
- Discussion ensued regarding Charlotte Park.
- Mr. Fabian recalled the City had an interlocal agreement with Charlotte County which indicated that all users south of the river would connect to the WWTP.
- Mr. Jackson advised Charlotte County had agreed to construct a gravity sewer to make those connections possible; however, they never did so, pointing out the City's plant was larger than it needed to be for that reason.

- Mr. Dauster inquired as to approaching the County about moving forward with that project in light of the current bidding climate.
- Mr. Jackson stated in 2003 the City sent a mailing to those residents inquiring if they were interested in sewers, adding the City had sent out bids to contract with an engineering firm for the public outreach and the preliminary design; however, City Council rejected the contract.
- Mr. Dauster inquired if the City's cost would be affected by timing, questioning if there was a reason to pull the trigger on the agreement.
- Mr. Jackson responded in the negative, explaining the per unit cost was passed through to the resident. He offered to discuss the issue with the City Manager, adding the City could put feelers back out, especially since costs were down and contractors were in need of work. He cited Stevens and Layton as an example, noting they were a large, top notch firm that would not normally bid on any project as small as Bal Harbor. He then stated an article had appeared in the paper on Saturday regarding the two 14" force main breaks, explaining what had caused the lines to deteriorate and how repairs were being made. He stated staff was developing a plan of repair with protocols as well as an inspection plan to identify lines of a certain age for testing, adding it was hoped that strategy would help eliminate the possibility of this happening again in the future.
- Mr. Fabian inquired if the tanks could be eliminated.
- Mr. Jackson replied in the negative, adding the water had to be collected and re-pumped somewhere. He stated the new force main that was under construction would provide some relief, adding in an emergency it might be possible to re-pump all the way to the plant; however, he did not believe it would be possible to eliminate a re-pumping somewhere in the downtown area.
- Mr. Fabian inquired if the area would be screened.
- Mr. Jackson replied staff had developed a decorative fencing strategy to close the tanks in, adding the chemical storage tank would be relocated.
- Mr. Sabatino inquired if there was an opportunity for a broader scope of review.
- Mr. Jackson replied an extensive evaluation would be completed, noting all of the ductile and iron pipes that converged in the area that used to be the old plant were some of the oldest in the system and could potentially cause problems in the future. He stated they would also evaluate areas where there were greater than 30-year-old iron pipes. He stated although the current line breaks could be repaired in-house, they would consider hiring a contractor for some replacements.
- Mr. Hoffman inquired if the City owned its own tanker trucks.

- Mr. Jackson replied the City owned two Vac-Con trucks, adding the City of North Port had provided additional trucks and crews.
  - Mr. Dauster confirmed that type of mutual aid involved no cost to the City. He then inquired if there were low pressure alarms in the lines.
  - Mr. Jackson replied the computers at the WWTP monitored flows going in and out of the Master Pumping Station (MPS); however, the WWTP was not staffed at night. He then stated the Supervisory Control and Data Access (SCADA) system monitored water pressure drops, adding there were alarms that went off and even rang the supervisor's phone with a recorded message.
  - Ms. Knippenberg recalled the Board had requested to see the ratios that staff looked at, adding same had been included in the agenda materials a couple of months ago. She stated some of the financial ratios that were considered important were those recommended by the rating agencies. She stated she would email the ratios to members again for review at the next meeting, pointing out the Board had reviewed them in the past, and the City had average to highly favorable ratios which were not alarming and would not change the way the City was doing business. She stated the debt coverage ratio was mandated by the current bonds and was a ratio of net revenues to covered debt service, adding the City was required to have a 1.1; however, as of 2010, it was 2.9. She recalled there had been a point in time when staff expressed concern about whether that ratio would continue to be within guidelines, adding City Council addressed that by increasing rates.
- B. Sample Cross Connection Control Ordinance - City of North Port Discussion
- Mr. Jackson explained after dealing with a couple of right-of-way (ROW) issues and backflow preventers in the ROW, the City Manager and the City Attorney decided the City needed a clear ordinance, adding the City of North Port's ordinance was a good example. He stated normally he would recommend adoption; however, DEP had backed away from the issue, stressing that was important because DEP had been in the process of redefining how to deal with various hazard levels. He stated the American Water Works Association (AWWA) manual explained what levels of protection were required for different hazards; however, because there was often confusion and varying interpretations, the DEP passed a rule and took on the responsibility of better definitions, reiterating they were backing away from that. He stated after two years DEP had yet to answer the ultimate question of how to define degrees of hazard, asserting they were not close to writing a rule that would make it easier for anyone to decide what to do or how to do it. He clarified he was referring to residential hazards. He stated he was reluctant to tell residents that a new residential building required an

above-ground reduced pressure zone back flow preventer, noting the City was not in compliance with the AWWA standards or the DEP rule since the City did not require annual testing of those preventers. He stated that was what the ordinance would address; however, there was no sense writing an ordinance that did not comply with the law, adding a provision for residential testing would need to be included; however, he was reluctant to attempt same without some clearer guidance from DEP. He stated he included the ordinance from City of North Port, noting they contracted with plumbers for residential installations and testings for a certain amount, and residents made monthly payments with their regular bill, which made it more affordable. He stated the City would do the same when the time came.

- Mr. Bennett stated the DEP had been challenged multiple times and had capitulated, opining they were uncertain how to proceed. He suggested waiting, adding there had been no residential contamination issues.
- Mr. Jackson agreed; however, there had been potentially serious cross connections in the past.
- Mr. Bennett stated the lack of contamination issues tempered the urgency, reiterating the City should wait for clarification from the DEP; otherwise, the design criteria was unknown.
- Mr. Jackson agreed, voicing concern residents could either do more than was necessary or not enough. He stated the problem was mostly the reference to a testable device, adding it was a great program and was necessary to protect the water system. He stated the City was doing everything but the testing.
- Mr. Fabian agreed it was appropriate to wait for clarification from DEP.
- Mr. Hoffman inquired if the State had adopted a policy.
- Mr. Jackson replied the State only said utilities shall have an approved cross connection control program, advising the State conducted an annual intensive inspection at the water plant, and then spent time reviewing the cross connection control database to determine whether it was acceptable. He noted the State was not in total agreement with Section M14 of the AWWA manual and wanted modifications.
- Mr. Hoffman inquired whether residential commercial was clear.
- Mr. Jackson replied in the affirmative, adding multi-family residential was clear as to what had to be installed and what was required for inspections.
- Mr. Hoffman explained he owned a four-plex on Via Tripoli and had been instructed to install backflow preventers by January 14, 2011, noting he had researched the issue and had objected to the required location and estimated costs. He displayed several photographs of backflow preventers in the City, briefly explaining same. He displayed

photographs of valves which he purchased from a supplier in Cleveland and installed on his property, noting same had not yet been certified. He displayed a list of the hazards and available valves, asserting if the purpose was to protect the City's water supply, everyone in the City should have to comply and have to do it at the same time. He opined water and sewer treatment was the most important asset the City had to offer to new residents, and they should be protected.

- Mr. Dauster inquired as to the requirement for commercial properties.
- Mr. Jackson replied it was defined in the plumbing code.
- Mr. Dauster questioned if it was significantly different than residential.
- Mr. Jackson responded the types of residential valves used were limited due to the level of hazards involved.
- Mr. Dauster asked why the valve had to be located in the front yard.
- Mr. Jackson explained if the valves were next to the house, residents could accidentally tap into the line coming from the meter for watering their garden, which resulted in an unprotected line. He stated if they were located at the back edge of the meter, there was no place to put a connection that was not protected.
- Mr. Hoffman stated the City of North Port sent out for bids, and after awarding the initial contract, required all contractors to perform that type of work at the lowest bid price, opining Punta Gorda should do it the same way as there were licensed contractors in the City who could do that type of work. He reiterated North Port included the charge on the residents' monthly invoice, adding although the City allowed residents to install their own valves, North Port required the work be done by a licensed contractor.
- Mr. Fabian inquired if the one year inspection requirement was overkill.
- Mr. Jackson responded valves could fail like any mechanical device, adding AWWA was a diligent organization and had set the standard.
- Mr. Fabian inquired if the M14 list of criteria was readily available.
- Mr. Jackson replied the manual was available by prescription only, adding he would only be able to provide the list if it was limited to a few pages.
- Mr. Sabatino inquired if the State regulations were clear as to who had to comply.
- Mr. Jackson replied in the negative, adding the utility had to decide according to the guidelines of M14. He confirmed the City had requirements for commercial, industrial and multi-family which were based on the plumbing code.
- Mr. Sabatino stated the only exemption in the City was single family homes.
- Mr. Jackson countered single family homes were not exempt, reiterating the only thing the City was not doing to be in full compliance was not requiring annual testing of

residential valves. He stated all new residential homes were required to install the valves, adding although the rule said all existing homes were also required to comply, City Council had never supported doing so.

- Mr. Sabatino surmised staff's current recommendation to the Board was due to the changing philosophy at the State level.
- Mr. Jackson stated it would be necessary for the City to do something at some point, voicing concern they would do the wrong thing and have to correct it.
- Mr. Sabatino questioned why this was any different than Charlotte Park's sewers, asserting everyone agreed that having sewers versus 40-year-old septic systems was a better way of protecting the water table, agreeing it was better to wait for clarification. He agreed the City should qualify contractors for the best price and then bill residents for the work on their monthly invoices.
- Mr. Dauster inquired if this only applied to new construction at a certain point in time.
- Mr. Jackson replied M14, the guidelines adopted by the State, indicated "all hazards shall be identified and protected", clarifying no date was specified. He stated all new construction since 1994 had the visible reduced pressure zone valve.
- Mr. Dauster stated his home was constructed in 2002 and the valve was located next to the house, questioning if all houses in Punta Gorda would have those valves in the front yard.
- Mr. Jackson replied according to M14, "something" was required, adding that "something" was what DEP needed to clarify.
- Mr. Sabatino interjected the street side location was a local interpretation.
- Mr. Jackson countered that was a recommendation in M14.
- Discussion ensued regarding backflow preventers.
- Mr. Jackson offered to provide updates as they became available.

#### COMMITTEE/BOARD COMMENTS

- Mr. Mazur stated an editorial appeared in the newspaper over the weekend regarding pesticides and water quality, inquiring as to staff's position on same.
- Mr. Jackson replied the City treated for pesticides because it was a surface water source, adding the water was tested annually using a broad scope test. He stated there had been no problem in the raw water with exceeding limits for pesticides, adding it was a very large watershed and they were likely being diluted to the point where it was not a problem.
- Mr. Fabian inquired who was paying for the water truck that was watering the swales on Aqui Esta.

- Mr. Jackson replied the contractor had been doing that since the beginning of the project.
- Mr. Fabian inquired as to the status of the interconnect.
- Mr. Leonard replied he had recently attended a progress meeting, adding the contractor was clearing the lot for the regional pumping facility. He stated there had been a slight delay with the building permit, reporting the contractor was awaiting Charlotte County Development Review Committee approval. He stated they would begin laying pipeline in mid-May at Kings Highway and would work their way through the Deep Creek area, adding the City was the last section that would be completed.
- Mr. Fabian inquired as to the small yellow electric car being used by the City.
- Mr. Jackson replied the City purchased the car approximately two years ago, noting it could not be used on major roadways and was used primarily by the meter readers.
- Mr. Bennett announced this would be his last meeting, adding he would send a resignation letter to the City Clerk.
- Mr. Hoffman announced he would not be available for the June 6<sup>th</sup> meeting.
- Mr. Dauster stated the Assistant City Manager had served as a liaison between the City and the consortium of residents who were interested in underground utilities with Florida Power & Light, inquiring as to the status.
- Mr. Jackson replied he would ask the City Manager.

**ADJOURNMENT**

- Meeting Adjourned: 10:51 a.m.

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John Dauster, Chairman

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Karen Smith, Recording Secretary