

**UTILITY ADVISORY BOARD  
MEETING  
MONDAY, JULY 26, 2010**

**MEMBERS PRESENT:** John Dauster, Chairman  
Howard Bennett, Steve Fabian,  
Thomas Kessler, Terry Miller

**MEMBERS ABSENT:** Jeff Weiler, Joe Sabatino

**OTHERS PRESENT:** Tom Jackson, Utilities Director  
Steve Adams, Engineering Manager  
Steve Leonard, Senior Project Manager  
Ed McCampbell, Utility Operations Manager  
Councilmember-Elect Rachel Keesling  
Kristen Simeone, Finance Department

**CALL TO ORDER/ANNOUNCEMENTS**

- A. Roll Call
- B. Next Scheduled Meeting - August 23, 2010
  - Mr. Kessler announced he would not be available for the August meeting.

**APPROVAL OF MINUTES**

- A. Joint Meeting City Council/UAB - June 28, 2010
  - Mr. Bennett MOVED, Mr. Kessler SECONDED approval. MOTION CARRIED UNANIMOUSLY.
- B. Regular Meeting - June 28, 2010
  - Mr. Kessler MOVED, Mr. Bennett SECONDED approval. MOTION CARRIED UNANIMOUSLY.
  - Mr. Tom Jackson announced Councilmember-Elect Rachel Keesling was in the audience, explaining he had taken her on a tour of the City's utility facilities and had invited her to attend today's meeting.

**STATUS REPORT**

- A. Utility Operational Data
  - Mr. Jackson reported according to the United States Geological Survey (USGS), the reservoir was 5.43 feet mean sea level (msl), which equated to approximately 304.74 million gallons per day (mgd) of flow over the spillway, adding same was equal to the historical 40 year average. He stated Total Dissolved Solids (TDS) and chloride measurements were not available this date. He displayed a graph of Shell Creek Reservoir Levels, as delineated in the agenda materials, briefly reviewing same, noting stage height had been above the 40 year average for the majority of the month of June, which was good news. He displayed the Utility Operational Data for June 2010, as delineated in the agenda materials, briefly reviewing the monthly totals, reporting that

890,000 gallons had been recovered from the ASR wells to stabilize the flow at the Plant while the south Solids Contact Unit (SCU) was being cleaned. He noted an increase in the water to town figure, attributing same to irrigation during a previous 10 day period of no rain.

B. Capital Project Data Sheet – Priority Efforts

- Mr. Fabian inquired as to the status of the Burnt Store Road work.
- Mr. Steve Leonard replied same had not yet begun.
- Mr. Dauster stated the Aquí Esta project data sheet was not included, inquiring as to the status.
- Mr. Leonard replied most of the utilities work had been completed; however, he was uncertain as to the road work.
- Mr. Dauster inquired as to the \$250,000 difference in cost, questioning whether the City had any control over change orders requested by the County.
- Mr. Leonard replied part of that change was due to a change in market conditions, adding \$750,000 was the original budget figure, which was based on the engineer's estimate.
- Mr. Fabian inquired as to Phase I of Charlotte Park.
- Mr. Leonard replied same was complete.
- Mr. Dauster questioned the value of Phase I of Piper Road without the entire project, noting Phase I extended from Jones Loop Road to Airport Road.
- Mr. Jackson clarified same extended to Henry Street, advising there were developers in the area that needed the road improvements in order for the City to install water and sewer lines in the right-of-way on the north side of the road. He pointed out the start date for the project was being driven by funding availability. He then stated Phase I of Charlotte Park was being evaluated to determine the cost by linear foot of pipe, adding that data would be available at the August meeting.
- Mr. Leonard announced additional costs would be incurred for the spillway as a result of a couple of change orders.
- Mr. Fabian stated the total cost was still well below budget.
- Mr. Leonard agreed, noting the cost was approximately \$2.5 million below budget.

C. City Council Action on Utilities Agenda Status

- Mr. Jackson stated Councilmember Friedman had requested a timeline of the Water Plant preliminary design and permitting, adding he had submitted the information to the City Manager, who asked that details not be discussed with the Board until same had been presented to City Council. He explained those details included a timeline beginning with the 2006 Water Supply Master Plan as well as recommendations related to

regulatory requirements.

D. Utility Fund Balance

- Ms. Kristin Simeone displayed the financial reports for June, briefly reviewing same, noting revenues were currently at 99% of the original budget, which was an improvement over the past few months, adding expenditures were at 69.3%, including encumbrances. She reported operating expenditures were at 70%, capital outlay was at 94% and debt service was at 92%, noting the transfer from utility operations to the utility capital fund would occur during July and would appear as an expenditure on the financial reports next month.
- Mr. Dauster questioned if water billings and sewer revenues were related.
- Ms. Simeone replied higher volume users were using less water; however, there was no change to sewer charges since customers were only billed up to 10 mgd.
- Mr. Fabian stated the operating reserve was up \$600,000 over projections, inquiring if that was due to the capital projects.
- Ms. Simeone replied same was due to carryover projects that were within the operations fund, such as chemicals.
- Mr. Fabian inquired if same was due to savings in operating costs.
- Ms. Simeone replied expenses were down due to staff's attempts to cut back, adding some of the carryover funds were for projects that had not been completed in the previous year but which would be completed in the current year.

**BUSINESS ITEMS**

- None.

**DISCUSSION ITEMS**

A. Reverse Osmosis Status

- Mr. Jackson reported staff, City Manager Kunik, Mayor Goldberg and Department of Environmental Protection (DEP) representatives Mr. John Igelhart, Mr. Abdul Ahmadi and Ms. Mimi Drew (via teleconference from Tallahassee) met with State Representative Paige Kreegel and his aide Ms. Cynthia Beckett to discuss the costs and funding options for the City's water plant as well as TDS issues. He stated DEP requested City staff to draft a new extension or a new variance for consideration, explaining DEP emphasized it was necessary for the City to complete the project; however, DEP understood the City's financial situation due to the impacts of recovering from Hurricane Charley, the downturn in the economy as well as the watering restrictions. He stated it had been a congenial meeting; however, Mr. Amadi had used a firmer tone following the meeting, adding staff was working on a draft five-year extension to the variance which extended the timeframe to 2016. He stated DEP indicated the variance could be tied to the City's

financial recovery, adding if five years from now the City could demonstrate its financial condition remained unchanged, DEP might grant yet another extension. He opined having the State Representative in the room had been very beneficial, concluding the extension would allow the City to complete the project in a more reasonable timeframe.

- Mr. Dauster questioned if the extension went to 2016 or 2019.
- Mr. Jackson replied the Mayor had discussed that timeframe with DEP, noting the variance would include a request to extend it to 2019.
- Mr. Dauster inquired what would happen to the budgetary line item.
- Mr. Jackson replied he would answer that question after he had presented his recommendation to City Council, reassuring members that the outcome was positive, including the financial picture.
- Mr. Bennett inquired what part the final clarifier in the water treatment played in the reduction of TDS in the water.
- Mr. Jackson replied no mechanical, physical or chemical clarification could remove TDS, adding same were dissolved minerals which had to be removed at the molecular level by forcing them through a very refined filter using high pressure.
- Mr. Dauster inquired as to the status of the interlocal agreement with Charlotte County for the Phase IA pipeline.
- Mr. Jackson replied the Phase IA pipeline had been designed to transmit certain volumes of water, adding in 2005 when the economy was going strong, there was a three-party, inter-local agreement for the City to sell the Peace River Manasota Regional Water Supply Authority (PRMRWSA) a minimum of 1 mgd. He stated the pipeline had always been intended as an emergency interconnect; however, to be a true interconnect, it had to be sufficient to replace the majority of the City's peak water demand of approximately 7 mgd. He explained water lines were designed to be sufficient for firefighting rather than residential need, noting a fire hydrant had a six inch line attached to it; however, a 10,000 sf house could operate on a one inch line. He stated the pipeline was designed with a 24 inch main artery that extended north across the river to the City's plant, adding that meant the City would have to replace a 9,000 foot segment of 18 inch line with 24 inch line. He recalled PRMRWSA's Board indicated if bids exceeded \$19 million, they would not build the line, adding the cost came in at \$19.5 million. He continued Mr. Pat Layman suggested not constructing that 9,000 feet of 24 inch line since PRMRWSA and the City were not ready to buy water from each other, noting same would have reduced the cost by approximately \$700,000. He stated Charlotte County had rejected that change order, adding the pipeline design was still in place, and Mr. Layman would need to identify another way of reducing the cost. He stated at some

point in the near future the City should be receiving an interlocal agreement for the use of the pipeline, adding the target date for completion was the first or second quarter of 2011.

- Mr. Dauster confirmed they understood the City was not planning on purchasing water in order to improve its water quality.
- Mr. Jackson replied affirmatively.

#### B. Strategic Plan 2011

- Mr. Jackson explained comments were not due until August 31, 2010.
- Mr. Fabian inquired if backflow regulation should be included.
- Mr. Jackson he would be including something; however, he was waiting from more information from DEP.
- Mr. Kessler stated an item related to reuse to be completed by September, 2010 had been included, opining that did not seem very strategic.
- Mr. Jackson explained a study had been completed which indicated reuse was not feasible, adding it appeared the strategic plan had not been updated.
- Mr. Kessler asserted if the Board wanted to communicate to citizens the long term perspective of utilities, there was very little included in the document, questioning if anything else would be added to the chart in the coming months.
- Mr. Jackson replied affirmatively, adding he was reviewing the document at the same time the Board was reviewing it. He stated master planning activities were ongoing and the dynamics changed, adding in the next year or two, another update to the master plan would be done to insure that the thoughts and ideas on all projects still made sense. He stated he would be including master planning activities as well as the secondary relief force main which could impact the City's ability to connect new customers in the future, adding he had heard the State might be upgrading Bermont Road with new shoulders, which meant the City would be forced to move its main sewage force main. He stated he was waiting to hear more from the Department of Transportation (DOT).
- Mr. Fabian stated he had attended the Metropolitan Planning Organization and Citizens Advisory Committee meetings, and he had seen nothing in their long term plans for Bermont Road.
- Mr. Jackson stated Charlotte County had the project out on to bid for design build, clarifying it must be a County project rather than a DOT project. He concluded he would include the strategic plan on next month's agenda.
- Mr. Fabian inquired as to remote meter reading.
- Mr. Jackson stated funds had been budgeted to do a pilot study next year, adding staff

struggled to read 11,000 meters as there were only 2 meter readers.

- Mr. Fabian inquired whether meters could be read every other month.
- Mr. Jackson replied the water use permit specified how often meters had to be read; however, reading the meters on alternative months could likely be considered.

#### **OTHER BUSINESS**

##### A. Water Restrictions

- Mr. Jackson stated as of July 1, 2010, the Southwest Florida Water Management District (SWFWMD) rescinded the modified Phase II emergency order which allowed watering 2 days per week.
- Mr. Dauster inquired how compliance was verified.
- Mr. Jackson replied all utility employees were involved; however, it was not a high priority, adding customers were educated if they were seen watering on an off day.
- Mr. Dauster inquired how long it took for SWFWMD to change it again.
- Mr. Jackson replied the rule stated there had to be 2 or 3 consecutive months of downturns in the water measurements conducted, adding they measured river and stream flows and ground water tables. He stated he believed this was the beginning of a ten year rainy period.
- Mr. Bennett inquired if the new watering schedule had been published in the newspaper.
- Mr. Jackson replied he would check with the City Manager's Office, adding he would make sure it was published in the local newspaper. He then distributed a memorandum from Mr. Ed McCampbell to the Utility Department Supervisors regarding the new policy for handling scrap, noting Procurement would be hiring a contractor to collect scrap and dispose of it.
- Mr. McCampbell explained these types of contracts were usually set up on a 50/50 split basis.
- Mr. Dauster voiced concern about hiring a contractor.
- Mr. Jackson stated there was some cost in sorting and transporting the materials, adding the City would no longer incur that cost.

#### **PUBLIC COMMENTS**

- None.

#### **MEMBER COMMENTS**

- Ms. Miller questioned whether the issue of funding was still on the table for discussion should the economy improve or demand go up.
- Mr. Jackson explained cooperative funding from SWFWMD was available to regional partners, adding to be eligible for cooperative funding, the City had to be interconnected to another water system; however, it was not. He stated SWFWMD

understood that was not the City's fault but rather was due to the actions of others. He stated in order for the water plant to be eligible, the region would have to need the water the plant would produce; however, PRMWRSA had a 48 mgd water treatment plant and a 6 billion gallon per day (bgd) reservoir, but were only selling 13 mgd. He stated SWFWMD's Governing Board declined to provide 50% cooperative funding since the water was not needed by the region; however, the Peace River Basin Board had agreed to fund 25% of the project, clarifying the 50% cooperative funding had not been taken away as it was never clear whether the City qualified for same. He stated SWFMWD also provided funding for certain initiatives, adding the City's ground water plant was likely eligible for funding through the Minimum Flows and Levels (MFL) Recovery Plan.

- Ms. Miller questioned whether a DEP mandate established that need by requiring a reduction in TDS.
- Mr. Jackson replied although that was true, DEP was not a funding agency.
- Ms. Miller asserted the City could use that mandate to establish the need.
- Mr. Jackson stated staff had already tried to do so, opining the financial picture had improved from the previous month.
- Ms. Miller questioned whether staff was proposing to begin the project while costs were lower.
- Mr. Jackson replied that was a Board decision; however, the timing was ideal.
- Mr. Fabian stated a Culligan employee from the Tampa area had commented that Punta Gorda had the worst water in Southwest Florida.
- Mr. Jackson agreed that was true with regard to TDS; however, TDS was not harmful.
- Ms. Miller opined it was bad for the pipes.
- Mr. Jackson countered it coated the pipes and protected them, adding it was better than a more aggressive water that dissolved the pipes; however, it did eventually produce blockages.
- Mr. Dauster inquired if the requirement for commercial backflow preventers was different than that for residential.
- Mr. Jackson replied the requirement for commercial and multi-family structures had been in place since the 1990s, confirming it was a different requirement; however, inspections still had to be done annually.

**ADJOURNMENT**

- Meeting Adjourned: 10:10 a.m.

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John Dauster, Chairman

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Karen Smith, Recording Secretary