

**UTILITY ADVISORY BOARD  
MEETING  
MONDAY, AUGUST 23, 2010**

**MEMBERS PRESENT:** John Dauster, Chairman  
Steve Fabian, Terry Miller,  
Joe Sabatino

**MEMBERS ABSENT:** Howard Bennett, Thomas Kessler

**OTHERS PRESENT:** Tom Jackson, Utilities Director  
Steve Leonard, Senior Project Manager  
Sharon Knippenberg, Controller  
Mayor Harvey Goldberg

**CALL TO ORDER/ANNOUNCEMENTS**

- A. Roll Call
- Mr. Dauster announced Mr. Bennett indicated he would be late arriving.
- A. Next Scheduled Meeting - September 27, 2010

**APPROVAL OF MINUTES**

- A. Regular Meeting - July 26, 2010
- Mr. Fabian MOVED, Mr. Sabatino SECONDED approval. MOTION CARRIED UNANIMOUSLY.

**STATUS REPORT**

- A. Utility Operational Data
- Mr. Tom Jackson reported according to the United States Geological Survey (USGS), the reservoir was 5.62 feet mean sea level (msl), which equated to approximately 509.81 million gallons per day (mgd) of flow over the spillway, adding the water quality was very good with chlorides low at 110 milligrams per liter (mpl), conductance at 627 and Total Dissolved Solids (TDS) at approximately 300.
  - Mr. Fabian inquired if water was being injected into the Aquifer Storage & Recovery (ASR) well.
  - Mr. Jackson replied affirmatively.
  - Mr. Dauster inquired if arsenic was a problem.
  - Mr. Jackson explained arsenic formed around the monitoring well rather than being in the recovered or injected water, adding staff tested for arsenic on a weekly basis. He displayed a graph of Shell Creek Reservoir Levels, as delineated in the agenda materials, briefly reviewing same, noting the numbers had spiked above the 40 year average during July and would continue to increase due to the amount of rain in August. He displayed the Utility Operational Data for July 2010, as delineated in the agenda

materials, briefly reviewing the monthly totals, reporting 11 million gallons (mg) had been recovered from the ASR wells for routine maintenance purposes. He stated rainfall was 5.7 inches greater than normal, adding the watershed had experienced 114% of the 40 year average rainfall.

- Mr. Dauster stated the figure at the top of the report for the 40 year average for the reservoir was 5.5; however, the current figure was 5.47.
  - Mr. Jackson replied that figure was as of August 1, 2010, explaining same was due to the inconsistent rainfall pattern.
  - Mr. Fabian questioned whether the capacity of the wastewater system would need to be increased any time in the future.
  - Mr. Jackson replied affirmatively; however, it was at least 10 years into the future, clarifying there was plenty of disposal capacity.
- B. Capital Project Data Sheet – Priority Efforts
- Mr. Steve Leonard offered to answer questions.
  - Mr. Fabian questioned why the Bal Harbor water main was listed but no project status was included.
  - Mr. Leonard replied design had just begun; therefore, an entry would be made in time for next month's report.
  - Mr. Fabian pointed out the spillway status was 50% complete; however, the report indicated it would be completed by September 1, 2010, inquiring if that was an error.
  - Mr. Leonard replied the percentage represented payments made, reporting sod, pavement and fencing would be completed this week.
  - Mr. Sabatino requested an update on Burnt Store Road.
  - Mr. Leonard replied shop drawings had been approved; however, he did not believe ground had been broken for the utilities project, adding Mr. Steve Adams would be able to provide a more detailed status.
  - Mr. Dauster questioned the difference between construction services and construction by SFI.
  - Mr. Leonard responded construction services were being provided by Stanley Consultants, explaining the Department of Environmental Protection (DEP) and the Army Corps of Engineers (ACE) required the structure be certified by an engineer. He stated SFI was the contractor for the construction.
  - Mr. Dauster stated the Phase One Groundwater Expansion data sheet listed Design/Permit as 55% complete, inquiring if any of those funds could be utilized at a later date.
  - Mr. Jackson replied the 55% represented completion of the preliminary design report,

adding two thirds of the design report was initial work to prepare for and submit the groundwater permit application. He stressed the preliminary design had been completed; therefore, those funds had not been wasted, adding if nothing further was done with the groundwater permit now, it would be necessary to redo much of the work when the project began to go forward again.

- Mr. Dauster recalled it had been discussed that the City was tapping into an aquifer with substantial flow, adding he understood there was some type of guarantee that no other entity could withdraw water upstream thereby negatively affecting the City's recovery of water out of that aquifer. He questioned if that was true only if the groundwater permit was in place.
- Mr. Jackson replied affirmatively.
- Mr. Dauster inquired if another entity could withdraw water if the City did not obtain the permit.
- Mr. Jackson replied affirmatively, adding permits issued by DEP and SWFWMD established legal users, adding staff was waiting for comments from DEP.
- Mr. Dauster questioned whether the City was going to move forward with establishing their rights.
- Mr. Jackson replied City Council would make that decision, adding his recommendation was to submit to DEP the request for an extension on the variance. He stated he had provided a draft of same to the City Attorney who would discuss same with the attorney who would write the variance extension, adding when DEP disclosed their requirements and an acceptable timetable, the City could formulate a plan to move forward.
- Mr. Dauster reiterated if staff did not proceed with the request to extract groundwater, the City could still obtain a variance for TDS; however, that did not preclude another entity from tapping into the aquifer and negatively affecting the City's ability to withdraw water at a later date.
- Mr. Jackson agreed that was true if the City did not have those quantities secured under permit, adding the City was not at a point of making that decision. He stated it was necessary to see what timeframe DEP would allow.
- Mr. Dauster maintained that even with a variance from DEP that allowed an additional five or ten years, the City was not establishing their rights, opining at some point it would be necessary to do that. He stressed he was not hearing the answer he wanted.
- Mr. Fabian inquired if the City could obtain the permit even though it was delayed.
- Mr. Jackson replied affirmatively, adding it was a 20 year permit.
- Mr. Dauster inquired again if staff was moving forward.
- Mr. Jackson replied in the negative, explaining City Council direction was not to expend

any additional funds for same.

- Mr. Sabatino stated his understanding was that the aquifer could sustain more than one user.
- Mr. Jackson stated the site under consideration for the permit was brackish ground water, which was a less desirable water source as it required RO or other technology to clean it up, opining no one else was pursuing obtaining a permit to withdraw water from that site. He stated the Peace River Manasota Regional Water Supply Authority (PRMRWSA) had no short term plans to do so, pointing out their plans were to build a groundwater plant on their existing site in 2018 or 2019.
- Mr. Fabian inquired if Charlotte Park was complete.
- Mr. Jackson replied affirmatively, adding preliminary numbers were available; however, staff would review same for accuracy before they were provided to the Board.

#### C. City Council Action on Utilities Agenda Status

- Mr. Jackson stated the Mayor joined staff in a teleconference with SWFWMD, who had agreed to keep the City's funding in place until DEP had provided direction.
- Mr. Sabatino inquired how staff was proceeding with the ASR wells and the arsenic issue.
- Mr. Jackson replied he had included language in the ASR request indicating it was necessary to resolve both issues; however, that was a different request, pointing out he had raised that issue in the TDS variance request as well.

#### D. Utility Fund Balance

- Ms. Sharon Knippenberg displayed the financial data sheets for the month of July, 2010, as delineated in the agenda materials, briefly reviewing same, noting with 83.3% of the year complete, revenues were 85.3% with encumbrances. She reported expenditures were running between 70% and 80% of budget.
- Mr. Dauster questioned the \$114,000 increase for Water Treatment expenses.
- Ms. Knippenberg reminded members that particular data column represented the change between the original and revised budget, explaining unspent funds had been carried over from the prior year for projects that were not complete and had been re-appropriated in the new year. She stated those figures would remain constant each month, clarifying members needed to look at the figures in the far right column for the current month's information.
- Mr. Fabian inquired why debt service was down.
- Ms. Knippenberg replied staff had projected a need to finance several projects this year; however, they were able to transfer \$1 million from the fund balance to reduce the need for financing, adding staff had been able to delay any financing this year. She stated

the reduction was the amount of interest that would have been paid this year had financing been obtained. She reported revenues had exceeded projections for July, 2010; however, revenues for August were anticipated to decrease.

- Mr. Dauster inquired if the change to the watering restrictions were affecting revenues.
- Mr. Jackson replied restrictions were eased as of July 1<sup>st</sup>, adding he was uncertain whether the rainfall or the change to the restrictions was driving the increase; however, staff would have a better picture by the end of August.
- Mr. Sabatino suggested using an additional color for either the actual or budget figures in the graph for better readability.
- Ms. Knippenberg agreed.
- Mr. Fabian inquired if it was possible to separate the inside and outside totals for water and wastewater.
- Ms. Knippenberg agreed. She then announced the proposed budget was complete and available on the City's website, adding the first budget hearing was September 1, 2010 at 5:01 p.m. and the second hearing would be September 14, 2010 at 5:01 p.m. She stated after adoption, staff would create a notebook for Board members' use.

#### **BUSINESS ITEMS**

- None.

#### **DISCUSSION ITEMS**

##### A. Strategic Plan 2011

- Mr. Tom Jackson stated there were three items in the strategic plan that required editing, noting the first item was continued coordination with PRMRWSA for the phase 1A interconnect and a study of Reservoir opportunity in Tippin Bay/Long Island Marsh. He explained Tippin Bay was not moving forward at this time due to the inability to procure the land, which was under State control, adding the current land owners wanted it to remain privately owned and for the utilities to pay a fee to use the water; however, water usage in the State of Florida did not work that way. He stated he would modify that language; however, staff would continue to work with PRMRWSA on the Phase 1A interconnect.
- Mr. Sabatino questioned the status of the Phase 1A pipeline.
- Mr. Jackson replied since the Charlotte County Administrator had departed, no additional information had been forthcoming, adding staff would need to attend the next PRMWRSA Board meeting to obtain an update. He stated he believed the interconnect project had been sent out for bid; however, he would have a better update next month.
- Mr. Sabatino opined it was necessary for staff to determine the County's intentions for

that project before finalizing the strategic plan.

- Mr. Jackson agreed. He continued the next item for revision was to consider expanding wastewater treatment capacity by having residential lawns, irrigated parks, golf courses, etc., served by gray or reuse water, advising gray water use was not allowed in the State of Florida. He explained a study on reuse indicated that was not feasible at this time as it would be very cost prohibitive; however, staff was still considering opportunities for reuse for agricultural use or irrigation; therefore, he wanted reuse to remain in the strategic plan.
- Mr. Fabian questioned if it was a viable strategy at this time.
- Mr. Jackson replied in the negative, adding it could be removed if the Board desired to do so.
- Mr. Sabatino interjected a broader statement related to conservation and Florida friendly landscaping should be included, adding if the City moved away from a surface reservoir in favor of an underground well in the coming years, those issues would become much more important. He asserted some of the City's codes were in conflict with conservation, adding that issue was not only applicable to the Utility Department.
- Mr. Jackson agreed, noting Urban Design staff was very receptive to the idea of revising the Codes to eliminate those types of conflicts. He then stated the reverse osmosis plan design and construction was on hold at this time, adding he would modify the language to reflect the new dates and plans when they became available. He stated he would include additional language to discuss pursuing the TDS variance extension as well as to pursue and lock in a Southwest Florida Water Management District (SWFWMD) funding agreement for any TDS variance work.
- Mr. Sabatino recommended including the ASR well and arsenic issue.
- Mr. Dauster recalled Mr. Fabian had previously recommended including the backflow preventer issue.
- Mr. Fabian questioned why the Hendrickson Dam Spillway Replacement was included.
- Mr. Jackson stated same would be removed.
- Mr. Jackson confirmed members had no additional comments or suggestions.

#### **OTHER BUSINESS**

- Mr. Dauster inquired as to the status of the budgetary line item for the reverse osmosis (RO) plant, noting Mr. Jackson had agreed to provide that information after he made a presentation to City Council.
- Mr. Jackson stated he had not yet made his presentation; however, he would be meeting with Finance staff to modify that line item.

**PUBLIC COMMENTS**

- None.

**MEMBER COMMENTS**

- None.

**ADJOURNMENT**

- Meeting Adjourned: 9:46 a.m.

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John Dauster, Chairman

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Karen Smith, Recording Secretary