

**UTILITY ADVISORY BOARD
MEETING
Monday, November 23, 2009**

MEMBERS PRESENT: Joseph Sabatino, Chairman
Howard Bennett, Thomas Carroll,
John Dauster, Steve Fabian,
Thomas Kessler

MEMBERS ABSENT: Jeff Weiler

OTHERS PRESENT: Tom Jackson, Utilities Director
Steve Adams, Engineering Manager
Steve Leonard, Utility Department
John Wright

CALL TO ORDER/ANNOUNCEMENTS

- A. Roll Call
- B. Next Scheduled Meeting – December 28, 2009
 - Mr. Sabatino inquired whether members would be available.
 - Mr. Dauster advised he would not be available.
 - Mr. Bennett stated he would likely not be available.

APPROVAL OF MINUTES

- A. Regular Meeting – October 26, 2009
 - Mr. Sabatino drew members' attention to page 1, explaining his comment regarding the contract referred to conflicting language.
 - Mr. Fabian MOVED, Mr. Bennett SECONDED approval as amended. MOTION CARRIED UNANIMOUSLY.

Editors Note: After reviewing the October 26, 2009 meeting tape, it was determined the minutes were accurate as written.

STATUS REPORT

NOTE: Item 3.A. was heard after Item 5.A.

- A. Utility Operational Data
 - Mr. Tom Jackson displayed the United States Geological Survey (USGS) graph of the reservoir, as delineated in the agenda materials, reporting the reservoir level was 5.10 feet above mean sea level (msl) which equated to 60.76 million gallons per day (mgd) of flow over the spillway, which was slightly greater than this time last year. He stated raw chlorides were 142 milligrams per liter (mpl), which was well below the maximum allowed of 250. He displayed the Shell Creek Reservoir Level graph, as delineated in the agenda packet, explaining in August and September the reservoir was peaking above

the 40 year average; however, the levels had now decreased and were tracking similar to levels in 2007. He stated the forecast was a wetter than normal winter, noting although many of the recent cold fronts had not brought rain, there was a better chance of rain over the Thanksgiving holiday. He displayed the Utility Operational Data for the month of October 2009, as delineated in the agenda packet, briefly reviewing same. He reported 154.050 mg had been stored in the Aquifer Storage Recovery Program (ASR) wells as of this date, noting only 75 mg had been stored as of this time last year.

- Mr. Sabatino inquired why raw water and water to town figures were greater this year.
- Mr. Jackson replied staff was researching those figures, adding 8 mg had been injected into the ASR; therefore, that could be deducted from the raw water figure. He stated there had been several higher usage days with the drier weather, adding irrigation demand had steadily increased and staff would determine whether that was affecting the finished water to town figure.

B. Capital Project Data Sheet – Priority Efforts

- Mr. Jackson drew members' attention to the summary sheet provided.
- Mr. Dauster stated a few projects had been omitted, inquiring if it was possible to break out the amount paid and the percentage completed for each project.
- Mr. Steve Leonard replied that information was included on the individual project sheets, adding the summary sheet provided original and up-to-date cost estimates. He offered to add a completion date out to the side.
- Mr. Sabatino suggested waiting to see if Mr. Dauster's suggestion could be more easily addressed on the individual project sheet.
- Mr. Fabian inquired as to the 40% decrease in the Phase I Ground Water project, inquiring if the engineer's 40% contingency had caused it.
- Mr. Leonard replied a contingency level of 40% was typical at the planning stage, pointing out no preliminary design report had been completed as of this date.
- Mr. Jackson stated the \$37 million estimate did not include converting the ASR wells or having to meet the regulatory requirements for two deep injection wells, explaining Tetra-Tec was given specific directions to include only one deep injection well and utilize the existing ASR wells. He stated a preliminary design report would be completed in February or March 2010, adding those numbers would be greatly refined at that time.
- Mr. Bennett stated he had no objection to the figures; however, when the scope was refined, it was necessary to have a figure that was within 10%.
- Mr. Kessler stated he approved of the summary sheet; however, he did not find the page number useful, adding he preferred a reference to the Capital Project Data Sheet.

- Mr. Leonard explained the page number matched the budget book; however, he could modify same.
- Mr. Fabian asked that the page number remain.
- Mr. Leonard agreed, noting he could add a couple of columns to include additional information. He then acknowledged he had omitted the Aqui Esta project.
- Mr. Dauster stated the Shreve and Pompano project and the Water Treatment Plant (WTP) were also omitted.
- Mr. Leonard pointed out the WTP was the Phase I Ground Water project, which was included.
- Mr. Sabatino voiced concern regarding City Council's rejection of the bids for the Hendrickson Dam spillway replacement, suggesting the format of the City Council Action update be modified to include the upcoming meeting's items. He recalled members had suggested interviewing the low bidders to insure their vision of the project was correct, adding he was surprised not to see that as an agenda item.
- Mr. Jackson stated he intended to discuss it during the project discussion, explaining the Procurement Division did not select the apparent low bidder because they had not qualified in some areas. He stated Councilmember Friedman had suggested negotiating with the next highest bidder since their price was \$90,000 more; however, that was not permitted, adding several other bidders were disqualified; therefore, City Council requested the project be bid again. He reported the new bids would be opened the next day. He then announced steel for the project had begun arriving last week; therefore, it was important to begin the project during the dry season.
- Mr. Bennett recalled he had suggested performing due diligence on the low bid, adding staff had indicated the bid was reliable; however, it appeared that was not the case.
- Mr. Leonard explained the City required a bid bond, adding if the bidder backed out, they forfeited the bond. He reiterated negotiating with bidders was not allowed; however, the City's engineer had reviewed the line items in question. He confirmed the bid not being selected was due to the company's responses during the bid process rather than their technical qualifications.
- Mr. Sabatino inquired as to the bid status.
- Mr. Leonard replied bids would be opened the next day, adding in order for the project to remain on schedule, it was necessary they be reviewed by City Council at their December 2, 2009 meeting. He voiced concern regarding the timeframe for the project.
- Mr. Jackson offered to updated members with the new bid information when it was available.
- Mr. Fabian inquired whether members could provide input to Mr. Jackson and copy the

other members via email without violating the Sunshine Law.

- Recording Secretary Smith advised it was acceptable provided members did not discuss the issue with each other.
- Mr. Jackson voiced concern there was only a six month window to complete the work.
- Mr. Dauster drew members' attention to the Charlotte Park Improvement project, opining the 45% completed was not reflected in amount paid.
- Mr. Jackson pointed out that project was being completed in-house, reporting \$109,450 had been spent on materials.
- Mr. Sabatino opined it would be helpful for members to have that information.
- Mr. Dauster inquired who authorized change orders.
- Mr. Jackson replied it depended on the dollar amount, explaining at certain thresholds, City Council had to approve them rather than staff doing so.
- Mr. Steve Adams reported there was a change order for Aqui Esta, adding staff evaluated change order requests and the City Manager authorized same. He stated after change orders were completed, the total value of the project was adjusted.
- Mr. Dauster inquired if the value of each change order was reported.
- Mr. Adams replied in the negative.
- Mr. Sabatino suggested including the value of the change orders in the comment section.
- Mr. Adams agreed.
- Mr. Fabian questioned the number of phases were involved for Charlotte Park.
- Mr. Adams explained it would likely be done in three phases.
- Mr. Fabian inquired how staff knew the true cost of an in-house project.
- Mr. Jackson replied staff would evaluate the cost of Phase 1 prior to moving forward on Phase 2 in order to determine whether it was feasible to continue doing the project in-house.

C. City Council Action on Utilities Agenda Status

- Discussed above.

D. Utility Fund Balance

- Ms. Sharon Knippenberg displayed a chart titled, "Utility Fund Debt Financing FY 2010 through FY 2014", as delineated in the agenda materials, briefly reviewing same, noting year-to-date, staff had not begun the financing process and was still working off of cash flow. She announced during 2009, there were savings of approximately \$1 million, adding the 2010 revenue projection had been increased by \$206,000. She stated savings would reduce the need for financing, offering to provide the debt financing information on a monthly basis.

- Mr. Carroll inquired whether savings would be redirected to water rate reductions versus a reduction in financing.
- Ms. Knippenberg responded the City Manager was considering same.
- Mr. Kessler commented now that the revenue picture was promising, it would be an appropriate time to review the five year Capital Improvement Program (CIP).
- Ms. Knippenberg stated it was necessary to review the ten year CIP before making a decision regarding a rate increase. She then displayed several sheets of financial data for the month of October, 2009, as delineated in the agenda packet, briefly reviewing same.
- Mr. Fabian stressed as additional properties were annexed into the City, the 25% premium rate paid by those users would be lost.

DISCUSSION ITEMS

NOTE: Item 5.A. was heard prior to Item 3.A.

- A. City of Punta Gorda Logo – John Wright, Punta Gorda Chamber of Commerce
 - Mr. John Wright distributed sample artwork of a proposed City of Punta Gorda logo, as delineated in the agenda materials, briefly explaining that the Punta Gorda Chamber of Commerce (PGCC) had been given the mandate to develop a brand that would unify the various entities in the City. He stated due to a lack of funding, no brand had been created; however, the logo and slogan, “Its happening on the Harbor” had been created by a grassroots organization. He reported several local organizations were already using the tagline on their letterhead, including the Charlotte County Airport, noting several City Councilmembers had asked to use the logo in their private email addresses. He stated it was suggested the logo be presented to the City’s advisory boards to gain their support, adding City Council would eventually review same for approval. He confirmed they were not suggesting this replace the City’s logo, but rather were using this as a tagline for branding purposes, advising the tagline had been trademarked and could not be used by anyone else. He announced guidelines for use of the logo would be forthcoming.
 - Mr. Kessler stated he approved of the logo, suggesting it be put on magnetic pads that could be put on a vehicle.
 - Mr. Fabian inquired as to the round disk in the logo.
 - Mr. Wright replied it represented the tropical sun, adding same was also used in the PGCC and Main Street logos.
 - Mr. Carroll MOVED, Mr. Fabian SECONDED recommending City Council approve use of the logo. MOTION CARRIED UNANIMOUSLY.
- B. Fluoridation – Council Action

- Discussed below.
- C. Joe Sabatino, Howard Kunik, Tom Jackson meeting 11/12/09
 - Mr. Sabatino reported he had written a letter to the City Manager, adding he and Mr. Jackson met with the City Manager regarding same, at which time he had clarified the Board's concerns regarding TetraTec were related to the contract language. He recalled members had requested notification when City Council would be reviewing an item before the Board approved it, adding it had been suggested that a designated member could attend the Council meeting to express the Board's opinion. He stated Council's review of the fluoridation study without the Board's approval prompted him to write the letter, noting the study was a Consent item on City Council's agenda.
 - Mr. Jackson interjected the fluoridation study was a Finance Department item.
 - Mr. Sabatino commented members' frustration stemmed from not being informed, inquiring whether there was any purpose to continue a dialog on the issue, or asking City Council to allow the study to be conducted.
 - Mr. Kessler stated he had expressed his frustration to the Chairman of the Board, asserting it was a bigger issue than the fluoridation item. He stated this was not the first time he had read about a utility issue in the newspaper without having knowledge about it. He stated he was at a higher level, adding he was not sure if City Council read the UAB minutes, but, perhaps they would get the message if they did. He asserted UAB was not the only Board with this problem.
 - Mr. Sabatino interjected Mayor Goldberg had attended the previous Board meeting and heard the Board's frustration.
 - Mr. Kessler continued the utilities oversight process was fragmented, asserting he did not understand why Council would not first ask for the Board's input. He stated if Council wanted to have an effective advisory capacity and expertise on this Board, they would always ask for their input, adding he understood there was sometimes a time issue.
 - Mr. Sabatino interjected he had mentioned the time issue, adding when issues were not time sensitive, staff should have adequate time to review the Board's input rather than City Council making a knee jerk reaction.
 - Mr. Kessler questioned whether being a member of the Board was a good use of his time, reiterating he had expressed his frustration to the Mayor and the Chairman. He stated Vice Mayor Albers' comments about receiving negative comments related to the fluoride issue were biased and not part of the legislative process, opining the Board should invite citizens to make comments about fluoridation so that the Board could take a position.

- Mr. Bennett stated most of Mr. Kessler's comments had been thoroughly reviewed at the last Board meeting, adding everyone was on the same page and understood how to proceed. He suggested this be treated as a learning process, stressing a decision had been rendered regarding fluoridation and it was time to move on. He stated Mr. Sabatino's meeting with the City Manager made the UAB's position clear, adding if the Board received no support at this point, it should be dissolved.
- Mr. Fabian recalled Councilmember Friedman had commented at a previous Council meeting that if the fluoridation study would cost less than \$200,000, they should move forward; therefore, he was surprised the item was discussed at the next meeting.
- Mr. Fabian MOVED, Mr. Dauster SECONDED to request City Council reconsider the fluoridation study
- Mr. Bennett asserted the estimate had exceeded \$200,000.
- Mr. Sabatino recalled the estimate was \$30,000 to complete the study, \$100,000 for engineering and \$100,000 for equipment.
- Mr. Jackson advised he had provided Councilmember Friedman with those figures.
- Mr. Carroll opined the Board had been remiss in not finding out whether citizens were interested in fluoridation, adding City Council would then have more information to make a decision about spending funds on a study. He stated at this point, he would not support asking Council to spend any additional funds.
- Mr. Jackson recalled members had broken the issue down into technical and philosophical questions, adding they opted to address the philosophical question after the issue of cost had been addressed.
- Mr. Dauster acknowledged he was biased, agreeing the philosophical question needed to be answered. He suggested the manufacturing company of the equipment might be willing to pay for the study.
- Mr. Jackson countered a company might be able to say what size equipment was necessary; however, they would not be able to specify dosing or how it would affect the water chemistry, stressing it was necessary to do the study.
- Mr. Dauster stated he had spoken to several Councilmembers who indicated they were being pressured by groups outside of the local area, opining it was necessary to determine if local residents were interested rather than bending to the will of an outside group. He questioned how someone from California found out fluoridation was going to be on City Council's agenda, asserting Council wanted to side step the issue.
- Mr. Kessler suggested obtaining input from other utilities.
- Mr. Sabatino stated Mr. Mark Markgraf made a presentation to the South County Coalition and there was unanimous support, adding it was necessary for members to

remain impartial on the issue in order to make a recommendation.

- Mr. Jackson stressed City Council instructed staff to spend nothing on this issue, adding a study would include discussions with other utilities as well as a presentation of what those utilities were doing. He stated the City's utility was only required to test raw water for fluoride once per year, adding during the rainy season, water never exceeded the mcl. He stated it would be necessary to conduct dry and wet weather testing because the value naturally went up and down, adding it would be terrible to overdose someone on fluoride because the value in the water had changed. He concluded much work had to be done, most of which would be included in the study.
 - Mr. Sabatino opined it would be necessary to publicize the issue in order to get any citizen input.
 - Mr. Bennett pointed out Mr. Dauster had been a UAB member for at least two years and was previously a practicing dentist who was a strong proponent of this issue, questioning what Mr. Markgraf had said to spark his interest since he had never mentioned it in the past.
 - Mr. Dauster replied he previously lived in an area where it was common to fluoridate the water, adding he was not aware the water in this area was not fluoridated until he was contacted by Mr. Markgraf.
 - Mr. Carroll opined the motion would be a disservice to City Council since there was no new information for them to consider, stressing it was necessary to educate citizens about fluoride rather than just asking whether they were interested in the issue.
 - Mr. Kessler suggested inviting experts to provide more information to the Board, adding members needed more technical information before asking the public for input.
 - Mr. Sabatino inquired if that was possible.
 - Mr. Jackson replied he was not comfortable doing anything, reiterating Council's direction was not to spend any funds, and that included staff time.
 - Mr. Fabian questioned whether public workshops would be included in the study.
 - Mr. Jackson replied the \$30,000 estimate did not include public outreach, opining same would cost approximately \$150,000.
 - Mr. Fabian WITHDREW his MOTION.
 - Consensus of the Board was to request that City Council allow the Board to perform some further due diligence on the subject in order to provide clearer guidance after that point.
- D. Conservancy of Southwest Florida Changes to F.A.C 62-302.530
- Mr. Jackson drew members' attention to the materials included in the agenda packet, explaining a representative from the Conservancy of Southwest Florida (CSF) met with

the City Manager to discuss the Florida Department of Environmental Protection (FDEP) rules that governed surface water quality. He opined FDEP had done a terrible job policing the rules. He then drew members' attention to the first page of the tables, noting FDEP wanted to remove the word "recreation" from the Class III waters standard, adding there was a problem with E-coli and bacteria and public health agencies closing beaches, which was embarrassing to FDEP; therefore, they wanted to soften the regulation so it was not a violation of a Class III water standard. He stated he disagreed with the change and felt FDEP should be made to do their job, adding CSF wanted City Council to send a resolution to the Governor forbidding FDEP from doing same. He voiced concern if FDEP did not soften the regulation, they would delegate policing responsibilities to local municipalities, which would result in additional cost to those municipalities, adding he had discussed the issue with the City Manager and suggested sending a letter to the Governor.

- Mr. Sabatino inquired as to the response received by CSF from other municipalities.
- Mr. Jackson replied about half of the communities contacted had taken action, reiterating it was important not to deregulate and to understand there might be a consequential cost and workload at some later point in time.
- Mr. Dauster inquired as to the location of the impaired water data referred to in the proposed resolution.
- Mr. Jackson responded the data was available from FDEP's website, noting the City's water was impaired for nitrogen.
- Mr. Dauster inquired whether the change affected both fresh and salt water.
- Mr. Jackson replied affirmatively.
- Mr. Dauster opined the change could cause problems related to the use of the canal system.
- Mr. Jackson agreed, reiterating it could have long term consequences.
- Mr. Sabatino pointed out paragraph 2 of CSF's letter stated, "Changing the designated use of canals will only make it that much more difficult to reach swimmable standards downstream".
- Mr. Jackson advised canals would naturally become polluted since they had no ability to flush properly and were often dead ends, adding FDEP was trying to regulate them to a river standard and were not being successful; therefore, they were attempting to remove language and exempt the canals.
- Mr. Dauster questioned how standards were applied in cases where an element was naturally occurring in excess of the standard.
- Mr. Jackson responded the tables were intended for use by a permit writer, clarifying

these were the allowable standards for permitting discharges of wastewater.

- Mr. Sabatino commented the water and the canal system were attractions for potential residents, adding it was important to consider the impact of anything that affected the water. He opined the Board needed more guidance from staff before making a decision.
- Mr. Jackson agreed water quality was a concern for the City, adding he had suggested the City Manager write a letter acknowledging the City was interested in maintaining the best water quality possible but would rather encourage FDEP to do a better job than support deregulation.
- Mr. Bennett voiced his support for staff's position.
- Mr. Carroll questioned whether the Canal Advisory Boards were discussing the water quality issue, opining it was important as this could possibly affect all residents of the City.
- Mr. Jackson agreed to suggest same to the City Manager.
- Mr. Sabatino confirmed members agreed with staff's suggestion of writing a letter rather than adopting a resolution.

OTHER BUSINESS

A. Inflow & Infiltration Study Report (Distribution Only)

- Mr. Jackson offered to include this as a discussion item on the next agenda.
- Mr. Sabatino requested members be prepared to discuss the cost estimates versus the results.
- Mr. Jackson advised the plant was only at 50% capacity, adding if usage was pushing up against a plant expansion, those costs versus what could be achieved in the field would need to be reviewed; however, the City was a long way from that.
- Mr. Sabatino suggested cost estimate and percent reductions be included with the recommendations.
- Mr. Jackson pointed out the City had an ongoing Program for inflow and infiltration (I&I), adding staff always attempted to get the greatest results for the least cost. He stated the majority of the work involved connections between houses and the road which was very expensive to identify and repair.
- Mr. Bennett commented due to the age of the system, this was an ongoing maintenance and repair issue rather than a project.
- Mr. Jackson agreed, stating the City's situation was not unique.

MEMBER COMMENTS

- Mr. Fabian inquired whether the Judge's ruling in Sarasota regarding water quality would affect the City.
- Mr. Jackson replied with uncertainty.

- Mr. Sabatino questioned how to advise citizens regarding watering.
- Mr. Jackson replied there were many variables, advising watering once a week was sufficient.

ADJOURNMENT

- Meeting Adjourned: 10:55 a.m.

Joseph Sabatino, Chairman

Karen Smith, Recording Secretary