

VERO BEACH UTILITIES COMMISSION MINUTES
TUESDAY, May 25, 2021 – 9:30 A.M.
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA

PRESENT: Chairman, Jane Burton; Vice Chairman, John Cotugno; Members: Judy Orcutt, Mark Mucher and Indian River Shores Representative, John McCord **Also Present:** Water and Sewer Director, Rob Bolton; Finance Director, Cindy Lawson; Assistant City Attorney, Jenny Flanigan and City Clerk, Tammy Bursick

1. CALL TO ORDER

Chairman Burton called the meeting to order at 9:30 a.m.

Unexcused absence – Mr. John Sanders

2. APPROVAL OF MINUTES

A) March 9, 2021

Mr. McCord made a motion to approve the March 9, 2021 minutes. Mr. Cotugno seconded the motion and it passed unanimously.

3. PUBLIC COMMENT

There were no public comments made at this time.

4. NEW BUSINESS

A) Reiss Engineering Presentation on Water Reclamation Facility

Mr. Rob Bolton, Water and Sewer Director, stated that the consultants at today's meeting will be speaking on the two (2) items as listed on the agenda. He said as they move forward the new facility that is going to be built will now be called the "Water Reclamation Facility" instead of the "Water Treatment Plant." He said that there are three (3) different consultant firms for the project that were selected by the Selection Committee. He said that they have a great team. He turned it over to the consultants who gave a Power Point presentation (attached to the original minutes).

Mr. Mucher asked in regards to solar, he understands that they are not generating more than what is being used. He asked if they would be doing that in conjunction with Florida Power and Light (FPL).

Ms. Grimaldi, Consultant with Reiss Engineering, said that there would not be a situation where they would be selling back to the grid.

Mr. Mucher then asked her to explain what blowers are. which she did.

Mrs. Orcutt asked what the elevation of the property is in general.

Mr. Bolton said that the ground elevation is probably at 18 new datum.

Mr. Cotugno asked if they precluded using wind because of the close proximity to being near the Airport.

Mr. Bolton explained that Central Florida is not a prime wind generation.

Mr. McCord asked if the Florida Aviation Administration (FAA) approved the new Plant location.

Mr. Bolton explained that they are not to near the runway protection zone, but are looking at the design of this. He said that the design will be submitted to FAA who will come back with their approval.

Mr. McCord asked how long it will take FAA to do that.

Mr. Bolton felt that it should be done within 30-days. He said during the construction phase there will be a lot of coordination with FAA.

Mr. McCord mentioned that originally they were budgeting this to cost \$50 million and then he heard that now it will cost between \$65 million and \$70 million.

Mr. Bolton explained that for the last two (2) years in the budget process they have been budgeting \$60 million for the project.

Ms. Grimaldi added that was an estimate that she used hoping that it would come in lower. She said there is no way that it would cost more than that.

Mr. McCord mentioned that Indian River Shores provides 20% of the revenue and if that goes away it will affect the bonding of the project and also affect the rates. He was told that these are questions to ask when the next presentation takes place at today's meeting.

Mrs. Orcutt was curious about the stormwater retention and looking at the standpoint of the hard structure in this acreage.

Mr. Bolton said that this is being looked at and that the Airport was in the process of updating their Master Plan and that is part of one (1) of their future projects along with what they might put in for drainage that would hold back the water. They will be looking at a very large stormwater retention facility. There would be design slopes and features that would allow the tortoises to come back.

Mr. Cotugno asked about the cyber security without going into a lot of detail.

Mr. Bolton explained that they are only mentioning cyber security because of the design. He said that they limit the details on cyber security because of the topic.

Mrs. Orcutt asked for a copy of the slide presentation that was presented today. The consultant told her that the slide presentation would be made available.

B) Presentation of Waste Water Treatment Plant (WWTP) Financial Evaluation by Mr. Tony Hairston of Raftelis – Ms. Cindy Lawson, Finance Director

Ms. Cindy Lawson, Finance Director, commented that they have put together a really good team for this project and these people are the best in the business. She introduced the people they would be working with and who will be instrumental in assembling the finance package for the new facility. She then turned the meeting over to Mr. Hairston.

Mr. Tony Hairston, of Raftelis, gave a Power Point presentation (attached to the original minutes).

Mr. Mucher asked about the capacity as it enters into the rates and Plant design. He asked at what point do they know how much capacity is going to be needed.

Mr. Bolton explained that the capacity is at five million gallons so they have added 10% to that. He said a good away to run the Plant is around 80%. There is time as they are moving forward to scale down some things if they had to like not purchasing as many membranes. These things take place as they start the process of engineering.

Ms. Lawson explained that the only way this becomes a problem is if they build capacity for customers that they don't have. She said that decision will need to be made at some point along the way. She did not want to get into a lot of discussion on this because of litigation.

Ms. Jenny Flanigan, Assistant City Attorney, stated that the City is honoring the Territorial Agreement that is in place and that is what this plan represents.

Mr. Bolton said now they are getting into what ifs. He said that some decisions and designs will be made as they move forward. They have to do the best that they can do at this point. He said looking back in history there have been many areas that they have been serving for a long time.

Mr. Mucher mentioned that a decision was made a long time ago to build a new Plant and he doesn't think rehabbing the old Plant is an option.

Mrs. Orcutt brought up funding and felt confident that there will be additional funding from the State. She asked what is the rate increase for ongoing maintenance of the Plant in reference to the building cost.

Ms. Lawson said that most is construction and debt. This is all based on borrowed money. She spoke with the Treasury Department concerning the American Rescue Plan and they have now included waste water infrastructure as something that the money can be used for.

She said that the City is getting \$2.5 million from that project and this project will meet requirements to use some of these funds.

Mr. Cotugno brought up the size of the Plant and the service areas. He asked when is the drop down date of knowing whether they will continue serving Indian River Shores.

Mr. Bolton said when the contractor drives up in his truck. He said as they move forward in the design process it will always be the same. They may change some of the tankage or blowers that they buy if they have to. There are things that can change that reduce the cost of the project.

Mr. Cotugno said that he knows this new facility will benefit the community. He has some concerns on the impact that it will have on the rate users so they will need an answer on who they will be servicing.

Mr. Bolton agreed and said that they need that answer at least a year or a year and a half from now.

Mr. McCord asked what they were going to do with the old Plant.

Mr. Bolton said eventually tear it down. He said that there is still some ongoing discussion concerning the Three Corners project and whether or not to tear down the two (2) tanks.

Mr. Mucher asked if there is any salvage value when they tear down the Plant. Mr. Bolton said it depends and said that there possibly could be.

Mr. McCord knew that they were in the process of negotiating with Johns Island and he asked if the cost of the project effected the cost of that project that they are in current negotiations with.

Mr. Bolton explained that they received \$1.5 million for funding for a \$2 million budget and then received \$2.2 million, which is 75% funding for the pipe line. He said the John's Island project is moving forward and independent of their discussion of this project.

5. OLD BUSINESS

6. CHAIRMAN'S MATTERS

Chairman Burton brought up stormwater utilities. She said that the City Council is in discussions of establishing a stormwater utility. She said that none of the City Boards/Commissions have responsibility to advise the City Council on matters relating to stormwater and its impact on the health of the Indian River Lagoon. She said that this Commission already has responsibility to advice the City Council on all matters relating to water and sewer and solid waste and it would seem that stormwater issues would be a natural addition for this Commission. She would like to propose that this Commission ask the City Council to add stormwater to their areas of responsibility. She said if the

Commission agrees with that she will send a letter to the Mayor and City Council making that request.

Mr. Cotugno had some concerns that the stormwater utility affects only City residents and this Commission consists of members who do not live in the City. He did not think that it would behoove them to dictate on what the rates will be from members who are not City representatives.

Chairman Burton said that there is only one (1) member who is not a City resident. She was told that was not correct and setting rates represents City residents.

Mr. Mucher clarified that the Utilities Commission does not set rates they just make recommendations.

Ms. Lawson commented that this is not a utility like the electric was. She said that this utility does not include any operating costs. It is not an Enterprise Fund. It will be a special fund. She said that this year there would not be any funding raised for capital projects. She wasn't sure if this was the time for the Utilities Commission to get involved or not. But, the first year of having the stormwater utility is only for the benefit of creating a Master Plan.

Mr. Mucher felt that they should keep the comments brought up by Mr. Cotugno in mind when moving forward.

Chairman Burton commented assuming that this stormwater utility is passed then there needs to be an Advisory Commission to help the City and she felt that fits into what this Commission does. She said as far as the rates and how they affect City residents someone living outside of the City would not be allowed to vote on that anyway.

Mr. Mucher commented that this would be a crossover between stormwater utility and water reclamation activities.

Chairman Burton said somewhat and that kind of makes sense.

Mrs. Orcutt felt that it was a good idea to have other people looking at the stormwater utility plan as it moves forward. She said they are only an Advisory Commission and will not be voting on any rates.

Mr. Mucher brought up that the City Council is restructuring some of their Commissions and Boards and they would like to have more City residents serving on these Commissions.

Mrs. Orcutt made a motion that the Utilities Commission take under their purview the stormwater utility decision making. Mr. Mucher seconded the motion and it passed 4-1 with Mr. Cotugno voting no.

Chairman Burton will speak with the City Council about taking the action to see if this can happen.

7. MEMBER'S MATTERS

A) Update on the Septic Tank Effluent Pump (STEP) Program – Mrs. Judy Orcutt

Mrs. Orcutt thanked Mr. Bolton and staff for providing the STEP System dashboard and maps available on the City's website. She said that she uses it all the time and it is a great way to track progress. It appears that there are 76 properties that have not complied with mandatory inspections that were supposed to be completed by the end of December. She asked Mr. Bolton to bring the Commission up to speed on these inspections.

Mr. Mucher mentioned that the website shows that his septic tank has not been inspected, which is not the case.

Mr. Bolton expressed that the Code Enforcement Officer is actively sending letters out to people who have not had their septic tanks inspected. He said that this is actively being pursued and not being ignored. He mentioned that staff is very busy and they still have to do their every day job.

Mr. Mucher expressed that they needed to make sure that the dashboard was correct. He said with his case it is just timing and is being taken care of. But, his point is that it doesn't show that on the dashboard.

Mr. Bolton said that the dashboard is constantly being updated. He will look into Mr. Mucher's situation.

Mr. Mucher wondered how many others have minor technicalities like his.

Mr. Bolton explained with the septic tanks that have failed they are now taking the time to get them to hookup to the STEP System. It is a process with very few people in the office handling it.

Mrs. Orcutt commented on how long this has been going on and there still are 76 people who have not had inspections yet.

Mr. Bolton said that the Code Enforcement officer is handling these case by case and are fitting it into their normal day code compliance routine.

Mrs. Orcutt had some concerns about the amount of time that it has taken to get this done and what is going to happen when it comes up again.

Mr. Bolton explained that some of the homeowners are doing pump outs every three (3) to five (5) years, so the list that will go out the next time will be for people who are non-compliant.

Mrs. Orcutt expressed that they are only talking about the barrier island and it will take a long time to get these last 76 customers to have inspections.

Mr. Bolton reported that he will start meeting with the mainland residents in July about the STEP System and requirements to have their septic system pumped out. He said that they will have two (2) meetings held for residents to attend and discuss with them how much time they will be given to get this done.

Mr. Mucher expressed that Mr. Bolton needs to make a point in telling the residents that contractors are very busy now.

Mrs. Orcutt asked what the process is for the 100 residents who have septic tanks that have failed inspections.

Mr. Bolton explained that they are in the process of working on that. He said that they still have about 40 more applications that are still pending. He said that the contractors are very busy at this time and they put the homeowners on a list and tell them that they will get to them when they can. He mentioned some of the failures that have been determined as non-sanitary usage and the Health Department handles contacting the homeowners regarding that.

Mrs. Orcutt asked if the list goes to the Department of Health. Mr. Bolton said no because some of the homeowners are signing up for the STEP System.

Mrs. Orcutt brought up that she has some friends who live in Riomar who are under the impression that when their septic tank was inspected that it failed the inspection. They contacted the Water and Sewer Department and still have not heard back from anyone. They do not have a clue on what they should be doing. She wondered why people who have these failures are not receiving some kind of letter letting them know what the results are and what they should be doing. She felt that there needed to be better communication in order to expedite the process.

Mr. Bolton showed on the map the location of Bethel Creek and the Live Oak area and who is connected to the STEP System and who is not. He said that 50% of the barrier island is now connected to the STEP System. He said in the five (5) years that they have had this program it has worked out well and they are further than he thought that they would be. He agreed that there is still a lot more work to be done. He knows with the inspection process that people will continue moving forward and switching over to the STEP System.

Mrs. Orcutt brought up only focusing on the STEP System and inspection in the City limits. She said that the City provides service outside of the City and these residents should also be responsible for their septic systems.

Mr. Bolton said if they look at the rest of the area it would total about 1,300 additional properties. They have hired a firm and had a scope of work done so that we can move in the right direction to see what the impact is and focus on their septic system program for

outside the City limits, including Indian River Shores and the unincorporated areas and then going out for grant funding.

8. ADJOURNMENT

Mr. McCord made a motion to adjourn today's meeting at 11:12 a.m. Mr. Cotugno seconded the motion and it passed unanimously.

The Commission agreed to cancel their June meeting. Their next meeting will be held on July 13th.

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