

**SEACOAST UTILITY AUTHORITY
REGULAR MEETING**

March 25, 2009
Seacoast Utility Authority Board Room
MINUTES

CALL TO ORDER: 3:00 PM

PLEDGE OF ALLEGIANCE

ROLL CALL:

PRESENT: Don Noel, Chair
Maria V. Davis, Vice Chair
Joseph Lo Bello, Member
Ron Ferris, Member
Robert Weisman, President Pro-Tem

ALSO PRESENT: Nat Nason, General Counsel
Rim Bishop, Executive Director
Mary Ann Stiles, Authority Clerk

*****THE FOLLOWING ITEMS WERE PLACED ON THE CONSENT AGENDA*****

APPROVAL OF MINUTES FOR MEETING OF FEBRUARY 25, 2009

Move to approve the minutes for meeting of February 25, 2009.

APPROVAL OF INVOICES

Move to approve invoices as follows: Howard C. Osterman, Inc. in the amount of \$450.00; Nason, Yeager, Gerson, White & Lioce in the amounts of \$11,123.50; \$150.00; \$7,495.55; \$192.50; \$645.00; \$812.47; and \$881.50; and Boyle Engineering Corporation in the amounts of \$5,619.00; \$4,545.44; \$9,325.00; \$400.00; \$2,499.93; and \$2,717.15; for a total of \$46,857.04.

LIME SLUDGE REMOVAL BUDGET TRANSFER

Move to \$186,500.00 from Fiscal Year 2008/2009 operating budget line item 90-529-880, Contingency to line item 40-543-600, Residual Removal, as recommended by staff.

WASTEWATER TREATMENT PLANT CHEMICALS CONTRACT RENEWAL

Move to authorize extension of Wastewater Treatment Plant Chemical Sodium Hypochlorite with Odyssey Manufacturing as recommended by staff:

Sodium Hypochlorite \$0.765/gallon Odyssey Manufacturing

RESOLUTION NO. 1-2009, MERCHANT BANK FOR CREDIT CARD PROCESSING

Move to approve Resolution No. 1-2009 Authorizing Creation of a Credit Card Processing Merchant Banking Services Account with Commerce Bank, as recommended by staff.

PROCLAMATION NO. 1-2009, PROCLAIMING THE WEEK OF MAY 3-9 DRINKING WATER WEEK

Move to approve Proclamation No. 1-2009, Proclaiming the Week of May 3 – 9, 2009 Drinking Water Week, as recommended by staff.

MOTION

Board Members Davis/Lo Bello moved to adopt the Consent Agenda.

The motion carried unanimously.

*******END OF CONSENT AGENDA*******

PGA WWTP INSTRUMENTATION AND CONTROLS UPDATE

MOTION

Board Members Weisman/Davis moved to approve Engineering Services Agreement for the PGA WWTP Instrument and Controls Preliminary Design Report with Boyle Engineering Corporation, in the amount of \$23,500.00, as recommended by staff.

The motion carried unanimously.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Chair Don Noel asked if the Board would like a formal presentation from the audit firm. Hearing no such board member requests, Chair Noel stated that the Board would pass on a full presentation and ask questions instead. Mr. Ed Holt, Managing Partner of Nolen, Holt and Miner introduced himself and Alexia Varga, manager for the Authority's audit. In consideration of the Board' request, Mr. Holt gave a very brief summation of the Comprehensive Annual Financial Report (CAFR). Mr. Holt congratulated the Authority on receiving the Certificate of Achievement by the Government Finance Officers Association (GFOA). Mr. Holt further

explained that his firm encountered no problems in this audit. He did explain that the Authority has approximately six to seven months operating capital in reserve; which is good as most municipalities and special districts have anywhere from two to three months. Mr. Holt finished by informing the Board that there was one item in the Management Letter, which was already discussed with staff, regarding the investment policy as it relates to bank certificates of deposit. There were no questions at this time so Mr. Holt thanked Executive Director Rim Bishop and Finance Department Manager Daniela Russell for their support and commented that the Authority has a really good staff which makes for a really good audit.

Board Member Joe Lo Bello congratulated staff on a well done report. He reviewed it and had already spoken with Alexia Varga. He is fine with the management comments, very good job.

MOTION

Board Members Ferris/Lo Bello moved to receive and file the Comprehensive Annual Financial Report, as recommended by staff.

The motion carried unanimously.

ANNUAL PERFORMANCE EVALUATION/EXECUTIVE DIRECTOR

Chair Don Noel asked Board Member Ron Ferris to be the first with his comments. Mr. Ferris stated that he reviewed criteria that he believes to represent key elements in measuring his own management staff performance. As he did this, he prepared some notes about Executive Director Rim Bishop. Basically, Mr. Ferris looks at Quality/Quantity of Work; Problem Solving/Decision Making Initiative; Adaptability; Accountability; Dependability; Planning; Responsiveness and Leadership Skills. In that regard, he feels that Mr. Bishop is a 24/7 kind of a manager; he manages everything from management level to maintenance level in all aspects of Authority operations. He does a large volume of work and spends a lot of time here to do it; he solves problems, always seeking data and solving issues the Board brings to him before he makes his decision. As far as initiative and adaptability, he voluntarily jumps in and gets things done, which Mr. Ferris feels is a sign of a good leader. Mr. Bishop is very efficient, dependable and he accepts responsibility for everything he does, good or bad. Mr. Bishop works very well with the Board, staff and customers. Mr. Ferris stated that he has never met anyone more customer friendly than Mr. Bishop, in his opinion, almost to a fault. Mr. Bishop goes out of his way to help a customer and that is what makes Seacoast special; all Authority employees go out of their way to make things right for the customer. Planning/Responsiveness; Mr. Bishop is good at planning, he directs his activities and does his homework, manages the Board quite well in crisis situations, so Mr. Bishop capably applies principles of competent management when it comes to dealing with crises and issues that the Board brings up. As far as Leadership Skills, Mr. Bishop manages his staff well; Mr. Ferris has seen Mr. Bishop coach as well as delegate with pretty effective results in his opinion. Mr. Ferris also stated he feels Mr. Bishop is a motivator of his staff and employees, and that he is quite comfortable following Mr. Bishop's lead in the area of his expertise, as he has in the past. Mr. Ferris stated that he has all the confidence in the world in Mr. Bishop's ability to continue to lead. Again, this sounds like a "love fest" and he didn't want it to! Mr. Ferris finished by stating that this is the process that he applies when he evaluates his

department heads and managers, and he felt it would be useful to apply the same standards when evaluating Mr. Bishop's performance. Mr. Ferris asked what the across the board increase is that the Authority has given the employees. It was confirmed that 2.5% merit for excellent performance and 3.1% cost of living increase for a total of 5.6%.

Vice Chair Maria Davis stated that she thinks Ron Ferris summed it up quite well. Vice Chair Davis stated that she is most impressed with Mr. Bishop's customer service skills. She told Mr. Bishop that he is outstanding when it comes to customer service. She marvels at the way Mr. Bishop manages the operation. Vice Chair Davis stated that she sincerely wishes she had some staff like Mr. Bishop has. Mr. Ferris has honestly said everything she feels; Mr. Bishop does an excellent job; it is apparent that his heart and soul are in it.

Board Member Joe Lo Bello stated that as the "new kid on the block" he has always been impressed by the image of Seacoast. It is second to none and that comes from the top. Mr. Lo Bello stated that Mr. Bishop does a great job and keep it up. He agrees with Mr. Ferris and would support a 5.6% increase.

President Pro-Tem Bob Weisman stated he feels Mr. Bishop's performance is excellent. The only issue that he ever raises is the actual dollar consideration Mr. Bishop is to receive compared to that which they all receive in their jobs and compared to what the employees get. He has no problem with the 3.1% to Mr. Bishop's base salary, and he noted the Authority's policy that when employees have reached the tops of their pay grades, they receive a merit raise as a lump sum. That is what Mr. Weisman would find appropriate.

MOTION

Board Members Weisman/Ferris moved for a 3.1% base salary increase and 2.5% lump sum for Executive Director Rim Bishop.

Chair Don Noel stated that he agrees with everything everyone has said. Chair Noel stated that Rim Bishop does a great job.

Board Member Ron Ferris asked what was done for Mr. Bishop last year. The memo stated 4% in base salary. Finance Department Manager Daniela Russell stated that they also increased Mr. Bishop's car allowance from \$400 to \$500.

Board Member Joe Lo Bello stated his is good either way, but he is fine with the 5.6% increase to his base salary.

Chair Don Noel stated that he has wanted to be as tax efficient as possible and discussed the possibility of contributing more money to Mr. Bishop's pension plan than other employees. There was much discussion on whether or not to pursue this alternative. Chair Noel stated that he would be in favor of a larger lump sum, tax deferred. More discussion took place.

SUBSTITUTE MOTION

Board Members Weisman/Noel moved for a 5% base salary increase and no lump sum for Executive Director Rim Bishop.

Vice Chair Maria Davis and Board Member Joe Lo Bello stated that they favor a 5.6% base salary increase as an excellent employee. More discussion took place.

	<u>Yes</u>		<u>No</u>
Juno Beach			2%
Lake Park			7%
Palm Beach County	26%		
Palm Beach Gardens			49%
North Palm Beach	_____		<u>16%</u>
The motion fails	26%	to	74%

MOTION

Board Members Lo Bello/Davis moved for a 5.6% base salary increase and no lump sum for Executive Director Rim Bishop.

Chair Don Noel asked if the Board could have a form to fill out for this evaluation next year. Board Member Joe Lo Bello stated that he would rather not see forms. President Pro-Tem Bob Weisman agreed. There was some discussion on the pros and cons of having evaluation forms.

The motion carried.

OTHER BUSINESS

COMMENTS FROM BOARD MEMBERS

Chair Don Noel congratulated Finance Department Manager Daniela Russell and her staff on a on the FGOA certificate and job well done on the audit.

President Pro-Tem Bob Weisman stated that he feels this is a very fine group of employees and he really appreciates them.

ENGINEERING REPORT

Engineer's Report included in Board package. Bruce Mowry was present for questions. None were asked at this time.

STAFF REPORT
MONTHLY REPORTS

Executive Director Rim Bishop stated that the monthly reports are in the Board package. Also, the annual Consumer Confidence Report has been distributed.

HOWARD OSTERMAN

Executive Director Rim Bishop informed the Board that Howard Osterman is in the hospital. Mr. Osterman called Authority Clerk Mary Ann Stiles today to tell her that he has had some heart problems and was kept for tests. Mr. Osterman said he was feeling well and expects to be released the next day.

SFWMD PROPOSED YEAR ROUND IRRIGATION RULE CHALLENGE

Executive Director Rim Bishop told the Board that no action was taken at the recent SFWMD Board meeting in Clewiston. It will be presented to the SFWMD Board again at the May meeting, but there is no new draft out to his knowledge. Chair Don Noel asked if Mr. Bishop and Attorney Nat Nason have met with SFWMD Board Members yet. Mr. Bishop responded that they have met with two SFWMD Board Members, offering them the Authority's comments on the proposed year round rule and the Authority permit as well.

SFWMD WATER USE PERMIT RENEWAL

Executive Director Rim Bishop told the Board that he was asked to attend a meeting with Chip Merriam @ SFWMD last week. At that meeting, Mr. Merriam offered the Authority the following permit. The Authority can have the full requested allocation without any future harm having to be mitigated as long as the Authority agrees not to contest a consent order that was assigning to Seacoast approximately 12 functional units historical harm to the wetlands on the Briger Tract. Mr. Merriam proposed to take the permit as described and a consent order as he described to the SFWMD Board for approval in May, but Mr. Merriam has linked the two. If the Authority is going to contest the historical harm claim on Briger, then the deal is off on the future harm on Mirasol. Mr. Bishop told him that was not acceptable as the Authority's best estimate of mitigation cost is approximately \$100,000.00 for each functional unit, leaving the Authority with an unreasonable and unjustifiable \$1.2 million historic mitigation bill for the Briger Tract. Attorney Nat Nason stated that is it not scientifically justified.

President Pro-Tem Bob Weisman asked how SFWMD can protect the Authority from future claims of wetland harm at Mirasol – how can they give assurance of that? Mr. Bishop gave SFWMD's explanation as best as he could interpret it. In summary, Mr. Bishop felt that SFWMD position is that it is really difficult for SFWMD to hold the Authority accountable for consequences that arose from SFWMD's failure to deliver regional recharge water from the C-18 canal as it originally proposed. Mr. Bishop noted that SFWMD had made precisely this point nearly four years ago when the Authority filed its pending water use permit renewal application. On that basis, SFWMD has indicated that it could justify releasing the Authority from the claim that its current allocation would result in future harm. Mr. Bishop called attention to the irony of

SFWMD's position, noting that SFWMD's proposal is long on deal making and short on scientific rationale. Having said all that, it appears to Mr. Bishop that before the Authority formally declines SFWMD's offer, the Authority should find out what kind of mitigation opportunities are available to the Authority. The \$100,000.00 per functional unit cost that the Authority has been assuming may not be in all cases the correct amount. Staff is currently investigating this. More discussion took place. In summary, there is forward movement with this issue. Mr. Bishop stated that staff is working diligently toward results that will not cost Authority customers an absurd amount of money for damages that the Authority did not cause.

Executive Director Rim Bishop also told the Board that the Authority has an agreement with Mirasol which compels them to make the Authority whole for any curtailment of the Hood Road Wellfield that relates to the development of the Mirasol project. That would have been future harm. More discussion took place.

Attorney Nason stated he had nothing to add, but is available for questions.

Chair Don Noel stated that he spent about an hour with Director of Operations Bruce Gregg who gave Mr. Noel a history lesson and an overview of all of these issues. Chair Noel recommended that any Board Member who has an hour to spare, to get with Bruce Gregg.

HOOD ROAD WATER TREATMENT PLANT MEMBRANE CONVERSION PROJECT

Executive Director Rim Bishop stated that staff is still in the process of reviewing, updating, correcting and adjusting the 90% design plans for this plant. Staff intends to be prepared to send these plans out to bid by the end of April or beginning of May at the latest. Mr. Bishop explained that the Authority did receive a request for additional information today from the Florida Department of Environmental Protection (FDEP) for the proposed deep injection well for the membrane concentrate at Hood Road. Staff will respond to this within one week.

COMMENTS FROM THE PUBLIC

None

ADJOURNMENT

There being no further business to come before the Authority, Chair Don Noel adjourned the meeting at approximately 3:35 PM.

APPROVAL:

DON NOEL, CHAIR

MARIA V. DAVIS, VICE CHAIR

ROBERT WEISMAN, PRESIDENT PRO-TEM

RON FERRIS, MEMBER

JOSEPH LO BELLO, MEMBER

ATTEST:

MARY ANN STILES, AUTHORITY CLERK