

**SEACOAST UTILITY AUTHORITY  
REGULAR MEETING**

October 28, 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  
Ron Ferris, Member  
Joseph Lo Bello, Member

ABSENT: Robert Weisman, President Pro-Tem

ALSO PRESENT: Nat Nason, General Counsel  
Rim Bishop, Executive Director  
Jessica Moore, Authority Deputy Clerk

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

APPROVAL OF MINUTES FOR MEETING OF SEPTEMBER 23, 2009

Move to approve the minutes for meeting of August 23, 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 \$8,438.76; \$75.00; \$362.50; \$3,225.00; and \$409.60; and AECOM Engineering in the amounts of \$1,848.30; \$1,900.80; \$4,071.00; \$1,021.79; \$1,509.00; \$1,488.00; \$1,070.00; \$3,301.94; \$875.00; \$2,542.00; and \$4,750 for a total of \$37,338.69.

DEVELOPER AGREEMENTS

Move to approve an Amendment to Developer Agreement for The Pointe, as recommended by staff.

Move to approve Subordination of Utility Interests, Hood Road Right-of-Way, as recommended by staff.

AUTOMATED METER READING SYSTEM – PHASE 3 IMPLEMENTATION

Move to designate Sensus Metering Systems a sole source provider of Automated Meter Reading Equipment (AMR) and to authorize purchase and installation of up to 2,000 meters at a total cost not to exceed \$400,000.00.

RESOLUTION NO. 10-2009, CONSTRUCTION DRAW HOLDING

Move to approve Resolution No. 10-2009, authorizing the Construction Draw Holding Account with TD Bank, subject to final approval by legal counsel.

BAD DEBT AND MISCELLANEOUS BAD WRITE-OFF, FISCAL 2008/2009

Move to declare accounts receivable Bad Debt Write-Off and Miscellaneous Bad Debt Write-Off in the amounts of \$54,739.31 and \$1,296.77, respectively, to be uncollectible, as recommended by staff.

AGREEMENT FOR HYDROGEOLOGICAL CONSULTING SERVICE

Move to approve Hydrogeological Consulting Services agreement with JLA Geosciences, Inc. as recommended by staff.

CIVIL ENGINEERING SERVICES – AGREEMENT FOR GENERAL CONSULTING

Move to approve General Civil Engineering Consulting Services agreement with Holtz Consulting Engineers, Inc. as recommended by staff.

RESOLUTION NO. 11-2009, PROPOSED DEFERRED COMPENSATION (457) PLAN AMENDMENT

Move to approve Resolution No. 11-2009, amending the Seacoast Utility Authority 457 Deferred Compensation Plan.

**MOTION**

Chair Don Noel pulled Bad Debt and Miscellaneous Bad Debt Write-Off, Fiscal 2008/2009 from consent agenda.

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

**The motion carried unanimously.**

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

BAD DEBT AND MISCELLANEOUS BAD WRITE-OFF, FISCAL 2008/2009

Chair Don Noel questioned if Seacoast has ever considered using a debt collection agency. Director of Administrative Services Andrea Holmes and Executive Director Rim Bishop responded to the question, stating that Seacoast has tried in the past and the outcome has not been successful due to the low percentage write off.

**MOTION**

**Board Members Lo Bello/Ferris moved to declare accounts receivable Bad Debt Write-Off and Miscellaneous Bad Debt Write-Off in the amounts of \$54,739.31 and \$1,296.77, respectively, to be uncollectible, as recommended by staff.**

**The motion carried unanimously.**

HOOD ROAD WATER TREATMENT PLANT MEMBRANE CONVERSION -  
ENGINEERING SERVICES AGREEMENT, AMENDMENT NO. 9 AND NO. 10

**MOTION**

**Board Members Davis/Lo Bello moved to discuss the motion to authorize \$800,000 FY 2008/2009 budget encumbrance for the Little Lake Worth Bridge Water and Force Main Replacement as recommended by staff.**

Vice Chair Maria Davis asked if someone was present from CDM. Project Manager David Collins was present. Ms. Davis wanted to be sure that there would be a full time Project Manager but did not see where it stated the Project Manager in the contract.

Mr. Collins distributed a spreadsheet to the board members stating that the top of the spreadsheet shows that there will be a full-time Project Manager from CDM.

The spreadsheet is now incorporated as Exhibit A.

**The motion carried unanimously.**

LITTLE LAKE WORTH BRIDGE WATER AND FORCE MAIN

**MOTION**

**Board Members Davis/Lo Bello moved to award Little Lake Worth Bridge Water and Force Main Replacement to H & D Construction Co., Inc., the lowest responsive bidder whose bid will best serve the public interest, in the amount of \$391,340.00, as recommended by staff.**

**The motion carried unanimously.**

HOOD ROAD, LILAC STREET, AND RICHARD ROAD REPUMP FACILITIES  
MODIFICATIONS – CONTRACTOR PREQUALIFICATION

**MOTION**

**Board Members Ferris/Davis moved to appoint Bob Weisman, Board Member, Vince Mollo, Water Department Manager and Rim Bishop, Executive Director as the Contractor Qualifications Review Committee for the Hood Road, Lilac Street, and Richard Road Repump Modifications Project as recommended by staff.**

Mr. Bishop stated that President Pro-Tem Bob Weisman will not be able to attend the published committee meeting date. Board Member Ron Ferris questioned Mr. Bishop if the meeting date could be changed. Mr. Bishop stated it could be.

**The motion carried unanimously.**

RECALCULATION OF BOARD MEMBER VOTING SHARE

**MOTION**

**Board Members Ferris/Lo Bello moved to ratify weighted voting share allocation for the period 2009 through 2012 as follows: Lake Park 5%; North Palm Beach 12%; Palm Beach Gardens 60%; Juno Beach 2%; and Palm Beach County 21%.**

**The motion carried unanimously.**

OTHER BUSINESS

COMMENTS FROM BOARD MEMBERS

There were no comments from board members.

ENGINEERING REPORT

Executive Director Rim Bishop stated that the Engineer's Report is included in the Board package.

STAFF REPORT

MONTHLY REPORTS

Executive Director Rim Bishop stated that the monthly reports are in the Board package.

Mr. Bishop also indicated that a pre-construction conference for the deep injection well was held this morning. The contractors have already mobilized some equipment and the injection well contractor should be fully on site within a matter of a few weeks. Director of Operations Bruce Gregg confirmed that drilling is supposed to begin on November 20. As to the Membrane Plant itself, Engineering Project Manager David Collins added that there will be actual construction work at the front of the facility around the end of January.

Chair Don Noel asked whether if Seacoast should have a ground breaking ceremony. Mr. Bishop stated that Seacoast can arrange that but suggested that it should wait until actual plant construction begins. Board Member Joe Lo Bello stated that staff should come back with a date and a recommendation. Mr. Bishop affirmed and will get back in touch with the board members.

#### NOTIFY CUSTOMERS WHO ARE SERVED BY 1" METERS

Executive Director Rim Bishop asked for board direction as to whether or not Seacoast should inform single-family residential customers that they can down size their meter if they have a meter size of 1". If a customer would like to do this, it would cost in the range of \$250 and would save the customer approximately \$23 per month on their base facility charge. Seacoast currently has 781 customers who would fall into this category.

Mr. Bishop acknowledged that customers occasionally call to ask how they can lower their bill. The first thing staff looks at is the size of the customer's meter. Recently, Mr. Bishop spoke with an affected customer who expressed displeasure that he had not been notified of this option earlier. In the course of that conversation, Mr. Bishop agreed to seek board authorization to notify customers of Seacoast's meter downsizing program. Mr. Bishop also mentioned that if all 781 accounts were switched, Seacoast would lose approximately \$18,500 per month in base facility charge revenue.

The board members all agreed that a one-time letter should be sent to all of the customers that are affected by this matter.

Board Member Ron Ferris stated that a letter should go out once a year.

#### SFWMD

Attorney Nat Nason stated that nothing material has changed since the last board meeting. Mr. Nason expects the year round irrigation rule to be presented for SFWMD governing board consideration in November and that staff's recommendation will be to remain at a 3 day per week irrigation restriction with a 5-year study requirement.

Mr. Nason is still trying to work with the SFWMD regarding Seacoast's water use permit issue.

Chair Don Noel commented that Mr. Nason's meetings with SFWMD are becoming pricey for the Utility and nothing seems to be changing regarding SFWMD matters. Mr. Nason responded that there is still no agreement between Seacoast and the SFWMD, and if an agreement cannot be reached there will most likely be an administrative hearing.

Mr. Nason stated that the question presently before Seacoast is whether Seacoast should write a letter to the SFWMD and ask them to issue a permit, even if it is one to which Seacoast cannot agree. This approach would accelerate the administrative appeal process. However, Mr. Nason thinks Seacoast should wait longer as he expects soon to be invited to a meeting with Carol Wehle.

Mr. Nason confirmed that right now Seacoast is operating under the terms of its expired permit. Mr. Bishop added that he does not see the advantage of pressing a legal issue at the point in time. The permit Seacoast is currently using serves its purpose. Similar utilities have operated for longer periods of time under an out-dated permit.

Mr. Noel questioned that if this is the case, why is Mr. Nason meeting with the SFWMD so frequently? Mr. Bishop stated that Mr. Nason meets most frequently with the SFWMD regarding the year round irrigation rule, not the permit issue. There has not been a scheduled meeting regarding the permit in months, though when Mr. Nason attends an irrigation rule meeting at SFWMD, he does question them regarding the permit.

Mr. Bishop noted that prior to closing on the bond issue he had advised SFWMD that by waiting so long to issue the permit, SFWMD has severely restricted Seacoast's flexibility in negotiating permit conditions. In closing the bond issue and contracting for Membrane Conversion capital improvements designed based on withdrawals allowed by the permit Seacoast requested. If SFWMD now decides to issue a permit that allows less surficial aquifer withdrawal, there will be no choice but to contest that decision.

Mr. Nason affirmed that regarding the permitting process, SFWMD will ultimately issue a document called *Notice of Intent to Issue Permit*. The Seacoast draft permit will be attached to this document. Seacoast will then have 21 days within which to file a petition for administrative hearing. Within the 21 days, Seacoast's legal team will draft a petition for administrative hearing while the technical people will be trying to negotiate the permit conditions. Mr. Nason suggested to SFWMD that the parties should try to agree on the permit terms and conditions for future use, particularly because Briger wetlands will be mitigated with development of the Scripps project. Seacoast is currently trying to persuade SFWMD that its historic harm claim is separate from the permit issues and should be pursued by the District, if at all, through an enforcement action.

#### COMMENTS FROM THE PUBLIC

None

#### ADJOURNMENT

There being no further business to come before the Authority, Chair Don Noel adjourned the meeting at approximately 3:43 PM.

**APPROVAL:**

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DON NOEL, CHAIR

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MARIA V. DAVIS, VICE CHAIR

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ROBERT WEISMAN, PRESIDENT PRO-TEM

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RON FERRIS, MEMBER

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JOSEPH LO BELLO, MEMBER

**ATTEST:**

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JESSICA MOORE, DEPUTY AUTHORITY CLERK