

**PORT LABELLE UTILITY SYSTEM
ADVISORY BOARD MINUTES**

May 12, 2008

**Hendry County Board of County Commissioners Chambers
25 E. Hickpochee Avenue
LaBelle, FL 33035
1:00 P.M.**

Members Present:

George Davis, Chairman
Ricky Bass, Vice-Chairman
Han Mouthaan
Paul Samerdyke
Warren Grant

Other Attendees:

Roger Greer, PLUS Director
Yvonne Cayce, PLUS Staff Assistant
John Capece, PLUS Advisory Board Facilitator
Danny Nelson, Tetra Tech

1) Call to Order – George Davis

Chairman, George Davis, called the meeting to order at 1:00 p.m. on May 12, 2008.

2) Review of March Minutes

Copies of March minutes were distributed and reviewed by members. Motion to accept minutes was made by Han Mouthaan and seconded by Paul Samerdyke. Motion carried unanimously.

3) Director's Report – Roger Greer

Roger Greer reported that the Utility is in good shape with a tank full of water.

Water Plant Usage for April = 11,046,800 gallons	This Time Last Year = 11,291,100 gallons
Average per day = 368,226 gallons	This Time Last Year = 376,370 gallons
Max. per day = 435,500 gallons	This Time Last Year = 459,400 gallons
Wastewater Treated for April = 10,057,000 gallons	This Time Last Year = 5,635,000 gallons
Average per day = 335,000 gallons	This Time Last Year = 188,000 gallons
Max. per day = 464,000 gallons	This Time Last Year = 206,000 gallons

April / May Meter Sets = 2

New Requests = 2

Outstanding = 67

Roger introduced Yvonne Cayce, Staff Assistant III, to the committee members. Yvonne transferred from Hendry County Emergency Management Department to the PLUS position vacated by Linda Murray. Linda moved to Ohio and will certainly be missed by many.

The ribbon cutting ceremony for the water plant went well. Mr. Reecer was pleased to receive his commemorative plaque in recognition of his contribution to the Port LaBelle Utility Advisory Board. John Capece related that the Reecer's have moved to Fort Myers.

In regard to Error Expense Recovery, Roger stated that Craig Smith's attorney gave a reply to Mr. Lapp's letter. Mr. Lapp responded with yet another letter. (Copies provided to committee members).

In response to Paul Samerdyke's question concerning County budget cuts, Roger informed the committee that these cuts did not affect Port LaBelle Utility System, as the Utility is not supported by ad valorem tax. A

voluntary effort is being made, however, to cut back on expenses. For example, one position was vacated and there will be no attempt to fill this position until the need presents itself.

4) Water Consumption Data – John Capece

John directed the members' attention to the standard monthly drafts for the Wastewater Plant. From March into May, there has been an increase in average water plant production for usage by the customers. We are at the onset of the dry season, and there's obviously been additional irrigation use despite the limitations currently in effect. However, the wastewater plant processing decreased slightly. We are still below the May 2006 levels, so we're doing well. Included in the documents distributed to the board are two handouts. One relates to the chlorine study, the removal of chlorine from the tap water to make it more palatable for customer use. Customers continue to purchase bottled water despite the new plant going online, which is largely due to habit, or perhaps chlorine content. A couple of experiments were done to get the chlorine out, and an in depth study was done. The college student that worked on this produced a 132 page document of full academic quality which will be on the website later today for review. Also produced, with the help of Danny from Tetra-Tech, was a very nice children's version, which was used during the week of the 22nd through the 25th of April. On Saturday, the 26th well over a thousand people toured the Hendry House, 850 children and quite a few adults. PLUS, along with several other organizations within the County, set up exhibits. Chlorine removal methods were highlighted, as well as, demonstrations on how ground water wells work. A lot of coverage was received in the Hendry-Glades News, including many photos.

5) Septic Utility – John Capece

John stated that in the coming months wastewater issues would be presented. It will be a long time before additional sewer lines are installed to bring additional units online. Wastewater options have to be looked into. Septic tank technology is being considered as it has changed dramatically over the past 10-20 years, and information will be available on the website.

6) Permits and Planning – John Capece – Roger Greer

John stated that we're still in process of assembling a response to SFWMD regarding the water use application. Shane Parker, Hendry County Engineer first stated that West Hendry would not be included in this application. However, after discussing this with Vince Cautero, the County Planner, West Hendry is being included in the application. Mike Boyle, with the City of LaBelle, indicated that he would not be providing a letter requesting service from PLUS in the interim until their new plant is operational. This gives us additional capacity to allocate for potential use by West Hendry. This water use application needs to be coordinated closely with other documents or facilities' 10-year water supply use plan, as well as, comprehensive land use amendments. PLUS isn't necessarily including West Hendry in our formal service area, rather, we are supplying bulk temporarily. West Hendry has the option to buy from us or from the City of LaBelle, depending on how things work out. On the Port LaBelle level, one of the difficulties that we're encountering from agencies is their insistence that we utilize BEFER Population Estimates. Their model would typically underestimate growth in a community like ours in the early stages, and similarly overestimate growth in more mature, larger communities. We have to comply with their population models, thus pounding the round peg into the DPA square hole. The model has been revised based upon growth numbers from 2000, which were lower than numbers from 2006, and that, in the initial, has brought estimates down, but still with significant growth for Port LaBelle. However, BEFER wouldn't even accommodate those revised numbers, as well as considering the City of LaBelle, Clewiston, unincorporated Hendry County, and West Hendry. So using the allowable BEFER numbers, the growth estimates, averages were determined based on the three most recent years, and proportioned out to the various components of Hendry County. Twenty-four percent was decided upon, and taken out of the BEFER application, and assigned to Port LaBelle. We will reserve similar amounts for the City of Clewiston and the City of LaBelle. The remainder will be assigned to West Hendry. Whether or not SFWMD will approve is not certain, but at least we have a strategy now for fitting our growth patterns and numbers into their constraints.

West Hendry could have their own water plant around 2014 and the City of LaBelle around 2010. When the City of LaBelle comes online, they may pick up West Hendry, or the County may decide to have PLUS continue to service until their plant is operational.

In response to the question, 'How is the City of LaBelle able to supply water outside the city limits?' asked by board member, Ricky Bass, John replied that the state has a standard. In looking at West Palm Beach, they have the authority to extend five miles beyond their service boundary. This state authority bumps up against the County's authority to issue or not issue franchises. There is advantage for PLUS to handle bulk sales to another entity which would prove to be beneficial to the operating budget of this utility. However, we wouldn't necessarily want to reserve our capacity for that, as it would increase our overall demand, which could cause SFWMD to push us down to that deep-water aquifer. Bulk sales for the next one to five years make sense, but permanent commitment to serve those areas is something that should be given greater consideration.

The renewal to our franchise is coming up with expiration in 2009. We are currently collecting 6% from our Glades County customers. There will, no doubt, be discussion with Hendry County as to service areas and fees for Glades County. Currently, we are using models of our aquifer to determine what our capacity will be and to demonstrate any adverse effects. Data will be collected and WMD will demand that evidence before they approve an extension of our water use permit from the sandstone aquifer above the 1.2 million gallons per day.

Roger stated that Danny Nelson, Tetra Tech, turned in the DEP Permit Application for WTP Concentrate Bypass of WWTP on Friday. They have thirty days to respond. Danny is working on the well and has provided preliminary plans that are currently under review.

As for the South well, Danny has provided preliminary plans that are currently under review. He stated that these plans are probably at a point where they could be bid right now. We're using the North well as the design standard, but on the South well, will use 12" casing instead of 14". We do have to go through permitting with DEP and the WMD. DEP controls the components, whereas, WMD controls the water use. We should be able to get 1.2 raw water, (.9 finished), million gallons per day out of each well. The North well pump will have to be upgraded to move it up to the 850 gallons per minute level. Ricky Bass interjected that more capacity could be gotten out of the pumps with variable speed drives. Han Mouthaan expressed concern that eyebrows would be raised in connection with the second well, however, it is more expensive to recondition, or rebuild the existing well.

Danny stated that the 8" casing on the South well is cracked and cannot be rebuilt. With its limited diameter the only thing to rehab it would be to insert a sleeve and it's just too small for that. John added that a new well would be needed anyway, because the 8" cannot provide the redundancy that DEP requires. Danny also suggested that we move ahead with the bids, even before the permitting as no significant changes are anticipated from the permitting agencies. As to cost, the well will be around \$150,000 to \$200,000, and with the addition of components and housing, between \$250,000 and \$300,000.

John informed the committee that Hendry County has awarded another water utility franchise to FGUA (Florida Governmental Utility Authority). Wayne O'Neal, County Administrator, is a board member for FGUA and the service area applied to would be along Hwy. 82 near the Lee County line for a development approximately two square miles. This does have to be figured into all of our population numbers, our facility plan, capital improvement projects, etc. For DCA to approve a change in the comprehensive land use plan, they require the utility issue be addressed for water and sewer. This was a response to the constraints placed on the DCA.

Danny Nelson stated that FGUA may work out something with Bonita Bay where they build a treatment facility, and possibly in the future, turn it over to the County or some other entity. Commissioner McCarthy expressed concern several years ago about the prospect of the County picking up additional small plants.

John emphasized that there will probably be more discussions on the issue of service area as it relates to Glades County and the reauthorization of our franchise. The whole issue of expanding our service area to accommodate the long term plans of various developers, brings concern about incurring significant additional costs by being pushed to deeper aquifers.

In regard to costs and concerns, PLUS advisory board members requested that a position paper from the County BOCC be made available to them in regard to whom we are servicing and how much. When approached and questioned by residents of the community, board members would be knowledgeable and able to respond accordingly. In addition, being well informed would contribute to better decision making when voting on particular issues.

John stated that incremental steps have been taken in that direction, and emails regarding this are available for review on the website. He agreed that there should be something from the BOCC in a coherent, compact form. He will get with Roger and will pull information together and distribute in hard copy form to the advisory board members. The board members, however, will be expected to have some interaction with the County Commissioners, especially board member, Han Mouthaan, (Glades County resident) because Glades County will be extremely sensitive to issues of limiting service area. There may have to be some in-between accommodations, where perhaps the service area is extended, but with a clear understanding concerning additional costs. Just as with the 500 units for the Marina development, the wording should be such that if they try push us over limit to the \$10,000,000 cost, their cost is the \$10,000,000 not 10% of the \$10,000,000. Glades would be responsible for all the additional costs incurred as a result of the push into this area.

7) Rate Study – Roger Greer and Danny Nelson

Roger stated that Tetra-Tech completed their study and discovered that PLUS had adjusted rates due to the grant. They were unaware of this, so have gone back to the drawing board and will incorporate this information into their rate study. They have asked for information from Jennifer Davis, H.C. Budget Director, and are currently waiting to receive it. The initial report was good, but some tweaking has to be done on the wastewater side. Per John, this pertains to the water rates that are charged now and does not address the capital aspect of it. Additional work will be done on the capital plan, which is considerably low. In regard to Banyan Village, special assessment is at \$1600.00, which uses up the majority of the \$1900.00 overall connection fee, and that's pulling funds from other capital budgets. We have 32 connections right now being purchased, so we do have some time to make adjustments on the connection fees for transmission lines, distribution lines, the water plant and wastewater plant. What we're looking at now are operating budgets and to repay our capital debts.

Paul Samerdyke inquired about the Glades County Marina development. John responded the development would be 500 multi-family units next to the Marina, at the corner of Birchwood and Ox Bow. Verbal indication has been received that DCA will approve based on documentation provided that the developer will be responsible for any additional costs for providing service to that area. The cost and capacities needed would be determined by taking the standard formulas, looking at existing lines and units, and making sure that lines are carefully examined. This will have to be reviewed by the County engineer and the developers' engineers will have some responsibility in submitting designs as well. The developer will be responsible for upgrading the lines. An issue may arise, however, in the area of water supply and being pushed to another aquifer. Clarification of costs is The DCA is requiring stronger language from the Utility as to who pays.

Roger stated that the connection fee is currently the means for recouping cost for the use of existing lines, and this issue will probably be the next phase of the rate study.

John added that the amount of developments approved by Hendry and Glades Counties can have an effect on the build out rate of our area and how quickly we recover our capital costs, have our operating costs reach a more effective level.

8) Other

None

9) Schedule next Meeting

The next meeting was originally scheduled for Monday, July 14, 2008 at 1:00 p.m. However, prior to the printing of these minutes, the meeting was changed to July 21, 2008 at 1:00 p.m. Until further notice, the board will continue to schedule meetings every 60 days.

10) Adjourn

George Davis, Chairman adjourned the meeting at 2:12 p.m.