

PORT LABELLE UTILITY SYSTEM ADVISORY BOARD MINUTES

January 14, 2008

1) Call Meeting to Order

Chairman George Davis called the meeting to order at 1:00 p.m. on January 14, 2008 at the Board of County Commissioners Chambers, first floor, Hendry County Administrative Building, LaBelle, Florida. Members present were: George Davis, Han Mouthaan, Paul Samerdyke and Ricky Bass. Others in attendance were: Shane Parker, Hendry County Engineer, Roger Greer, PLUS Utility Director; Linda Murray, PLUS Assistant; Danny Nelson, Tetra Tech, John Capece, Southern DataStream, PLUS Advisory Board Facilitator; Cliff Miller, West Glades Consulting Services; Larry Hilton, Glades County Community Development Director, Ron Zimmerly, Hendry County Director of Grants and Special Projects; Janet Papinaw, Grants and Special Projects, and Kevin Thomas, CHL Holdings, Inc.

2) Review the Minutes from the November 5, 2007 Meeting

Motion to accept the minutes with amendments noted was presented for the November 5, 2007 meeting was made by Paul Samerdyke and seconded by Han Mouthaan. Motion carried unanimously.

3) West Hendry Water Service Planning

Shane Parker, Hendry County Engineer reported to the board to update the members concerning the planning for the West Hendry County Service Area. The county is looking to use the available excess capacity of the PLUS Water Plant to service this area, incurring no costs to the existing residences of Port LaBelle; noting that this plan is subject to permit approval. Alternative water supplies are being identified and the County will be working with the City of LaBelle for planning and switching of services. The County and City of LaBelle have agreed to continue negotiations for water service planning at this time. The costs associated with this service plan are being calculated through phasing with developers and revenue planning through the Hendry County BOCC. Issues and comprehensive planning concerns and amendments will be coordinated between the City of LaBelle and Hendry County along with the DCA.

John Capece provided to the board by email, a spreadsheet showing the required plant output volumes by year through to 2017, as submitted along with our application for a Consumption Use Permit to SFWMD. This model represents two additional water demand areas beyond an aggressive growth model for Port LaBelle (modeling the rate of home construction on existing Port LaBelle platted lots plus an additional 2000 residences for probable new multi-family/high-density developments). The model takes into consideration Port LaBelle needs, temporary service to City of LaBelle (500 existing units) until completion of the new LaBelle water treatment plant, and an additional component for potential West Hendry growth (approximately 850 connections) until approximately 2012. That would be an assessment and decision point for the County to select among several options: (1) PLUS capacity expansion and its continued service of West Hendry, transfer of West Hendry service to the City of LaBelle, or the construction of new plant infrastructure in West Hendry.

The primary new cost for PLUS to provide service to West Hendry would be the construction of a pipeline across LaBelle. Since PLUS would achieve emergency supply benefits from a large capacity pipeline between its water plant and the new City of LaBelle water plant, regardless of West Hendry service needs, constructing this pipeline with the assistance of funds from the new development could be advantageous to

both PLUS and the City. Furthermore, if LaBelle is the ultimate permanent supplier to West Hendry, it will still need a pipeline from its new plant location to West Hendry. Thus, both legs of the pipeline (PLUS to LaBelle and LaBelle to West Hendry) are justifiable capital investments for the County and the City.

Between 2009 and 2012, PLUS could actually save money by serving West Hendry. Adding new temporary customers outside its formal service area would allow the plant to operate at a higher output level nearer to its design capacity and thus achieve economies of scale and revenues that would help pay for the capital infrastructure, until such time as growth in Port LaBelle increased water demand to more fully utilize the new plant capacity.

John expressed concern that PLUS permanently serving West Hendry could push its medium-term (10-year) raw water needs beyond 1.2 mgd too soon, whereas Port LaBelle demands alone are unlikely to exceed 1.2 mgd prior to 2017 or even later. (Long-term Port LaBelle groundwater demand for build-out of its 13,000 lots is approximately 5 mgd.) Requesting a water allocation beyond 1.2 mgd from SFWMD prior to having a long term data set to demonstrate that the sandstone aquifer could safely sustain this consumption level might cause SFWMD to push PLUS to alternative sources of water. Moving to the upper Florida Aquifer as the PLUS water source would require the investment of an additional \$10 million or more for new raw water supply wells, a brine deep-well disposal system, and new filter membranes. PLUS might be able to avoid these costs if its water demand grows more gradually over the coming two decades. The City of LaBelle, by contrast, cannot avoid this high fix entry costs in the construction of its new potable water supply system.

Kevin Thomas, CHL addressed the board to ask questions regarding the capitalization costs for connections in the West Hendry Service Area regarding populations, rates, and fees. Shane Parker, Hendry County Engineer, addressed the question of West Hendry service costs, connection fees and liabilities for existing customers, emphasizing that PLUS customers would incur no costs. John Capece added that this same question of connection fees to pay for capital costs is being discussed with the City. If PLUS serves West Hendry it might be best to have any fees for plant capacity capital costs placed in a county utility account separate from PLUS capital funds. This would allow these funds to remain separate until final decisions regarding which entity would permanently serve West Hendry.

4) Error Expense Recovery

Shane Parker reported to the board that Roger Greer, PLUS Director and Danny Nelson, Tetra Tech, reviewed the change orders and prepared a letter to the County Attorney, Mark Lapp. Shane will work with Mark Lapp to prepare correspondence to Craig A. Smith & Associates seeking compensation.

5) Director's Report

Roger Greer, PLUS Director, reported that for the month of December; everything is looking good. The plant contractor has completed performance testing for the plant. Results have not been received yet. Testing has also been completed on the concentrate water from the plant, and its quality is good.

The water plant usage for December 2007 was:

	10,141,100 gallons	Last Year	9,686,400
Average	344,413 gallons per day	Last Year	374,829
Max	393,400 gallons	Last Year	427,100

Wastewater treated for December 2007 was:

	10,525,000 gallons	Last Year	6,244,000
Average	340,000 gallons	Last Year	201,000
Max	481,000 gallons	Last Year	238,000

December : had: 0 Meter Sets 0 New Request 69 Outstanding

The board members questioned and discussed usage options of the concentrate water.

6) Water Consumption Data

John Capece provided the monthly graphs of water consumption. The monthly consumption is down, as it has been since July. The storage tank is maintaining near full capacity, even with fewer daily hours of plant operation. Our connection requests have come to a halt since November 2007. John discussed a graph and Census Bureau report concerning building permits for Hendry County compared to Port Labelle. On the wastewater side, John reported that since we are coming out of the “wet season”; we have very little infiltration of ground water into our system.

The potential for re-use of the water plant concentrate effluent is good water, but it has somewhat high levels of hardness for agricultural use. John is working to post information on the web site for public knowledge and to encourage re-use inquiries.

7) Permits

John reported the SFWMD water use permit application has been submitted and a response received. SFWMD raised questions relative to historical and future water demands. Their concerns centered around using the sandstone aquifer for the additional demands. We will be preparing a response to SFWMD.

Information was provided to the board regarding the new SFWMD water use restrictions that are effective January 15, noting that the restriction dates were listed on recent billing invoices sent to PLUS customers. John is conducting a chlorine removal study to enhance the usability of PLUS water for drinking purposes by customers. He will prepare a fact sheet for customers.

Roger Greer, PLUS Director informed the board that the application for disposal of water plant concentrate in the waste water treatment plant percolation ponds has been submitted to DEP. The DEP response asked PLUS to respond to a few questions. Roger does not anticipate a rejection of the application.

8) Banyan Pipeline & Network Construction Project

Danny Nelson informed the board that the pipeline canal crossings have been completed. The contractor is in the process of completing the “tie-ins.” They are also doing “walk-through’s” to check the system valves. More detailed reviews are in progress for hydrants, valve caps, pressure tests, and the removal of debris and rock. Once that is completed they will pressure test the remaining lines and perform bacteriological decontamination and testing of the main & return lines. Danny is hoping for a February 2008 completion.

The DEP approvals for the dipping vat areas have been received. Soil test results and disposal plans have satisfied DEP’s requirements regarding the eliminating concerns over contaminated concrete and soils. Additional information from the sampling data will be given to John Capece.

Customer connections and the task of designing for a new water supply well were discussed. Roger Greer explained the water circulation system of the pipeline and the need for proper flow control of the Banyan system. With completion of the water lines, John Capece raised the need for the County and other agencies to create incentives for home construction in Banyan Village. The processes of creating growth and enhancing the value of the undeveloped lots within the PLUS service area will be an ongoing concern.

9) New Water Service Agreement Letters

Larry Hilton, Glades County Community Development Director, addressed the board concerning the September 2007 letter of service to Cliff Miller for the Marina Project, noting a pending Comprehensive Plan Amendment. DCA has extended the application process five times and Glades County is hoping for final resolution by February 2008. The September PLUS letter was forwarded to DCA and in November a response was received from DCA. Another Letter of Service is being requested by DCA. Larry Hilton explained the need to make changes to the initial letter to eliminate the conditions regarding the PLUS permits for water use and water plant concentrate by-pass.

In November, Glades County submitted a letter to PLUS requesting a new letter be drafted. The new letter would need to state: "Yes, you are in our service area. Yes, we will supply you with water, but at the time of development we will require a Developer's Agreement saying that you will pay the costs associated with the required service infrastructure."

John Capece addressed the board concerning the previous letter and the new letter request. He said that two draft letters could be prepared. One draft with the original stipulations and the developer's agreement clarification and a second version omitting the stipulations. These could be presented to the County Attorney for review and advice.

A motion to prepare the two letters for the County Attorney to review was made by Ricky Bass and seconded by Paul Samerdyke. Vote was carried unanimously.

Roger Greer, PLUS Director reported to the board that additional requests for letters of availability are being received by PLUS. A letter similar to the Cliff Miller letter was sent to PMS, Inc of Naples and also a letter will be issued for American Prime. John Capece noted that to serve either of these areas would require formal modifications to our service area. John also noted in other meetings he has attended, state agencies are still expressing public interest and intent to purchase some of these proposed development areas for habitat preservation as part of the Caloosahatchee Ecoscape. Questions were also raised concerning our original DRI and conservation easements.

10) Ribbon Cutting Ceremony

Ron Zimmerly, Grants & Special Projects Director, addressed the board regarding planning for a ribbon cutting ceremony to commemorate completion of the new water plant and the Banyan Village construction projects. His office is working to coordinate schedules with the out of town guests: Congressman Mahoney, State Representative Grimsley, Aida Rivera/Greg Caruthers from USDA, and former Hendry County Attorney Dan Stevens to schedule a date sometime in March.

Recognition of Harold Reecer will be included in the ceremonies; the County is working on a resolution to honor his contributions.

12) Adjourn

The next scheduled meeting will be the Monday, March 10, 2008 at 1:00 PM. George Davis, Advisory Board Chair, adjourned the meeting.