

**Central Wastewater Region Large Users Advisory Board Meeting
Wednesday July 29, 2020 – 1:30 P.M.**

VIRTUAL – <https://www.fortlauderdale.gov/government/WLUAB> - ZOOM Meeting

Voting Members Present:

Albert Carbon, City of Oakland Park / Public Works Director
Pennie Zuercher, City of Wilton Manors / Finance Director
Miguel Arroyo, City of Fort Lauderdale / Water and Wastewater Treatment Manager
Steve Roberts Jr. City of Fort Lauderdale / Utilities Distribution & Collection Systems Manager
Talal Abi-Karam, City of Fort Lauderdale / Assistant Public Works Director – Utilities

Roll Call:

Justin Murray, City of Fort Lauderdale / Regional Wastewater Facilities Manager
Rhonda Hasan, City of Fort Lauderdale / Assistant City Attorney III
Fernando Martinez, City of Oakland Park / Public Works Manager
Laura Garcia, City of Fort Lauderdale / Controller
Melissa Coningsby, City of Fort Lauderdale / Commission Assistant II (District I)
Kym Holcombe, City of Fort Lauderdale / Business Manager
Kenya Baker, City of Fort Lauderdale / Senior Financial Administrator
Reina Gonzalez, City of Fort Lauderdale / Administrative Supervisor
Chet Jablonka, City of Tamarac / Maintenance Supervisor
Jerry Robinson, City of Tamarac / Wastewater Supervisor
Bert Fisher, City of Wilton Manors / Office Manager
Alicia Sheffield, City of Fort Lauderdale / Chief Accountant
Aneisha Daniel, City of Fort Lauderdale / Deputy Director
Chris Lips, City of Oakland Park / Public Works Assistant Director
John McCreary, Town of Davie / Chief Operator
Tim O'Neil, CDM Smith
Ignacio Lizama, CDM Smith
Rafeela Persaud, City of Fort Lauderdale / Senior Administrative Assistant

Welcome – Mr. Talal Abi-Karam

Mr. Abi-Karam called the meeting to order at 1:35 p.m.

Mr. Abi-Karam welcomed everyone and verified there was a quorum. Mr. Abi-Karam stated that this meeting is being conducted via Zoom platform due to COVID 19, with the assistance of Information Technology (IT) and City Clerk staff, it is a publicly noticed meeting subject to the Florida Sunshine Laws, and participation of the general public who will be able to provide input during the meeting on the proposed rate for FY2021. The agenda and meeting notice have been posted, fulfilling the requirements of the City Clerk's Office and IT Department for conducting a virtual meeting. Mr. Abi-Karam thanked all of the utility workers in all participating municipalities on the front line who provide essential services every day during this time. Mr. Abi-Karam read the City Ordinance Chapter 28, Section 28-9 relating to the Large Users Advisory Board, delegated strictly for wastewater.

Approval of January 15, 2020 Meeting Minutes

Mr. Abi-Karam introduced a motion to approve the January 15, 2020 meeting minutes. Justin Murray made a motion to approve the meeting minutes. Steve Roberts seconded the motion. The meeting minutes for the January 15, 2020 were approved. Vote was unanimous.

Construction Project Updates

- P11773 (Prestressed Concrete Cylinder Pipe (PCCP) Replacement – Sequence B) – Sequence B was awarded in September 2019 for \$4.0 million (\$700,000 under budget) and a notice to proceed (NTP) was issued in December 2019. Approximately 50% of the wastewater flow will be pumped in the bypass system while carbon reinforced fiber liner is added to the inside of PCCP from 48 to 66-inch diameter. Construction is under budget and on schedule to complete in January 2021.
- P12171 (Pre-Engineered Metal Building Replacement at the Deepwell Site) – The design/build bid package was advertised and awarded at a cost of \$1.3 million. The temporary electrical design is being finalized by the design/build team. The project is currently on schedule and under budget with final completion scheduled for June 2021.
- P12172 (Electrical Testing of GTL) – The electrical arcflash testing and labelling plant-wide for all motors that were not previously tested is presently underway. The project was due for completion in March 2020 but due to the COVID-19 pandemic will be completed in September 2020, under budget.
- P12469 (GTL Mechanical Integrity Testing) – The mechanical integrity testing of the five (5) deepwells along with well brushing was completed under budget in February 2020. All regulatory deadlines for the testing were met. Due to personnel shortages during the pandemic, FDEP has not provided a response to the written report that was submitted March 31, 2020.
- P12512 (GTL Chlorine Building Roof Replacement) - The chlorine building roof replacement was completed under budget at a cost of \$271,000 in February 2020.
- P12176 (Motor Control Center Replacement - Stage 1) – The replacement of four (4) large motor control centers and electrical duct banks will begin in 2020. The project was awarded in April 2020 and construction is scheduled to begin in August 2020, at an estimated cost of \$5.0 million. Contract negotiation and delays have been caused by the COVID-19 pandemic. Project duration is approximately 15 months.
- P12438 (Freight Elevator Replacement) – Design was completed on schedule in the fourth quarter of 2019 and the construction contract was awarded in July 2020 at a cost of \$512,000 before allowances. Asbestos, lead paint, and other allowances contribute to a maximum project cost of \$839,000. Project duration will be approximately 9 months.
- P11781/P11917 (GTL Cryogenic Plant/MCC Elec Upgrades) – Three qualified proposals were received for the replacement of the Cryogenic Plant with new Vacuum Pressure Swing Adsorption (VPSA) process equipment and building. The bid prices ranged from \$16.8 – 19.1 million. An evaluation committee determined the best value design/build team. This project was awarded in July 2020 at a contract cost of \$17.4 Million. After a contract is executed, the project duration is estimated at 24 months.
- P12530 (Deepwell Electrical Power & Instrumentation) – Staff has reviewed the 90% design plans for new power and instrumentation wiring and duct banks at the Deepwell Facility from the control building to each of the five (5) underground injection wells. The existing wiring has exceeded its useful life and is severely corroded. The small control building where the

valve controls are located will also be hardened against hurricane damage. Construction is estimated at \$2.2 Million.

- P12528 (GTL Chlorine Flash Mix Remodel) – Preparation of design documents will begin in August 2020 for a remodel of the severely corroded chlorine flash mix basin. Construction is estimated to be approximately \$2.7 Million. The scope includes concrete repair and control gate replacement.

Capacity Issues

- Annual average flows for the last twelve months are currently at 39.3 MGD.

Operational Issues

- Maintenance staff has been working to remove grit that has accumulated in the reactors up to 6-feet in depth over the last 7 years. The treatment capacity is being restored to its original value by routing the removed grit to its designed removal equipment in the Pretreatment Building. This in-house maintenance project has saved over \$100,000 versus paying a contractor to remove and haul the grit.
- The 2,250-kW generator alternator was successfully replaced in February 2020. The rental generator that was onsite for nearly 8 months has been removed.
- The scheduled shutdown and “turnaround” maintenance of the Cryogenic Plant was awarded in May 2020 for \$383,100 and the work will be completed in August 2020. This shutdown is expected to be the last biennial maintenance needed since the Cryogenic Plant is scheduled to be replaced within the next 2 years with the new VPSA process equipment.
- The Dewatering Building third floor sludge conveying system was overhauled in July 2020 at a cost of \$163,500. All sludge conveying equipment is less than 2 years old and in excellent condition.

Budgetary Issues

- The Renewal and Replacement Analysis this year included an examination of structural components including pipe supports, roofs, and concrete repairs. Cost estimates for process equipment were also updated utilizing actual quotes from vendors and recent competitively bid projects rather than only using price escalation of older prices using the Consumer Price Index (CPI). Hence, the large user rate this year is expected to reflect these additionally needed structural repairs and updated equipment replacement costs over the next 20 years.
- Florida Department of Environmental Protection (FDEP) is considering a requirement in an amended Consent Order to require standby generators at the east end of the treatment plant to power the five (5) effluent pumps in the case of a power outage by FP&L. This would incur an approximate monthly rental cost of \$60,000 - \$300,000 for up to 3 years depending on how many of the effluent pumps are required to be connected to generator power. This rental would be used until a permanent facility could be designed and constructed. Purchase of generators will also be considered depending on the power requirements. A task order will be executed in August 2020 with a consulting engineer to prepare options for the permanent generators and administration building where they will be located. Currently, \$15.0 million

has been adopted in the project P12529 for this new facility. Additional funding will be added when detailed cost estimates of the selected alternative are prepared. Funding has also been requested through a Florida Department of Economic Opportunity grant.

Old and New Business

- The large user agreements terminate December 31, 2021. Consideration should be given to adding a provision for a mid-year rate adjustment to lessen the financial impacts of emergencies.

Mr. Abi-Karam confirmed there were no questions/comments on the updates presented by Mr. Murray.

Mr. Abi-Karam explained that currently, there are some discussions with Florida Department of Environmental Protection (FDEP) regarding the incidents that occurred on the 54-inch and 48-inch sewer breaks back in December 2019 and January 2020. He stated that there may be an amendment to the existing consent order. Mr. Abi-Karam explained that one element of the discussion is back-up power for the GTL Wastewater Treatment Plant; discussions with FDEP are still on-going.

Rate Calculations – Kym Holcombe

Ms. Holcombe referred to the (spreadsheet) DRAFT Fiscal Year to Date, through Month 9 (June 2020) financials for the current year. Ms. Holcombe explained that the budget was amended to add dollars in order to accommodate for the emergency costs of the 54-inch and 48-inch sewer breaks. The position is showing that the City is about 68% of the budget, which indicates there may be cost savings, but it is too early to say as the emergency costs are still coming in. Ms. Holcombe stated that included in the package was a copy of the Commission Agenda Memo that went to Commission on March 20, 2020 to present an estimate and request appropriations to cover the majority of the costs of both emergency sewer breaks. Ms. Holcombe explained the Computation of Rates (spreadsheet), stating that the 2019 Financials were audited, and the Large Users should have received their letters. Ms. Holcombe thanked the Finance Team for their support in this endeavor in putting together the Draft rate. Ms. Holcombe explained that billing was at \$2.48 and after the year-end closeout and audit, it landed at approximately \$2.54. Ms. Holcombe said that the expenditures and operating and maintenance costs have increased dramatically due to the sewer breaks back in December 2019 and January 2020. The current year rate may land at \$2.98 and billing is at \$2.58; an invoice should be expected in the future, when the books are audited at the end of year. Ms. Holcombe said staff is hopeful for a good year next year (no emergencies). She said the estimate of flows is calculated based on the last three years' actual flows, and the draft rate is \$2.48 per thousand gallons.

Mr. Albert Carbon asked about the current budget year and as part of the 30-year Repair & Replacement (R&R) plan, if the expenses for the replacement of the 48-inch and 54-inch sewer pipes should have been transferred from the reserves, and not part of the operating expense.

Ms. Holcombe said that the replacement project was funded via transfers, approximately \$65M through the CIP (capital projects), and the repairs and maintenance costs came from operational funds. Ms. Holcombe said she will have to check if any projects were cancelled to fund the repairs and maintenance of the sewer pipes. Mr. Carbon asked if the Operational costs have been increased by .54 cents. Ms. Holcombe said that it was because of the emergencies due to the sewer breaks (bypass, pumping, aerators, etc.).

Mr. Abi-Karam said the emergency costs accounted for \$16+ million dollars, and was incurred up to the date of the Commission Agenda on March 20, 2020. Mr. Abi-Karam explained that in the R&R, the project for the rehabilitation of the 54-inch force main from the B-Repump to GTL did not have enough money (approximately \$30M) and due to the gap in dollars, some projects in the CIP had to be cancelled. Mr. Abi-Karam said the combined costs for the entire project is approximately \$56M, which is already under construction by two contractors, Murphy Pipeline (northern section) and David Mancini Jr. (southern section). The project is approximately 34% complete. An Infrastructure update newsletter has been posted on the city's website, to include other on-going activities/milestones on projects.

Mr. Carbon said it will be interesting to see the new projected 30-year R&R plan and the cost distribution of the large diameter.

Ms. Daniel said the City Commission (via Conference Agenda) was advised back in January 2020 about the six sewer main failures in December 2019, and more failures during January 2020 (specifically, George English Park), which created a lot of unanticipated emergency expenses. She stated Engineering staff are having weekly meetings with the contractors on the progress on the project, and anticipate the project should be completed on time.

Mr. Abi-Karam asked if there were any questions. There were none. Mr. Abi-Karam confirmed with City Moderator there were no requests/attendees from the public on the call for discussion.

Mr. Arroyo made a motion to accept the proposed rate for the next fiscal year of \$2.48 per thousand gallons. Steve Roberts seconded the motion. Vote was unanimous.

Mr. Abi-Karam confirmed that the rate approved of \$2.48 per thousand gallons for FY2021.

Old/New Business

Mr. Carbon suggested listing the renewal of the wastewater agreement, since it will expire in December 2021.

Next Meeting

The next meeting is scheduled for Wednesday, November 4, 2020 at 1:30 p.m. Information about the meeting will be forthcoming, based on COVID-19 guidelines.

Adjournment

Meeting was adjourned at 2:35 p.m.