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Meeting Minutes

Tuesday, January 24, 2023

11:30 AM

Joint Workshop with Infrastructure Task Force Advisory

Committee

City Hall - City Commission Chambers

100 North Andrews Avenue, Fort Lauderdale, FL 33301

CITY COMMISSION WORKSHOP

FORT LAUDERDALE CITY COMMISSION

DEAN J. TRANTALIS Mayor

WARREN STURMAN Vice Mayor - Commissioner - District IV

JOHN C. HERBST Commissioner - District I

STEVEN GLASSMAN Commissioner - District II

PAM BEASLEY-PITTMAN Commissioner - District III

GREG CHAVARRIA, City Manager

DAVID R. SOLOMAN, City Clerk

D'WAYNE M. SPENCE, Interim City Attorney

PATRICK REILLY, City Auditor

CALL TO ORDER

Mayor Trantalis called the meeting to order at 11:44 a.m.

ROLL CALL

Commission Members Present: Commissioner John C. Herbst, Commissioner Steven Glassman, Commissioner Pamela Beasley-Pittman, Vice Mayor Warren Sturman and Mayor Dean J. Trantalis

Infrastructure Task Force Advisory Committee Members Present: Chair Marilyn Mammano, Vice Chair Peter Partington, Gerry Angeli, James LaBrie, Roosevelt Walters and Ralph Zeltman

Infrastructure Task Force Advisory Committee Members Not Present: Shane Grabski and Michael Marshall

QUORUM ESTABLISHED

Also Present: City Manager Greg Chavarria, City Clerk David R. Soloman, Interim City Attorney D'Wayne M. Spence, and City Auditor Patrick Reilly

OLD/NEW BUSINESS**BUS-1** [23-0159](#)

Joint Workshop with Infrastructure Task Force Advisory Committee on Prospect Lake Water Treatment Plant Project - (Commission Districts 1, 2, 3 and 4)

City Manager Chavarria provided an overview and goals of this Commission Joint Workshop with the Infrastructure Task Force Advisory Committee (ITFAC).

Infrastructure Task Force Advisory Committee (ITFAC) Chair Marilyn Mammano remarked on community outreach efforts, which have provided a better understanding of the Project, and cited examples. ITFAC Chair Mammano commented on the short timeline to hold an ITFAC Special Meeting to formulate a Project Report for the Commission before the February 7, 2023, Commission Meeting. She discussed efforts to coordinate an ITFAC Special Meeting to review Project information prior to its next scheduled meeting on February 6, 2023.

In response to Commissioner Glassman's question, Interim City Attorney D'Wayne Spence explained notice and Sunshine Law requirements related to calling a Special ITFAC Meeting.

Mayor Trantalis recommended taking a short break to allow the ITFAC to meet, confer and vote on setting a Special ITFAC Meeting. Interim City Attorney Spence confirmed doing this would meet Sunshine Law requirements.

Mayor Trantalis recessed the Commission Joint Workshop with the ITFAC at 11:55 a.m.

The ITFAC Members present discussed the scheduling of an ITFAC Special Meeting.

ITFAC Member Roosevelt Walters made a motion to schedule a Special Meeting of the ITFAC on Wednesday, February 1, 2023, and was seconded ITFAC Member James LaBrie. The motion was passed unanimously.

Mayor Trantalis reconvened the Joint Workshop with the ITFAC at 12:00 p.m.

Mayor Trantalis remarked that setting the ITFAC Special Meeting would allow adequate time for the ITFAC to meet and provide a Project Report to the Commission.

Mayor Trantalis commented on an email sent to the Commission and Staff by ITFAC Chair Mammano discussing several Project concerns. In response to Commissioner Glassman's inquiry at the January 10, 2023, Commission Joint ITFAC Workshop, ITFAC Chair Mammano said concerns related to water rates and the amounts paid to Ridgewood/IDE were explained in a spreadsheet prepared by Assistant City Manager Susan Grant and Public Works Director Alan Dodd. ITFAC Chair Mammano explained related details. Further comment and discussion ensued.

In response to Mayor Trantalis' questions, ITFAC Member Ralph Zeltman said concerns related to the Project design still needed to be resolved. Mayor Trantalis said Ms. Grant, Mr. Dodd, and Assistant Public Works Director - Sustainability Dr. Nancy Gassman are available to meet with ITFAC Member Zeltman to address his concerns. ITFAC Member Zeltman questioned whether it is good engineering practice to locate the Project on a well site. Mayor Trantalis reiterated that ITFAC Member Zeltman would benefit from discussing this topic with Dr. Gassman.

Mayor Trantalis explained his understanding related to rising sea levels and confirmed the need to begin the Project. Further comment and discussion ensued.

In response to ITFAC Vice Chair Peter Partington's comments regarding the importance of Ridgewood/IDE's investment in the Project, Ms. Grant explained Staff's negotiation efforts with Ridgewood/IDE to reduce the financial impact on ratepayers and Ridgewood/IDE's twenty-five percent (25%) investment in the Project and the City's seventy-five percent (75%) capital contribution. The typical range would be a thirty-five percent (35%) investment. The City will finance one hundred percent (100%) of the Project's enabling works. Further comment and discussion ensued.

ITFAC Member James LaBrie remarked on the City financing one hundred percent (100%) of the Project's enabling works. Ms. Grant said this would be required under any scenario. Further comment and discussion ensued.

ITFAC Chair Mammano discussed concerns regarding the quality of water testing and control of water quality. She confirmed the need for water testing to be under the control of the City and expounded on her viewpoint and related details.

Mayor Trantalis recognized Alan Dodd, Public Works Director. Mr. Dodd explained the relationship between the City and Ridgewood/IDE regarding water testing during the construction and operations phases. During the construction phase, City Staff and Hazen and Sawyer will oversee Ridgewood/IDE's construction engineering inspection services associated with water quality testing. During the operations phase, there will be an onsite lab for water quality testing performed by City Staff. Mayor Trantalis said this would be discussed further at the next Commission Meeting.

Mayor Trantalis recognized ITFAC Member Roosevelt Walters. Mr. Walters remarked on his overall concerns, including the Project exceeding initial budget estimates, rising costs, and the need to find a workable solution for all City infrastructure. Mayor Trantalis commented on Staff, City consultants, and Ridgewood/IDE efforts to aggressively ensure this is the best Project possible and expounded on his perspective.

In response to ITFAC Member James LaBrie's questions regarding the availability payment, the return on investment (ROI), and how components of the availability payment are valued, Mark Janay, Ridgewood/IDE Technologies, reviewed details included in the slide presentation. Further

comment and discussion ensued.

ITFAC Chair Mammano discussed her recollection from Hazen and Sawyer and confirmed the ITFAC would discuss this further at the February 1, 2023, ITFAC Special Meeting.

In response to ITFAC Member James LaBrie's questions regarding how components of the annual availability payments paid to Ridgewood/IDE over thirty (30) years are valued, Ms. Grant referred to Annex W of the comprehensive agreement that lists details. The capital portion comprises approximately thirty percent (30%) of the availability payment. Michael Albrecht, Ridgewood/IDE Technologies, explained that the balance of the availability payments over thirty (30) years funds everything that the City would be paying should the Project be maintained and operated by the City, i.e., operational expenses, capital expenses, maintenance, taxes, insurance, in addition to any impact from inflation. Risk is associated with inflation along with other Project factors, including construction, building the Project to specifications, and timely delivery of the Project within the allocated budget. Further comment and discussion ensued. ITFAC Chair Mammano suggested this topic be discussed further at ITFAC Special Meeting on Wednesday, February 1, 2023.

In response to ITFAC Member Ralph Zeltman's question regarding the design and onsite location of deep injection wells (wells), Mr. Dodd explained details of the initial meetings regarding different orientations of the Project, the location of wells, and the five-hundred-foot (500') separation requirement. The selected locations will be permitted and in compliance with all Florida Department of Environmental Protection requirements. Further comment and discussion ensued.

City Manager Chavarria discussed the condition of the Fiveash Water Treatment Plant (Fiveash) and cited examples of retrofitting its needs in the past. He remarked on the benefit of ITFAC Members touring Fiveash to address technical questions and understand its current condition and the urgency associated with the Project. Further comment and discussion ensued.

ITFAC Vice Chair Peter Partington remarked on reviewing unanticipated annual capital expenditures over the past two (2) years of approximately \$5,000,000 per year for Fiveash repairs. He remarked on water rate increases starting in 2021 to fund a bond for replacing Fiveash before receiving the P3 proposal. In response to ITFAC Vice Chair Partington's questions regarding those increases in water rates, Ms. Grant explained the details of the increase. On September 30, 2021, there was an eight-point six percent (8.6%) increase in water rates. On September 30,

2022, there was an additional eight-point six percent (8.6%) increase in water rates programmed over a five (5) year period, which is anticipated to generate \$40,000,000 and has been incorporated into the rate analysis as an offset to the expenditures of the availability payment, the City's debt service, etc.

ITFAC Vice Chair Peter Partington commented on the Commission being aware three (3) or four (4) years ago there would be a need to increase water rates. Ms. Grant said Staff anticipated the need for an additional increase in water rates though they were unaware of the exact amount. She noted that the one hundred forty-three percent (143%) water rate increase is inclusive of recent water rate increases.

In response to ITFAC Vice Chair Peter Partington's question regarding Section 12.2 of the comprehensive agreement related to transferring control of the Project's operations to another entity after two (2) years, Mark T. Mustian, Esq., Nabors, Giblin & Nickerson, P.A., (appearing via communications technology) said the only way the operating entity can be replaced is if the City agrees to whoever is coming in next. The replacement can only occur if there is a default under the operating agreement. Concerning the Project's finance company, Ridgewood, they must remain until the Project construction period has ended. When the construction period has ended, they can transfer their interest, and the City would be paying the water treatment plant operator. ITFAC Chair Mammano remarked that this aspect of the comprehensive agreement is a Commission policy decision.

ITFAC Member Roosevelt Walters inquired about new Commission Members and their ITFAC appointments.

Mayor Trantalis recognized Tricia Halliday, 60 Nurmi Drive. Ms. Halliday remarked on her perspective regarding the Project providing clean drinking water and commented on concerns about the quality of existing pipes delivering clean water to residents.

Mayor Trantalis recognized Boyd Corbin, 12 NE 26th Street, Wilton Manors. Mr. Corbin discussed concerns regarding this topic and cited examples of concerns related to the chemical used for water filtration.

ITFAC Chair Mammano remarked on the significant involvement of Mr. Corbin in ITFAC efforts related to the Project and water quality. ITFAC Chair Mammano confirmed concerns raised by Mr. Corbin would be addressed at the ITFAC's February 1, 2023, Special Meeting.

In response to Mr. Corbin's question regarding allowing him and Bob

Bowcock, to participate in the ITFAC's tour of Fiveash, Mayor Trantalis and City Manager Chavarria confirmed.

Mayor Trantalis recognized Victoria Olson, 4170 NW 11th Avenue, Oakland Park. Ms. Olson discussed her viewpoint and inquired about details of the revenue Ridgewood/IDE would receive. Mayor Trantalis invited Ms. Olson to the ITFAC's February 1, 2023, Special Meeting.

Vice Mayor Sturman remarked on his tour of Fiveash, recognizing its poor condition and need for replacement.

In response to Vice Mayor Sturman's question, Mr. Dodd confirmed the annual cost for operations and maintenance of Fiveash is approximately \$13,500,000. In response to Mayor Trantalis' question, Mr. Dodd said this amount does not include capital improvements for Fiveash.

Commissioner Herbst discussed his understanding that prior City Manager Chris Lagerbloom was moving on a parallel path for a Request for Proposal (RFP). Staff was developing the criteria necessary to bid for the design and building of a water treatment plant. He inquired about the results of those efforts and the reason it did not continue down that parallel path.

Mr. Dodd explained Staff efforts to engage Hazen and Sawyer as the City's owner representative with the ability to design the Project. Staff only issued a task order for the P3 portion, and Hazen and Sawyer was not engaged in developing a design criteria package.

In response to Commissioner Herbst's questions regarding when the decision was made not to move forward with the design criteria package and whether the Commission was involved in that decision, Mr. Dodd explained he was not with the City then. Commissioner Herbst recalled lengthy discussions regarding the necessity of being able to pursue a P3 and RFP to ensure the City kept its options open and did not tie itself to one (1) particular methodology. He requested information about when and why this changed and requested related research to provide that information. City Manager Chavarria confirmed he would research and provide this information to Commissioner Herbst.

Commissioner Herbst discussed the two (2) pilot studies done by Reiss Engineering (Reiss) and Carollo Engineering (Carollo). The 2019 Carollo Report recommends the City move forward based on water conditions and technologies observed at the Fiveash location with a plant at Prospect Lake. The subsequent 2021 Reiss Report over eight (8) weeks indicated a plant could be built at the Fiveash location. He remarked on

the need for a clear understanding of why the subsequent Reiss Report contradicts the Carollo Report.

Commissioner Herbst discussed the age and condition of the Peele Dixie Water Treatment Plant (Peele Dixie), built in the 1920s, which is still operational and had been upgraded to utilize nanofiltration technology in 2008.

In response to Commissioner Herbst's question regarding replicating work done for Peele Dixie at Fiveash, Omar Castellon, Assistant Director, Public Works, explained pilot test results included in the Carollo Report determined the presence of organics in the water, which caused concerns. The Reiss Report indicated similar findings but were not clear. Commissioner Herbst reviewed aspects of the Reiss Report and commented on filtration and technical details.

Patrick Davis, P.E., Vice President, Hazen and Sawyer, P.C., the City's owner representative for the public-private partnership with Ridgewood/IDE (P3 Project). Mr. Davis discussed Hazen and Sawyer's evaluation of results included in the Carollo Report and the Reiss Report and expounded on technical details. Further comment and discussion ensued.

Commissioner Herbst noted that he came away with a different conclusion and commented on the ability to modernize Fiveash with modern technology, similar to Peele Dixie. Mr. Davis clarified Peele Dixie was not rehabilitated, and it was replaced and expounded on details related to what is needed to provide clean, clear drinking water to the City. Further comment and discussion ensued regarding the feasibility of rehabilitating Fiveash and its ability to operate around the clock.

In response to Commissioner Herbst's question regarding interim solutions serving as a permanent solution, Mr. Davis discussed the poor condition of the leaking aeration base at Fiveash, which is indicative of Fiveash's condition. Should the aeration basin fail, Fiveash would be offline for an extensive period. The City's 2017 Master Plan and the Carollo Report recommended the replacement of Fiveash. Stantec, formerly James Montgomery Consulting Engineers, confirmed the leaking aeration base is a large risk and a single point of failure. Mr. Davis expounded on related details. Further comment and discussion ensued.

Commissioner Beasley-Pittman requested Staff provide additional information as soon as possible regarding how long Ridgewood is

required to remain with the Project. City Manager Chavarria confirmed.

Commissioner Glassman discussed his viewpoint and confirmed his comfort level with the Commission moving forward. He thanked everyone involved with bringing this project forward.

In response to Vice Mayor Sturman's question, Mr. Davis explained when the Peele Dixie Water Treatment Plant was rebuilt, it was closed, and its Staff was moved to Fiveash where all the City's water was produced. Mr. Davis explained the inability to relocate operations from Fiveash to Peele Dixie.

Mayor Trantalis discussed Staff providing answers to questions raised today and approval of the Project at the February 7, 2023, Commission Regular Meeting. He remarked on the Virtual Town Hall Meeting regarding this Project on Wednesday, January 25, 2023. City Manager Chavarria confirmed and explained related details.

ADJOURNMENT

Mayor Trantalis adjourned the meeting at 1:28 p.m.