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Meeting Minutes

Tuesday, January 18, 2022

1:30 PM

City Hall - City Commission Chambers
100 North Andrews Avenue, Fort Lauderdale, FL 33301

City Commission Conference Meeting

FORT LAUDERDALE CITY COMMISSION

DEAN J. TRANTALIS Mayor

HEATHER MORAITIS Vice Mayor - Commissioner - District I

STEVEN GLASSMAN Commissioner - District II

ROBERT L. McKINZIE Commissioner - District III

BEN SORENSEN Commissioner - District IV

CHRIS LAGERBLOOM, City Manager

JOHN HERBST, City Auditor

JEFFREY A. MODARELLI City Clerk

ALAIN E. BOILEAU, City Attorney

CALL TO ORDER

Mayor Trantalis called the meeting to order at 2:21 p.m.

QUORUM ESTABLISHED

Commission Members Present: Vice Mayor Heather Moraitis, Commissioner Steven Glassman, Commissioner Robert L. McKinzie (arrived at 2:29 p.m.), Commissioner Ben Sorensen and Mayor Dean J. Trantalis

Also Present: City Manager Chris Lagerbloom, Deputy City Clerk David R. Soloman, City Attorney Alain E. Boileau and City Auditor John Herbst

COMMUNICATIONS TO THE CITY COMMISSION

[22-0031](#)

Communications to the City Commission - (Commission Districts 1, 2, 3 and 4)

***Infrastructure Task Force Advisory Committee (ITFAC)
December 6, 2021***

Communication to the City Commission

Motion made by Chair Mammano, seconded by Mr. Partington, that the Infrastructure Task Force Advisory Committee send a communication to the Commission that we discussed the Fiveash Water Treatment Plant again, and would recommend that the Commission provide us an opportunity to review the proposals to ensure that they are consistent with our previous recommendations, which are heretofore attached. In a voice vote, the motion passed unanimously.

Mayor Trantalis explained this communication requests deferring a Commission decision regarding the unsolicited proposals received for replacement of the *Fiveash Water Treatment Plant* until the *ITFAC* has had an opportunity to review those proposals to ensure that they are consistent with *ITFAC* recommendations. He said the Commission can address this *ITFAC* request during its review of the unsolicited proposals under BUS-1.

OLD/NEW BUSINESS

BUS-1 [22-0005](#)

City Commission Review of Four Unsolicited Proposals Received Pursuant to Section 255.065, Florida Statutes - (Commission Districts 1, 2, 3 and 4)

City Manager Lagerbloom provided an overview of this Agenda item. It provides the public with the opportunity to review the four (4) unsolicited proposals (*Proposals*) submitted by the consortiums of firms for the replacement of the *Fiveash Water Treatment Plant (Fiveash)*. Commission review and consideration of these *Proposals* occurred in previous *Shade Meetings* per State Statutes governing the unsolicited proposals. The City contracted with *Ernst and Young Infrastructure Advisors, LLC (EY)* to analyze the *Proposals*. Public Works Department Engineering Staff and *EY* will jointly compare the *Proposals* during today's slide presentation.

A copy has been made part of the backup to this Agenda item.

Mayor Trantalis recognized Stephen J. Auton-Smith, *EY* Senior Managing Director. Mr. Auton-Smith explained three (3) of the four (4) *Proposals* focused on replacing *Fiveash* with a new water treatment plant (*WTP Project*). One (1) all-encompassing Proposal (*Encompassing Proposal*) addresses *WTP* replacement, *WTP* management of operations and maintenance of the entire water system, including the water distribution system. The presentation will address the incremental value of the *Encompassing Proposal* after separately comparing four (4) *Proposals* for replacing the *WTP*.

Mr. Auton-Smith narrated the first and second components of *EY's* presentation, including:

- Background and approach to City priorities;
- Evaluation criteria and preliminary considerations regarding the capacity experience of the companies; and
- Compliance with public, private partnership (P3) regulations

In response to Commissioner Sorensen's questions regarding the importance of company size, Mr. Auton-Smith said the substantial value of the *WTP Project* contract includes high operating costs and performance obligations. *IDE Technologies (IDE)* and *US Water* are not small companies. The value of the *WTP Project* contract compared to their existing operations is much larger than the others, and their

relationship with the *WTP Project* would be considerable. Company size would not be a negative providing a company's performance, guarantee structure and capital structure reflect the size of the balance sheet, and operating capacity represents obligations. He discussed *IDE's* conservative approach and cited examples.

Mayor Trantalis commented on the importance of capacity and asked about *EY's* expectations regarding the ability of the companies to accommodate the type of impact the *WTP Project* would have on their existing operations. Mr. Auton-Smith explained his comments were not intended to indicate the inability of other companies to arrange and include similar types of commercial financing arrangements. He acknowledged seeking extra security given the *WTP Project's* design, construction, and operating performance crossover. Mr. Auton-Smith commented on the resources of the consortiums behind the companies.

In response to Commissioner Sorensen's question regarding the significance of *Aqualia's* assumption that one hundred percent (100%) of the City's payment will be subject to the *Consumer Price Index (CPI)* and the *Fort Lauderdale Water's (FLW)* assumption that only the operating cost component is subject to inflation, Mr. Auton-Smith explained that *Aqualia* is indexing the portion of payment used for debt service. The City would take more inflation risk than it is currently, not only its operating costs but also debt service. The structure of *Aqualia* enables it to offer a lower starting price that escalates at a higher rate over time as opposed to *IDE*, which has a higher starting price and escalates at a much slower rate over time.

In response to Mayor Trantalis' question regarding the City's options should the company selected return and request price increases, Mr. Auton-Smith discussed including an upfront agreed-upon *cost envelope* as part of an interim agreement's Design Development Phase. Should the company be unable to bring the project within that *cost envelope*, the City would have the right to walk away.

Mr. Auton-Smith noted an interim agreement is not in place, and the City is facing a relatively long period with no price certainty. Should replacement of the *WTP Project* be urgent and time-sensitive, the City would be in a comparatively weaker negotiating position. Further comment and discussion ensued.

Mayor Trantalis recognized Omar Castellon, Assistant Public Works Department Director - Engineering. Mr. Castellon continued the Public

Works Department (Public Works) portion of the presentation. He expounded on details regarding the Public Works Staff evaluation of the Proposals, including:

- An overview of the Fiveash Water Treatment Plant; and
- Criteria considered and evaluated for the Proposals

In response to Mayor Trantalis' question, Mr. Castellon explained water hardness relates to mineral content in the water but could also affect the color of the water. *SUEZ* met the criteria.

Mr. Castellon expounded on the criteria goals each company met.

Mr. Auton-Smith resumed the presentation, narrating *EY's* analysis of the third, fourth and fifth components of its analysis of the *Proposals*.

In response to Mayor Trantalis' question regarding the similarity of variables and differing outcomes of the companies, Mr. Auton-Smith noted it is a combination of factors and cited examples.

Commissioner Sorensen commented on *Next Spring's* tools and resources. Mr. Auton-Smith reviewed aspects and discussed details related to the *Proposals*.

In response to Mayor Trantalis' question regarding the *FLW Proposal* and whether the \$235,000,000 would subsidize the cost of water for ratepayers, Mr. Auton-Smith said that payment from *FLW* to the City enables debt defeasance to occur and would need to be recovered from water rates and include debt service.

In response to Commissioner Sorensen's questions regarding the rate structures, Mr. Auton-Smith explained that *EY* only modeled *Proposals* with the earliest and most significant impact. The rate structures of the *Proposals* are expected to converge in the 2030s.

In response to Commissioner Sorensen's question about the anticipation that *Aqualia*, *FLW* and *Next Spring* would have lower rates and lower rate increases than *IDE* over the next ten (10) to fifteen (15) years, Mr. Auton-Smith said that is a fair assumption.

Mr. Auton-Smith pointed out that *IDE's* significantly higher increases and the overall rate is due to the *WTP Project* being delivered faster with a payment obligation coming sooner. He explained details of *IDE's*

Proposal, including its conservative level of financing.

In response to Commissioner Sorensen's question, Mr. Auton-Smith explained aspects of payment obligations. Further comment and discussion ensued.

In response to Commissioner Sorensen's question regarding the similarity of other *Proposals* to *FLW's* rehabilitation investment, Mr. Auton-Smith said other *Proposals* made no assumptions because rehabilitation addresses the water distribution system and is outside the scope of the *WTP Project*. The only benchmark for comparison is the City's estimates of what it budgeted for water distribution in its rate study, which is half of what *FLW* had proposed. *FLW* is proposing a much broader project than the other three (3) *Proposals* and bases its estimates on its experience of operating and rehabilitating systems elsewhere in the country.

In response to Commissioner Sorensen's question regarding Staff considering a broader holistic system or just focusing on the *WTP Project* facility, City Manager Lagerbloom said it would relate to the philosophy associated with running the water distribution system going forward. City Manager Lagerbloom explained the two (2) water treatment plants currently used, *Fiveash* and *Peele Dixie*, are blended for water distribution. He remarked on concerns related to interactions between the City managing *Peele Dixie* and a private entity managing a new *WTP* should a water system problem arise.

City Attorney Alain Boileau explained companies who had not proposed a system-wide approach would not be able to update their *Proposals* and expounded on details.

In response to Vice Mayor Moraitis' question regarding considering the City's existing tiered rate water billing system, Mr. Auton-Smith said *EY* used the standard water rates. City Manager Lagerbloom commented on the probability of returning to water rate structure modeling with different assumptions to build revenue sufficient to cover expenses.

Mr. Auton-Smith clarified the purpose of this analysis presentation is not to predict the rate impact on the end-user but to illustrate the differential cost of the *Proposals*.

In response to Vice Mayor Moraitis' question regarding *FLW* incorporating some of the City's debt service, Mr. Auton-Smith explained

FLW would be taking over the operation of the water system, effectively becoming private. This would require the tax-exempt defeasance of debt currently connected to the system.

In response to Vice Mayor Moraitis' question, City Manager Lagerbloom confirmed the presentation considers future debt at the base rate, but not yet issued. Further comment and discussion ensued.

In response to Vice Mayor Moraitis' question regarding the City stating its preferred method of water filtration is *nanofiltration* and *ion exchange* and companies updating their *Proposals*, City Attorney Alain Boileau explained companies would not be able to update their *Proposals*. Should the *Proposals* not be acceptable, the City could reject all four (4), advise what it would like and restart the process.

Vice Mayor Moraitis communicated that the best path for water filtration is *nanofiltration* and *ion exchange*.

Mayor Trantalis recognized Brian Donaldson, 3321 NE 16th Street, and Chair of the *Budget Advisory Board (BAB)*. Chair Donaldson cautioned on moving too quickly and the need to for an in-depth review the *Proposals*. He commented on concerns related to *Return on Investment (ROI)* profit margins going to an outside company and future control over the water rate structure. Chair Donaldson remarked on the ability to reject all *Proposals* if they do not meet all criteria.

In response to Mayor Trantalis' request, City Auditor Herbst confirmed he would determine the amount of *ROI* received from the existing water system and the impact on the General Budget should the City select one (1) of the *Proposals*.

Mayor Trantalis recognized Dennis Ulmer, 1007 NW 11th Place. Mr. Ulmer discussed concerns related to the vulnerability and security of the water system due to targeting by cyber criminals. He commented on Congressional efforts to address this issue and his support of Staff remaining in charge of water treatment and controlling water rates.

Mayor Trantalis recognized Boyd Corbin, 12 NE 26th Street. Mr. Corbin discussed his recommendations regarding rebuilding *Fiveash*, replacing water pipes and water filtration methods.

Mayor Trantalis recognized Peter Partington, 1521 NE 53rd Street, and Vice Chair of the *Infrastructure Task Force Advisory Committee*

(*ITFAC*). Mr. Partington commented on the *ITFAC*'s request to review the *Proposals*. He discussed the water supply being a natural monopoly. Mr. Partington discussed concerns related to the possibility of generating outsized profits, particularly by cutting costs and quality. He suggested the Commission request *EY* to determine whether there are alternate ways to control the rate and regulate a water utility.

Mayor Trantalis recognized Mark Janay, 34 East 51st Street, New York, on behalf of *IDE*. Mr. Janay commented on meeting Commission goals and objectives towards replacing *Fiveash*. He confirmed sensitivity to physical and cyber security for a new *WTP*.

Mayor Trantalis discussed his perspective and concerns regarding significant increases being proposed for water use and imposing those increases on the community along with open-ended possibilities of additional increases over thirty (30) years. Mr. Janay said he would welcome the opportunity to sit down and discuss price structuring. Further comment and discussion ensued on moving forward.

Vice Mayor Moraitis requested input from the *ITFAC* on the *Proposals* and the option of a *Request for Proposal (RFP)* model versus the *Public Private Partnership (P3) Unsolicited Proposal* model.

Commissioner McKinzie commented on his perspective regarding the impact of the *Proposals* on employees and water rates and Commission examination of the *Proposals*.

In response to Mayor Trantalis' question, Commissioner McKinzie said due to the Commission's involvement and work, he did not wish to defer to the *ITFAC* for its review of the *Proposals*.

Commissioner Glassman commented on his support of an *ITFAC* review of the *Proposals* and inquired about the related timeline. Further comment and discussion ensued.

Commissioner Sorensen confirmed support for an *ITFAC* review of the *Proposals*.

Mayor Trantalis confirmed majority support for *ITFAC* review of the *Proposals* and its opinion regarding the *RFP* model versus the *P3* model.

Marilyn Mammano, *ITFAC* Chair confirmed its ability to review the

Proposals and provide its viewpoint at the *February 15, 2022 Commission Conference Meeting*.

Mayor Trantalis announced there would be no action taken on the *WTP Project* tonight during the *Commission Regular Meeting*. The *ITFAC* would present its evaluation of the *Proposals* at the *February 15, 2022 Commission Conference Meeting*.

BUS-2 [22-0074](#)

Waterway Quality Update - (Commission Districts 1, 2, 3 and 4)

Dr. Nancy Gassman, Assistant Public Works Department - Sustainability Director, narrated a presentation entitled *LAUDERTRAC Waterway Quality Update*. The presentation provided an update on weekly waterway quality monitoring results, benefits of monthly canal cleaning, dredging in response to the 2019-2020 wastewater spills, waterway quality improvement efforts and new initiatives.

A copy is part of the backup to this Agenda item.

In response to Mayor Trantalis' question regarding programs initiated for retrieval of floating debris in City waterways, Dr. Gassman explained this was previously done internally. Through the efforts of the City's vendor and its technology, a program was developed that resulted in a substantial increase in removal of floating debris.

In response to Mayor Trantalis' question regarding the standard acceptable minimum dissolved oxygen (*DO*) level in waterways, Dr. Elizabeth Kelly, *Miami Waterkeeper* Water Quality Research Manager, said in the ninety percent (90%) range and commented on related details. Lower oxygen levels indicate a concern, i.e., bacteria or algae using the oxygen. *Sweeting Park* and *Himmarshee Canal* have consistent low *DO* levels, requiring additional study.

Miami Waterkeeper representatives commented on the dry season versus aspects of the wet season, i.e., additional stormwater and higher water tables, with potential groundwater contamination. Staff is interested in determining what is impacting stormwater and groundwater and whether it is consistent year-round, which would also indicate the bacteria source.

In response to Commissioner Sorensen's question regarding the length of the City's contract with *Miami Waterkeeper*, Dr. Gassman said it was for one (1) year with the option for renewals. The Commission funded an additional year through January 2023.

In response to Commissioner Sorensen's questions regarding the plan to improve challenged waterways, Dr. Gassman commented on the difficulty when there is no defined source. She explained activities and initiatives to identify or reduce impacts listed in the presentation, addressing three (3) concerning water basins, i.e., *Sweeting Park*, *Himmarshee Canal* and *Tarpon River*. Staff would be making significant *Sweeting Park* neighborhood stormwater improvements to address inflow into the *North Fork* of the *New River*. Permanent aeration in the *Tarpon River* is expected to improve the waterway. Over the next six (6) to eight (8) months, one (1) permanent aerator would be installed in each *Tarpon River*, *Himmarshee Canal*, *Cliff Lake*, and *Lake Melba* basin. Dr. Gassman confirmed she would provide information related to those four aerator locations.

Dr. Rachel Silverstein, *Miami Waterkeeper* Executive Director, discussed the ability to assist the public with understanding areas where water quality standards are exceeded and explained efforts implemented in the City of Miami where *Miami Waterkeeper Swim Guide's QR (Swim Guide QR)* signs are posted. Members of the public who download the *Miami Waterkeeper App* can scan the sign's *Swim Guide QR Code* to understand in real-time the quality of that waterway before entering.

In response to Commissioner Sorensen's question, Dr. Silverstein said locations of the *Swim Guide QR* signs are posted at water bodies with heavy recreational use.

Dr. Silverstein discussed the significant number of proactive measures the City has taken to determine pollution sources and cited examples. She suggested moving to molecular source tracking as part of the sampling protocol, which defines the types of bacteria present. She expounded on details and cited examples.

Commissioner Sorensen summarized the three (3) additional measures that could be taken, *Swim Guide QR* signage, continued tracking of pollution sources and molecular source tracking. Dr. Silverstein commented on a document sent to Staff illustrating the process used. She discussed including environmental assessment field notes for molecular source tracking and cited an example.

Dr. Gassman said Staff has designed the *Swim Guide QR* signage for waterway locations. Broward County has done molecular tracking in the past, and the results are confounding. Further comment ensued.

In response to Mayor Trantalis' question, Dr. Gassman noted multiple outfalls in the *Himmarshee Canal* basin with potential inappropriate discharges. Staff will start by cleaning out all pipes. She commented on opportunities in the Las Olas Boulevard stormwater area to improve enforcement of regular illegal dumping into those canals, which is a known concern. Further comment and discussion ensued on related concerns and efforts to address.

Dr. Gassman said there are common threads and unique challenges associated with each basin. Further comment and discussion ensued on sources of inappropriate inflow into waterways.

In response to Commissioner Glassman's question regarding the *Protein Skimmer Program (Program)* being more successful at the saline portions of a waterway, Dr. Gassman explained that protein skimmer technology is used in the saltwater aquarium trade to polish the water quality, which is a saltwater closed-loop system. She cited an example and explained related details.

In response to Commissioner Glassman's question regarding water clarity in some areas of *Himmarshee Canal*, Dr. Gassman explained the related review of data. *Miami Waterkeeper* data indicated that turbidity standards in the *Himmarshee Canal* were not violated during the past six (6) months. A component of waterway quality within the City is freshwater flows from the West and has an iced tea color, a natural outcome of going through peat soils in the *Everglades*.

Dr. Kelly said studies have shown intervention at pollution sources coming from pipe outfalls are more effective and less costly. She discussed green infrastructure helpful for cleaning stormwater.

In response to Vice Mayor Moraitis' question regarding what entity addresses water pollution concerns prior to reaching City waterways, Dr. Kelly said all cities and counties have State-regulated permits to maintain and monitor its systems. Further comment ensued on State regulation, monitoring and compliance, stormwater infrastructure maintenance and the need for municipalities to have a Stormwater Master Plan.

Mayor Trantalis recognized John Milledge, Esq., John Milledge P.A., 200 East Las Olas Boulevard, on behalf of *Clean Waterways*. Mr. Milledge summarized the efforts, results and timelines of *Clean Waterways'* protein skimmer technology and its program (*Program*) with the City. *Clean Waterways* would like to continue working with the City to include

identification of matching funds. He commented on other *Program* efficiencies, reducing costs and maximizing effectiveness. Mr. Milledge noted the *Marine Advisory Board* and the *Broward County Marine Advisory Committee* have endorsed the *Program* as very promising and should be continued and improved.

Mayor Trantalis recognized Dr. Charlie Gregory. Dr. Gregory is a marine veterinarian and a coral expert whose work is focused on the ocean environment. He discussed the importance of coral to the environment and explained the health of animals in the ocean, including coral, dependence on water chemistry, quality, flow, and oxygenation. Dr. Gregory narrated a presentation entitled *Clean Waterways - Foam Fractionation for Environmental Restoration - Fort Lauderdale Water Remediation*.

A copy is part of the backup to this Agenda item.

In response to Commissioner Sorensen's questions regarding *Himmarshee Canal's* turbidity following the departure of the *Program* and the impact of tides, Dr. Gregory said the water remained relatively clear and commented on details. *Program* efforts removed enough pollution to allow marine biology to begin to take effect and discussed examples.

Mayor Trantalis recognized Jeff Maggio, 639 NE 17th Lane. Mr. Maggio, a local fishing guide, commented on his support for the *Clean Water Project* and the *Program*. He commented on his observations regarding waterway cleanup efforts and outflow from pipes in waterways contributing to waterway pollution. Mr. Maggio confirmed his willingness to assist in waterway cleanup efforts.

Mayor Trantalis recognized Boyd Corbin, 12 NE 26th Street, Wilton Manors. Mr. Corbin discussed his viewpoint regarding the need to take additional action to address waterway pollution and commented on the cause of the color of drinking water.

Dr. Gassman explained Staff's review of *Miami Waterkeeper's* data of *Himmarshee Canal* related to *Program* turbidity improvements and discussed related details.

In response to Mayor Trantalis' question regarding the physical results of the *Program*, Dr. Gassman expounded on data related to waterway cleanup efforts and the *Program*. Further comment and discussion

ensued.

Mayor Trantalis commented on visible *Program* benefits. Dr. Gassman reiterated *Program* benefits in a closed-loop system. A cost-benefit analysis would indicate the need to address upstream pollutants rather than funding waterway clean up in an open system.

Dr. Gregory explained observations following the 2019-2020 sewage spills during waterway assessment. Further comment and discussion ensued.

RECESS

Mayor Trantalis recessed the Commission Conference Meeting at 5:29 p.m.

RECONVENED

Mayor Trantalis reconvened the Conference Meeting at 7:58 p.m.

CITY COMMISSION REPORTS

Members of the Commission announced recent and upcoming events and matters of interest.

Comment and discussion ensued on the *Bahia Mar Project (Project)*. In response to Commissioner Glassman's question regarding an update on the *Ernst and Young (EY)* analysis of the *Project*, City Auditor Herbst noted the *Project's Scope of Work* needs to be consistent with the *Master Agreement*.

In response to Commissioner Glassman's question regarding *the One Stop Shop* financial analysis, City Auditor Herbst commented that *EY* received a second set of *Project* updates from the applicant last week and are under review.

Commissioner Glassman commented on resident and business complaints regarding repairs to *SW Second Street* near the railway tracks. Alan Dodd, Public Works Department Director, provided an update. Following approval of two (2) change orders, Staff would get a schedule from the contractor regarding how quickly the contractor can mobilize to open the road and allow two (2) way traffic flow that is estimated to take approximately one (1) month. Completion of all work is estimated at three (3) to four (4) months.

Mayor Trantalis discussed attending the ribbon-cutting event for the *Cordova Road Seawall Project* and ground-breaking events for stormwater improvement projects in the *Edgewood Neighborhood* and *Riverland Neighborhood*.

CITY MANAGER REPORTS

City Manager Lagerbloom discussed correspondence from *Broward County Transit (BCT)* that indicated it would be entering into a consulting contract to review managing its bus transit operations from the eastern portion of the City Hall ground-level parking deck. Should the *Joint Government Complex Project* move forward, the east part of the City Hall ground-level parking deck would be a suitable temporary location for the *BCT Bus Station*. This would not remove all ground-level parking. He inquired about Commission objection. The Commission confirmed no objection. Further comment and discussion ensued regarding scheduling a *Unified Direct Procurement Authority (UDPA) Meeting with Fort Lauderdale City Commission and the Broward County Commission*.

Mayor Trantalis remarked that Broward County plans to send a delegation to a business conference in Dubai, United Arab Emirates, at the end of March 2022. He commented on related conversations, explained those attending would need to pay their costs and inquired about Commission Members' interest in attending. City Manager Lagerbloom commented on sending a small delegation and sharing a conference booth with Broward County. He requested Commission Members advise plans to attend.

City Attorney Boileau requested guidance regarding a proposed change to Commission resolutions that would include a block with Commission Member names indicating their vote. Further comment and discussion ensued on utilizing the new form for resolutions. Four (4) Commission Members confirmed the new resolution format.

ADJOURNMENT

Mayor Trantalis adjourned the meeting at 8:15 p.m.