

**Central Wastewater Region Large User Advisory Board Meeting
Wednesday, January 30, 2008 – 1:30 p.m.
Island City Park Preserve, Wilton Manors**

Voting Members Present:

Julie Leonard, City of Fort Lauderdale/Assistant Utilities Services Director, Operations
Bob Mays, City of Fort Lauderdale/Treasurer
Victoria Minard, City of Fort Lauderdale/Assistant City Attorney
Dave Womacks, City of Oakland Park/Public Works Director
David Archacki, City of Wilton Manors/Public Services Director

In Attendance:

Miguel Arroyo, City of Fort Lauderdale/Water and Wastewater Treatment Manager
Robert Nielsen, City of Fort Lauderdale/Technical Services Manager
Mark Darmanin, City of Fort Lauderdale/Distribution and Collection Systems Manager
John McGeary, City of Fort Lauderdale/Acting Wastewater Treatment Facility Manager, GTL
Susan LeSage, City of Fort Lauderdale/Utilities Financial Administrator
Pat Long, City of Fort Lauderdale/Environmental Laboratory Manager
Susan Smith, City of Oakland Park/Assistant Public Works Director
Rita Leseberg, City of Wilton Manors/Public Works Administration
Neil Buckeridge, Town of Davie/Superintendent of Operations
Tim O'Neil/Camp Dresser & McKee
Shani Bryce/Camp Dresser & McKee

Welcome – Julie Leonard

Julie welcomed everyone and called the meeting to order at 1:35 p.m. by thanking everyone for attending this quarterly meeting.

Introduction of Advisory Board Members and Guests

All attendees introduced themselves.

Approval of August 21, 2007 Minutes

Miguel Arroyo made a motion to approve the minutes and Dave Womacks seconded it. A vote to pass the minutes was unanimous.

Update on the G.T. Lohmeyer Wastewater Treatment Plant – John McGeary

Construction Project Updates

- Security System Project
The new plant fencing and new entrance gates were installed in July 2007 and final punch listing is underway and should be completed by Spring 2008.
- Influent Screening Equipment
New Auger monsters were installed in 2005. When the second unit was installed, the first installed unit suffered a major failure. New style auger monsters have been designed and four new units were installed. Certificate of Significant Completion was issued in July 2006. The warranty period commenced in August 2006; the project is

nearing final closeout. We still have issues with the new system; equipment has failed on a fairly consistent and premature basis. Discussions have ensued with the manufacturer regarding remedies and the manufacturer extended the warranty to August 2008.

- Concrete Repair Pretreatment Flow Distribution Chambers – Work began in August 2007. The South Effluent Box was completed January 2008 and North Effluent Box work is scheduled to begin mid-February 2008. Influent channel concrete repair and an additional new 54" force main tie-in are to commence later in CY 2008.

Additional Ongoing Projects:

- Flow Distribution Gate Replacement - delayed as a result of concrete repair.
- Emergency Plant Generator replacement is underway.
- Cryogenic Facility Instrumentation System Upgrades - scheduled for CY 2008.
- Sludge Pump Station Rehabilitation - Sludge Pump Station No. 1 is now fully operational and final punch list work is ongoing. Sludge Pump Station No. 2 is fully operational and final punch list work is ongoing. Work on Sludge Pump Station No. 3 is in progress, approximately 75% complete.
- Work on the Non-Potable Water Pumping Station is in progress and is approximately 10% complete.
- Electrical System Upgrades - Notice to Proceed was issued in February 2006. The old equipment was demolished. Concrete housekeeping pads were formed. New transformers, switches and control systems were installed and cutover is in progress, approximately 85% complete.
- Air Conditioning System Upgrades (Effluent Building) - Notice to Proceed issued in February 2006. Work began in August 2007 with an expected completion date in Spring 2008.
- Sludge dewatering feed pump replacement – All eight pumps are installed and in use. Vibration testing and redundant signal switch installation is scheduled for January 2008 followed by final punch list work.

Capacity Issues

The Master Plan was complete in July 2007 and indicates that theoretical instantaneous effluent disposal velocity may soon be reached (2008). Options to managing that challenge may include the installation of a sophisticated MBR (Membrane Bioreactor), which can produce water quality that can be utilized for irrigation, canal recharge, salinity barriers or other non-potable purposes.

The City of Fort Lauderdale, continuous with an aggressive program to reduce infiltration and inflow (I&I), is expected to reduce the peak flows into the plant. Another alternative includes the installation of an additional (sixth) deep injection well. Newly enacted federal and state regulations call for additional treatment prior to disposal in future injection wells. Currently GTL has no provisions for providing additional treatment. The cost for installation of additional filtration systems and high level disinfection, including fixed operational costs, is unknown at this time but it is anticipated to be various orders of magnitude higher than the cost of just an injection well. The general wastewater consultant has been assigned a task to evaluate the various end use and disposal alternatives.

Operational Issues

The GTL Facility has been meeting or exceeding all regulatory requirements. Future rule revisions are currently in a draft process. Some of the revisions address the need for modifying

operator licensing requirements, biosolids disposal and wastewater reuse. The City of Fort Lauderdale has partnered with the City of Margate, Town of Davie, City of Plantation and Broward County to conduct a study to evaluate biosolids treatment and disposal on a regional basis. Counties throughout the State have established coalitions to examine this challenge and to develop solutions that provide the best available technology at a reasonable cost. The study will take about a year to complete. Currently the GTL Facility has some of the lowest costs for sludge disposal in the area but this is expected to change when the available disposal capacity at Broward County's Central Landfill is consumed.

Budgetary Issues

There are no remarkable budgetary complications at this time. Budget development was completed in March 2007 for the FY2007/2008 budget. External influences such as increases in fuel, chemicals, insurance and electric power are anticipated for next year's budget cycle. The City received notice that FP&L is scheduled to file its projected fuel adjustment charges and customer bills for 2008 with the Florida Public Service Commission. The Department of Energy's Energy Information Administration (EIA) is forecasting a 5% increase in electricity prices for commercial customers in the South Atlantic Region in 2008.

Miguel made a comment that chemical costs have skyrocketed over the last five years and have doubled in some cases.

Employee Highlight

Our staff, consisting of operational, laboratory, mechanical and collection system personnel, participated in the State of Florida "Operator's Challenge" in April 2007. They defended their title once again. They have been the State of Florida Champions six years in a row but lost last year to Orange County. The final score tabulation resulted in a second place ranking in the State and an invitation to the National competition.

This difficult competition tasks mental as well as physical abilities in solving real-life situational problems as they relate to wastewater treatment, laboratory skills, safety, pipe replacement, pump maintenance and repair, and process control. The team competed at the national level in San Diego, California in October 2007 and placed sixth in the nation out of 32 teams from across the United States and Canada, who are in their division.

Rate Calculations – Susan LeSage

Susan distributed three spreadsheets for the Advisory Board's review. She first drew the attention of the Board to the Computation of Rates to be Charged spreadsheet. She explained that Central Accounting has completed the year-end audit and these financials are final. The actual rate for 2006/2007 is \$0.78 per 1,000 gallons resulting in refunds for each large user. She further explained that this low rate was caused by a credit in the debt and bond cost and higher than expected interest earnings. The City of Fort Lauderdale was originally going to finance several sewer projects through 2003 Revenue Bonds but, instead, funded them through the State Revolving Funds Loan, which is cheaper. In addition, Susan discussed the drought surcharge that was charged to each large user last fiscal year. The City of Fort Lauderdale has determined this surcharge should not have been charged and it will be refunded. Susan then referred the board to the Refund Spreadsheet, which detailed their rebates including their non-drought, drought surcharge, and bond expenses reclass refund.

Susan then discussed the final spreadsheet, which detailed the expenses for the Central Region through the first quarter of the current year (2007/2008). At this point, the year-to-date costs are

under-budget. She emphasized that it is very early in the year and she will have more to report at the next meeting on May 14.

Dave Womacks asked when the refund checks would be issued and Bob Mays advised that as soon as the paperwork is processed the large users would receive their refund checks.

Old/New Business

Re-Use Plans

Julie asked Shani Bryce for an update on the work CDM is doing on the Re-Use Feasibility Study. Shani advised that right now they are doing a lot of preliminary work with the data they were provided and have identified potential satellite treatment sites for the MBR facilities. A decision needs to be made regarding where the reuse will be used - for irrigation or canal recharge, and CDM is considering force mains in the area that link to GTL. CDM is meeting with Miguel on Friday, February 1 to discuss this issue further.

Miguel advised that the Re-Use Study was started as a way of achieving multiple target resolution. When we have to build a sixth injection well, by having reuse, it would reduce the cost because of the regulation change that requires high level disinfection with 15 minutes minimum contact time; there are a lot of additional costs at the plant and reuse can help control the cost significantly by not having to build the sixth injection well. In addition, we wouldn't have to expand the clarifiers that will be the next bottleneck at the plant. On the other hand, a Reuse Study, if used in a way that we get a credit from SFWMD, also helps with our Consumptive Use Permit that allows more access to cheaper water and achieves the other target of improving our Consumptive Use Permit. From a political standpoint, it also helps that the City and its large users will have some form of re-use. The study should be done in June/July.

Dave Womacks asked if the capital funding for another injection well or other facilities have been incorporated into the 20-Year Plan. Miguel advised that it has not been put into the 20-Year Plan because there are too many variables; especially with the injection rule change. The Reuse Study is in the preliminary study stages now but it has the potential in the future to impact the large user rate structure. Miguel said we are trying to minimize the potential impact because not only does this have the potential to affect wastewater but, if we don't get the cheaper water for the Consumptive Use, it can affect the water side also.

Pat Long mentioned that the rule was implemented and we had to expand even though we voiced our dissenting opinion on the rule.

Miguel stated that he received information on new legislation being proposed that would force all utilities that either have injection wells or outfalls to be advanced treatment with membranes or some kind of filtration system beyond the secondary system of treatment that we have. It has very far-reaching cost implications because we don't have the land to build; we're talking tens or hundreds of millions to implement the advanced wastewater treatment. Miguel prepared preliminary comments and forwarded them to our consultant and the Southeast Florida Utility Council President so he can disseminate this information to the rest of the members.

Dave Womacks asked if this proposal is in lieu of shutting down the ocean outfalls. Miguel said the proposal would eliminate all new outfall construction or expansion of any outfalls. For those that remain in place, it puts certain limits on advanced treatment. After 2025, one of the limits will be that the only way you can use an outfall is your re-use facility cannot dispose of the water because there is too much rain so you can only dispose up to 30%. We have an outfall, which was used during the hurricanes because normally we lose power to the plant. Julie has a copy of the proposal and can e-mail it to anyone who is interested in having a copy.

Mark stated that CDM and Poole and Kent, working with our Waterworks 2011 Division, are going to be doing some work on Fort Lauderdale's B Repump Station, located at the Coral Ridge Country Club. Poole and Kent has been asked to set up a meeting with Oakland Park and Wilton Manors to discuss exact dates/times because their cities may be affected. The work is scheduled for February, Mark does not have the exact dates. They are anticipating a mid-week shutdown of the repump system and it's going to go on a by-pass so the flow will move. CDM and Poole and Kent have performed the calculations and it is expected Oakland Park and Wilton Manors will see a 10 psi increase at their pump stations, but still be able to pump against the increased psi.

Utility Rate Study

Dave Womacks asked about the surcharge on water and Julie replied that the large users will still pay the surcharge and this has nothing to do with the large user agreement.

Julie stated that we are preparing an RFP for a complete rate study; the draft is written and Julie is working with Procurement about the schedule. Julie's goal is to go to the Commission with it in September and have new rates go into effect October 2008. This may be an aggressive goal but we will try to expedite the study since it needs to get done. Many of the other utilities are also reviewing their rates to ensure that revenue isn't lost due to droughts, etc. Dave Womacks advised that Oakland Park's new rate structure goes to the Commission in February/March.

Dave Womacks asked how the City's Rate Study would impact the wastewater large users and Julie stated that it should not have any effect. The rate will still be set in this forum, at one of our quarterly meetings. It will be what we charge our customers. Bob Nielsen stated that this rate study would concentrate on all other rates but the wastewater large user rate.

David Archacki asked if the only rate that will be changing now is the surcharge and Julie replied that we will no longer charge the surcharge. The large users will get a credit back. David mentioned that they would then need to pass the credit along to their residents.

Bob Mays advised that the large users will pay exactly what it costs the region but the drought surcharge will be applied to water.

Next Meeting

The next meeting will be held on Wednesday, May 14, 2008 at 1:30 p.m at the Peele-Dixie Water Treatment Plant, 1500 S. State Road 7 (441), Fort Lauderdale, FL 33317. Following the meeting, we will have a tour of the new membrane plant.

Bob Mays made a motion to adjourn the meeting and David Archacki seconded it. The meeting adjourned at 2:10 p.m.

MG
2/14/08

S/Shared Cabinet/Departmental/Administration/WW Large Users