

**Minutes of the Quarterly Meeting of the
South Central Regional Wastewater Treatment and Disposal Board
Held on January 20, 2011 at the Treatment Plant
1801 North Congress Avenue, Delray Beach, FL 33445**

Present

Boynton Beach

Mayor Jose Rodriguez
Commissioner Woodrow Hay
Commissioner Steven Holzman

Delray Beach

Chairman Fred Fetzer
Mayor Nelson McDuffie
Vice Mayor Adam Frankel
Deputy Vice Mayor Angeleta Gray

A. CALL TO ORDER

Meeting was called to order at 5:15 p.m. by Chairman Fetzer.

B. ROLL CALL

Roll call was performed and a quorum was present

C. PROOF OF NOTICE OF MEETING

Mr. Coates confirmed that the Notices were posted at both City Halls on January 13, 2011 and that proof was included in the Board Agenda packet.

D. ADDITIONS AND/OR DELETIONS TO AGENDA

There were no additions or deletions to the Agenda

**E. ACCEPTANCE AND/OR CORRECTION TO MINUTES OF REGULAR MEETING
HELD OCTOBER 21, 2010. (ITEM E)**

**MOTION WAS MADE BY MAYOR MCDUFFIE TO ACCEPT MINUTES; MOTION WAS
SECONDED BY COMMISSIONER HAY. MOTION CARRIED 7-0.**

F. REPORT OF OFFICERS, COMMITTEES AND EXECUTIVE DIRECTOR

Mr. Coates stated that at the present time, we have \$ 1.412M in cash plus an additional \$ 454,717 in accounts receivable from the Cities which we expect to receive within the next few days. Mr. Coates explained that we average \$ 500,000 a month for expenditures. We therefore will have sufficient cash to pay our bills for this month. At the present time, we have \$ 3.375M in Repair and Replacement account. Of this amount, \$ 2.26M is currently committed on various plant projects; leaving us with

\$1.11M available in R&R account. This account provides us with funds for projects under contracts and additional repairs that will be needed in the near future.

PLANT O&M

Mr. Coates reviewed the following revenues and expenditures for the Plant's Operation and Maintenance; revenues from usage were budgeted for \$6.052M and the projected revenue for this fiscal year is \$5.897M.

Mr. Coates detailed the expenditures as follows:

Expenditures in personnel were budgeted at \$1.561M and the projected amount is \$1.561M.

Expenditures in services were budgeted at \$1.680M and the projected amount is \$1.615M.

Expenditures in Operations and Maintenance were budgeted at \$2.002M and the projected amount is \$1.860M.

Expenditures in Chemicals and Supplies were budgeted at \$714,000 and the projected amount is \$695,000.

Overall revenues over expenditures as of December 31, 2010 are \$161,245.

RECLAIM O&M

Mr. Coates stated that the revenues for the Reclaim O&M were budgeted for \$1.082M and the projected revenue for this fiscal year is \$1.085M.

Mr. Coates detailed the expenditures as follows:

Expenditures in personnel were budgeted at \$155,000 and the projected amount is \$156,720.

Expenditures in services were budgeted at \$67,285 and the projected amount is \$62,100.

Expenditures in Operations and Maintenance were budgeted at \$549,000 and the projected amount is \$524,492.

Expenditures in Chemicals and Supplies were budgeted at \$272,010 and the projected amount is \$265,872.

Overall revenues over expenditures are \$75,409.

c. Review draft of Audited 2009/2010 Financial Statements
Presented by Nicole Mannarino of Marcum LLP Accountants

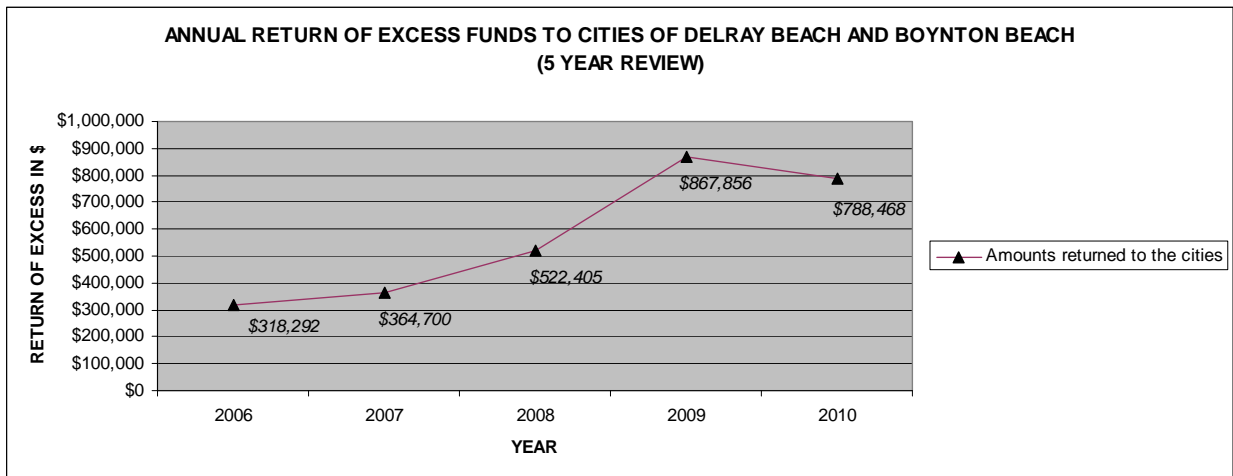
At this time, Nicole Mannarino of Marcum LLP Accountants presented the auditors' findings of the Board's 2009/2010 Finances. Marcum gave the Board a clean opinion.

1. ACCEPTANCE OF FISCAL YEAR 2009/2010 AUDITED FINANCIAL STATEMENT (ITEM F1C(1))

MOTION WAS MADE BY DEPUTY VICE MAYOR GRAY TO ACCEPT THE AUDITED FINANCIAL STATEMENT; MOTION SECONDED BY MAYOR MCDUFFIE. MOTION CARRIED 7-0.

2. MOTION TO RECOMMEND RETURN OF EXCESS FOR THE 2009/2010 FISCAL YEAR IN THE AMOUNT OF \$788,468. CITY OF BOYNTON BEACH \$438,433 AND CITY OF DELRAY BEACH \$350,035. (ITEM F1c(2))

Due to cash flow restraints, return to occur in two installments scheduled for February and March; in the amounts of \$219,217 (February) and \$219,216 (March) for the City of Boynton Beach and \$175,017 (February) and \$175,018 (March) for the City of Delray Beach.



MOTION WAS MADE BY VICE MAYOR FRANKEL AND SECONDED BY MAYOR MCDUFFIE. MOTION CARRIED 7-0.

MOTION TO ACCEPT CURRENT FINANCIAL STATEMENT WAS MADE BY COMMISSIONER HAY AND SECONDED BY DEPUTY VICE MAYOR GRAY. MOTION CARRIED 7-0.

2. EXECUTIVE DIRECTOR'S REPORT

a. Compliance and Operational Status Report (ITEM F2a)

First Quarter Report – Plant is in full compliance with regulatory requirements.

Mr. Coates explained that the Plant average flow for the current fiscal year is 15.42 MGD. Of this flow, Delray's flow was 6.48 MGD accounting for 42% and Boynton Beach's flow as 8.94 MGD accounting for 58%.

He stated that two of our main operating parameters used to determine how effectively the Plant is operating are total Suspended Solids (TSS) and Carbonaceous Biological Oxygen Demand (CBOD)

Our average Reclaim TSS and CBOD were 0.73 and 2.92 mg/L well under the limits required by FDEP Operating Permit.

b. Biosolids Pelletization Project (ITEM F2b)

On November 9, 2010 we were notified the arbitration panel ruled in favor of NEFCO for the amount of \$1,335,871 in addition the arbitration panel has agreed to hear NEFCO's claim for attorney's fees and claims preparation costs. Due to the fact the award was over \$500,000 the judgment is non-binding. It is estimated the fee claim and attorney's costs on both sides (NEFCO & SWA) is approximately \$2.5 to 3.0 million dollars. At this point, it appears SWA is going to attempt to settle the claim with NEFCO. The Board's portion of the responsibility ranges from 18 to 21 percent of the total claim. The range is dependent upon East Central Regional's inclusion into the Pelletization Facility.

Mr. Coates stated that he will keep the Board informed as he receives more information.

c. Odor Complaint Log (November 1, 2010 through January 10, 2011) (ITEM F2c)

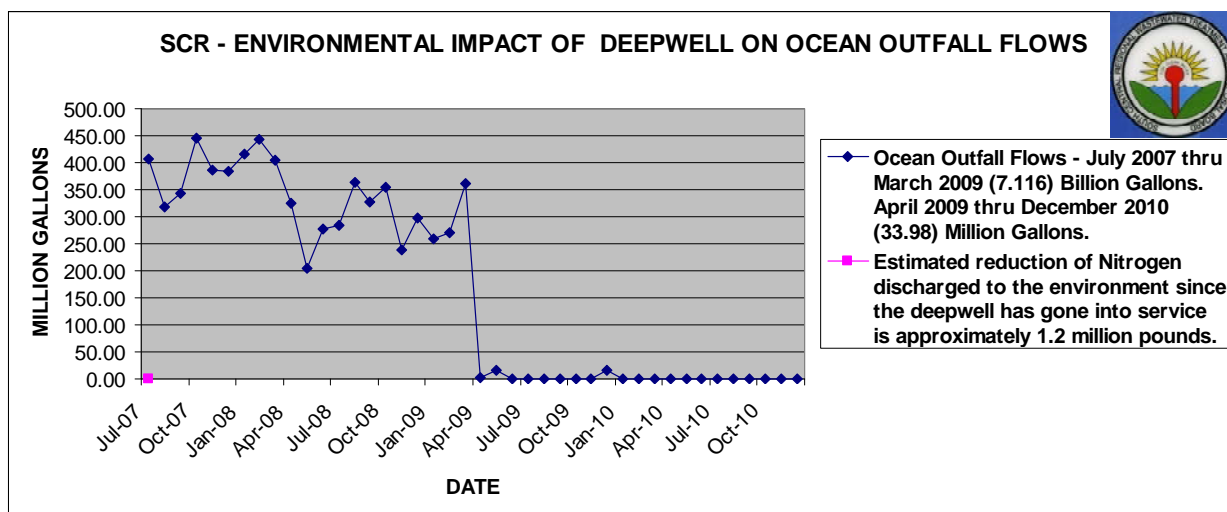
This was a very good quarter; there were no odor complaints. There were only five odor complaints for the entire calendar year of 2010.

d. Deep Injection Well Permit (ITEM F2d)

On Wednesday, January 12, 2011 the Draft Operational Permit was issued to the Board. A Public Notice of the Intent to Issue must be published in a local newspaper with a public meeting to occur 30 days after publication. The date and time for the meeting has yet to be

established. The meeting will be held in the conference room of South Central Regional.

It has been 21 months since the ocean outfall was closed and the deep injection well put into service. The environmental impact is reflected in the graph below.



Mr. Coates stated that we should have our operating permit for the deepwell sometime in the next 60 days.

Mr. Coates went on to explain the above graph and the benefits that the deepwell has had on our ocean outfall discharges.

e. Secondary Clarifier Rehabilitation and Stormwater Improvements (ITEM F2e)

The Building Permit for the work has been received and the Notice to Proceed was issued to Garney Construction on December 20, 2010. Estimated construction time is approximately 520 days.

f. Headworks and Stormwater System Improvement Project Closeout (ITEM F2f)

All work related to the project has been completed. We are in the process of working with the Hartford Casualty Insurance Company and Intrastate Construction to finalize and complete the final payment application and associated contract documents. The final payment amount is \$106,435.17.

QUESTIONS

CITIZEN'S COMMENTS

Mr. Sadofsky of the Pines stood and stated that they had instituted a new policy whereby residents would call him with their odor complaints instead of calling the Plant. Mr. Coates explained that we needed to be told immediately of the complaints so that we could find the cause and rectify the issue.

MOTION TO ACCEPT EXECUTIVE DIRECTOR'S REPORT WAS MADE BY COMMISSIONER HAY AND SECONDED BY DEPUTY VICE MAYOR GRAY. MOTION CARRIED 7-0.

3. BOARD ATTORNEY'S REPORT

a. ROGER SABERSON (ITEM F3a)

1. Headworks and Stormwater System Improvements Project.
2. T-Mobile South LLC/Md7 Capital Three LLC.
3. Solid Waste Authority-New England Fertilizer case.
4. Interlocal Agreement Creating the Board.
5. Hazen and Sawyer Contract.
6. Insurance Checklist

MOTION TO ACCEPT BOARD ATTORNEY'S REPORT WAS MADE BY COMMISSIONER HOLZMAN AND SECONDED BY MAYOR MCDUFFIE. MOTION CARRIED 7-0

QUESTIONS

4. ENGINEER'S REPORT

a. HAZEN AND SAWYER (ITEM F4a)

1. Headworks and Stormwater System Improvements
2. Deep Injection Well System
3. Secondary Clarifier Rehabilitation and Stormwater System Improvements
4. Process Blower Local Control Panel Replacement

QUESTIONS

MOTION TO ACCEPT ENGINEER'S REPORT WAS MADE BY VICE MAYOR FRANKEL AND SECONDED BY COMMISSIONER HAY. MOTION CARRIED 7-0.

G. CONSENT AGENDA: *Executive Director recommends approval (Board Members may request that any item be removed for discussion.)*

1. *Notification of Board expenditures in the amount of \$ 35,607 from October 1, 2010 through December 31, 2010. (Required for expenditures between \$10,000 and \$25,000)*
 - a. **Replaced 2006 Dodge Caravan with 2011 Ford F250 Pickup \$20,607 – Line Item Number S535807.39, Equipment Numbers 067-021 and 067-026. Vehicle purchased via state contract.**
 - b. **Replacement of Reclaim Chlorine supply line (estimated \$15,000) - Line Item Number S535807.46, Equipment Number 066-11205 Replace chlorine supply lines from storage tanks to reclaim facility. Older lines were showing signs of deterioration. New lines provide better protection against possible leakage.**
2. *Authorization to renew the contract between South Central Regional Wastewater Treatment and Disposal Board and Luna Landscaping dated March 1, 2009. This is the second year of the two one-year terms of renewal for the sum of \$ 831.00 per month for Lawn Services for the length of contract in the North Area and additional sum of \$586.00 per month for the length of the contract in the South Area for a total of \$1,417.00 per month.*

MOTION TO APPROVE CONSENT AGENDA WAS MADE BY MAYOR MCDUFFIE AND SECONDED BY VICE MAYOR FRANKEL. MOTION CARRIED 7-0.

H. ITEMS REMOVED FROM CONSENT AGENDA FOR DISCUSSION

There were no items removed from the Consent Agenda.

I. UNFINISHED BUSINESS

There was no unfinished business to be discussed.

J. NEW BUSINESS

1. EXECUTIVE DIRECTOR'S REVIEW COMMITTEE REPORT (ITEM J1)

Chairman Fetzer summarized the meeting that was held discussing Mr. Coates' achievements and goals for the upcoming year.

Recommendation was made to hold salary at current level, based on the conditions that the cities are experiencing at this time.

Commissioner Rodriguez stated that Dennis has done a good job and that the commissioners have a lot of confidence in Mr. Coates.

Mayor McDuffie stated that the Board is very professionally run and that the leadership and employees at the Plant do a very good job. Mayor McDuffie wanted the Board to know that leaving the salary recommendation flat had absolutely no reflection on the great job that Dennis is doing at the Plant.

MOTION TO ACCEPT EXECUTIVE DIRECTOR'S REVIEW COMMITTEE REPORT WAS MADE BY COMMISSIONER HAY AND SECONDED BY VICE MAYOR FRANKEL.

2. ***AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH HAZEN AND SAWYER, P.C. FOR GENERAL CONSULTING SERVICES FOR A PERIOD OF THREE YEARS WITH THE OPTION TO RENEW FOR THREE ADDITIONAL ONE YEAR PERIODS. (ITEM J2)***

On October 21, 2010, the Board ratified the Engineering Services Committee rankings and authorized me to begin contract negotiations with Hazen and Sawyer.

MOTION WAS MADE TO GIVING AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH HAZEN AND SAWYER FOR GENERAL ENGINEERING SERVICES BY COMMISSIONER HOLZMAN AND SECONDED BY VICE MAYOR FRANKEL. MOTION CARRIED 7-0.

3. ***REQUEST FOR RENEWAL OF AUDITING SERVICES OF MARCUM LLP FOR FISCAL YEAR ENDING SEPTEMBER 30, 2011, FOR AN ESTIMATED AMOUNT OF \$37,500. (ITEM J3)***

MOTION WAS MADE BY COMMISSIONER HOLZMAN AND SECONDED BY VICE MAYOR FRANKEL. MOTION CARRIED 7-0.

K. PUBLIC AUDIENCE

L. ADJOURNMENT

MOTION WAS MADE BY COMMISSIONER HAY AND SECONDED BY MAYOR MCDUFFIE. MOTION CARRIED 7-0.