

**Minutes of the Quarterly Meeting of the
South Central Regional Wastewater Treatment and Disposal Board
Held on May 5, 2011 at the Treatment Plant
1801 North Congress Avenue, Delray Beach, FL 33445**

Present

Boynton Beach
Commissioner Woodrow Hay
Commissioner William Orlove
Commissioner Marlene Ross

Delray Beach
Chairman Fred Fetzer
Commissioner Adam Frankel
Commissioner Angeleta Gray

A. CALL TO ORDER

Meeting was called to order at 5:00 p.m. by Chairman Fetzer

B. ROLL CALL

Roll call was performed and a quorum was present.

C. PROOF OF NOTICE OF MEETING (ITEM C)

Mr. Coates confirmed that the Notices were posted at both city halls on April 14, 2011 and the notices could be found in the agenda packet.

D. ADDITIONS AND/OR DELETIONS TO AGENDA

There were no additions or deletions to the agenda; however, Commissioner Ross stated that she is no longer the Vice Mayor of Boynton Beach, that Commissioner Orlove is now the Vice Mayor.

E. ACCEPTANCE OR CORRECTIONS TO MINUTES OF MEETING HELD JANUARY 20, 2011. (ITEM E)

MOTION WAS MADE BY COMMISSIONER HAY TO ACCEPT THE MINUTES; MOTION WAS SECONDED BY COMMISSIONER GRAY. MOTION CARRIED 6-0.

F. ELECTION OF OFFICERS (CHAIRMAN, VICE-CHAIRMAN, SECRETARY, TREASURER).

Chairman and Secretary from Boynton Beach; Vice Chairman and Treasurer from Delray Beach.

1. *Each office must be voted on separately.*

Chairman Fetzer explained that his term of Chairman was up and that the Board must elect new officers. He stated that the Chairman was to be from Boynton Beach, the Vice Chairman from Delray Beach, the Secretary from Boynton Beach, and the Treasurer from Delray Beach.

Chairman Fetzer opened the floor to nominations for a new Chairman. Commissioner Orlove nominated Commissioner Steven Holzman as Chairman with Commissioner Hay seconding the motion.

Before the voting was put in front of the Board, Board Attorney Roger Saberson advised the Board of the following:

He stated that Commissioner Holzman made it very clear to him after the end of the last Board meeting, that he does not want to be here. Mr. Saberson referred to the letter that was sent to all Board members during the last quarter regarding attendance requirements in order to establish a quorum at Board meetings. Mr. Saberson indicated the letter was in response to the request made by Commissioner Holzman to investigate if his physical presence was needed at the meetings or could he participate by another means of communication such as teleconferencing. Mr. Saberson stated he just wanted to let the Board know this and that they could do whatever they wanted to do.

After some lengthy discussion among Board members, the Executive Director and the Board Attorney regarding the responsibility of elected officials to sit on Boards, and prior Board nominations, Commissioner Orlove withdrew the nomination of Commissioner Holzman and nominated Commissioner Marlene Ross of Boynton Beach as Chair. Motion was seconded by Commissioner Hay. Motion carried 6-0

"Correction/Clarification: At the Board meeting of July 21, 2011 the Board Attorney advised the Board that after the draft minutes for the meeting of May 5, 2011 were sent out Mr. Holzman called him and indicated that he had misunderstood Mr. Holzman's intent."

After accepting the nomination as Chair, Marlene Ross took over the presiding of the meeting.

The next position to be voted on was Vice Chairman, from the City of Delray Beach. Commissioner Frankel nominated Deputy Vice Mayor Tom Carney. Motion was seconded by Commissioner Gray. Motion carried 6-0.

Secretary from Boynton Beach was the next position to be nominated. Commissioner Hay nominated Mayor Jose Rodriguez with Commissioner Orlove seconding the motion. Motion carried 6-0.

Commissioner Frankel nominated Mayor Woodie McDuffie as Treasurer. Motion was seconded by Commissioner Gray. Motion carried 6-0.

G. REPORT OF OFFICERS AND COMMITTEES

1. CURRENT FINANCIAL STATEMENTS

a. Balance Sheet (through March, 2011) (ITEM G1a)

Current Financial Position

Cash on Hand	\$ 923,669
Accounts Receivable from Cities	\$ 490,964
Excess Return Due to Cities	\$ 394,234
Repair and Replacement Cash	\$ 3,795,963
Repair and Replacement Committed	\$ 2,206,959
Repair and Replacement Available	\$ 1,589,004

Mr. Coates reviewed the numbers listed above stating that we are in a pretty standard position as far as the cash on hand. Mr. Coates stated that we do not generally carry more than a months worth of cash on hand for operating expenses.

Mr. Coates asked the Board to review the chart of cash on hand (revenue). He created a flow chart showing total flows for billing. Right now the total flow is 15.7 we budgeted 16.8 which is historically low. Mr. Coates went on to explain how much the drought was affecting the plant, both with influent and effluent.

b. Budget Variance & Cash Projection (through March 2011) (ITEM G1b)

PLANT O&M

Item	Revenues		Item	Expenditures	
	Budgeted	Projected		Budgeted	Projected
User Charges	\$6.052M	\$5.502M	Personnel	\$1.56M	\$1.553M
			Services	\$1.68M	\$1.537M
			O&M	\$2.00M	\$1.822M
			Chemicals and Supplies	\$ 714K	\$ 699K

Driest winter on record in addition to reduced potable water demand has caused influent flow to be significantly below our historical average.

*Projected revenues versus projected expenses (-\$106,533).

Mr. Coates discussed the above numbers stating that we are doing ok right now, but it's going to be close due to the low flows. Due to the loss of revenue, because of the low flows we are showing a negative \$106,533.

RECLAIM O&M

Item	Revenues		Item	Expenditures	
	Budgeted	Projected		Budgeted	Projected
User Charges	\$1.082M	\$1.051M	Personnel	\$155K	\$152K
			Services	\$ 67K	\$ 52K
			O&M	\$549K	\$478K
			Chemicals and Supplies	\$272K	\$254K

*Projected revenues versus projected expenses \$112,971.

Mr. Coates explained the revenues and expenditures of the Reclaim O&M. Mr. Coates again reiterated that even since putting this report together, the flows have dropped.

He stated that this is beneficial to the Cities in that they do not have to pay us the revenue, but it makes it more difficult for the Board itself. Mr. Coates stated that he is hopeful that we will balance out by years end. There just will be a lower return than normal to the cities.

Chairperson Ross questioned when the last time the flows and revenue were this low to the Plant. Mr. Coates responded that it was in the early 2000's maybe 2002-2003 when we had a drought year. But at that time there was more in the budget to handle it, however, with the budget cuts, we are running on exactly what it costs us to treat the water.

c. Return of excess for the 2009/2010 Fiscal Year budget. (ITEM G1c)

Motion to return the remaining 50% excess for the 2009/2010 Fiscal Year in the amount of \$219,216.00 to Boynton Beach and \$ 175,018.00 to Delray Beach.

The initial return occurred on February 17, 2011. Boynton Beach received \$ 219,216.00; City of Delray Beach received \$ 175,018.00

Mr. Coates stated that there is no need for a motion on this agenda as the Board gave us approval at the last meeting to return the entire amount. He put it on this agenda because he was going to have some discussion as to whether or not to hold these monies back for the Solid Waste Authority which had costs overruns. After speaking with the cities it was determined from an auditing standpoint, that the best thing to do was to close out the fiscal year and treat the Solid Waste Authority as a separate item next year. The funds have already been returned to the Cities.

QUESTIONS

MOTION TO ACCEPT REPORT OF OFFICERS AND COMMITTEES WAS MADE BY COMMISSIONER GRAY AND SECONDED BY COMMISSIONER HAY. MOTION CARRIED 6-0.

2. EXECUTIVE DIRECTOR'S REPORT

a. Compliance and Operational Status Report (ITEM G2a)

Second Quarter Report

Mr. Coates explained that the Plant's average flow for FY 2010/2011 is 15.72 MGD. Of this flow, Delray's flow was 6.61 MGD accounting for 42% and Boynton Beach's flow was 9.11 MGD accounting for 58%.

Mr. Coates 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 TSS and CBOD were 0.66 and 2.17 mg/L well under the limits required by FDEP Operating Permit.

b. Florida Department of Environmental Protection Industrial Pretreatment Update (ITEM G2b)

In May 2010, the FDEP made revisions to F.S. 62-625 the Industrial Pretreatment Statute. We are being required to review our Industrial Pretreatment Agreement and both cities to modify as necessary in order to comply. Our Industrial Pretreatment Consultant, Mathews Consulting, Inc., is performing a review and will provide draft comments to both cities within 90 days and draft comments to FDEP by August 6, 2011. Please see Item G2b.

Mr. Coates explained that two years ago the Board completed its pretreatment program changing the local limits for the Sewer Use Ordinance (SUO) for the Board and the Cities of Boynton and Delray Beach. However, due to the revisions to the Florida Statute for Pretreatment, we are going to have to revisit our Industrial Pretreatment Agreement and the SUO's for both cities. We need to have draft comments back to FDEP by August 6, 2011.

c. Biosolids Pelletization Project (ITEM G2c)

A settlement agreement between SWA and NEFCO/HDR has been tentatively reached for \$2.2M. The original claim was \$4.8M. A final change order to close out project will result in the Board being invoiced for approximately \$827,000. Each city will be responsible for approximately \$413,000. Each City has been notified. Please see Item G2c.

Mr. Coates asked the Board to look at Item G2c, the letter that went out to both City's Utility Directors outlining the reasons for the arbitration between the contractor (NEFCO/HDR) and SWA.

Mr. Coates went on to explain how the members of the Pelletization Project have been working with ECR to buy into the extra capacity, but at this point in time, it does not look as though this is going to happen. At this time the project members are looking at other possible users possibly out of Palm Beach County.

Commissioner Orlove asked what the timeline would be for the cities to come up with the money if the SWA does approve the settlement. Mr. Coates replied that SWA is probably going to invoice us during the next fiscal year. He stated that we may have to change our Interlocal Agreement due to these changes so that would put us into the next fiscal year. Mr. Coates also stated that SWA is aware of our financial situation as well as everyone else's and he believes that they will give us time to pay our portion of the settlement.

d. Deep Injection Well Permit (ITEM G2d)

On March 3, 2011, a public meeting was held here at the Board to take comments on the Operating Permit that is scheduled to be issued for the Board's Deep Injection Well. The permit will be a five-year permit. Please see Item G2d.

Mr. Coates passed out the Deep Injection Well Notice of Permit stating that we received this after their agenda packets were mailed out. This is a five year permit allowing us to use the well until 2016.

Commissioner Hay questioned what newspaper the Public Notice was published in with Mr. Coates responding "The Palm Beach Post".

e. South Florida Water Management District (SFWMD) - Palm Beach County Water Academy (ITEM G2e)

In October 2011, the SFWMD is conducting its first ever Water Resource Academy. The Academy will be for selected elected officials in Palm Beach County. They have selected us as a utility they would like to showcase on a tour during this period. We consider it an honor to be asked and have accepted the invitation to participate. Board members will be notified of details and are welcome to represent the Board on the tour.

Mr. Coates discussed how the Water Resource Academy had contacted us asking us to be one of the facilities that they would like to tour with elected officials.

Mr. Coates told the Board he would keep all of them apprised of the date and time as it became available in the event they would like to be a part of the tour.

f. Odor Complaint Log (January 11, 2011 – March 31, 2011) (ITEM G2f)

- *During the last quarter there were 34 odor complaints over 15 days made to the South Central Office.*

Two major events caused the build up of biosolids (sludge) at the facility.

1. *On January 28, 2011, the Pelletization Plant had a mechanical failure and was down for approximately one week.*
2. *On February 18, 2011, the Board's facility experienced a mechanical failure to Centrifuge #3. See summary of events in Item G2f.*

Mr. Coates asked the Board to review the graph that he had created showing the odor complaints. He stated that this was not a very good quarter for us due to the events listed above. Mr. Coates reviewed the

diagrams included in their agenda packet of the equipment explaining how they worked at controlling the odor.

Mr. Coates went on to explain that to date, we have managed to minimize the problem and we had not had any odor complaints for the last six weeks. We are monitoring the situation and working to get the issue resolved. We need to find the most economical fix to present to the Board. Mr. Coates stated that the Board expends approximately \$300,000 to \$400,000 a year just on odor control and that we have spent millions in capital costs over the years. He also stated that we work constantly to control odors in an effort to make things better. This is something we work on 24/7.

QUESTIONS

CITIZEN'S COMMENTS

Mr. Jerry Sadowsky from the Pines stood and stated that the last couple of months have been a disaster. The odors are drifting over to the Pines. He stated that in the last two to three weeks have been fine; he has received no calls from the residents.

MOTION TO ACCEPT EXECUTIVE DIRECTOR'S REPORT WAS MADE BY COMMISSIONER FRANKEL AND SECONDED BY COMMISSIONER HAY. MOTION CARRIED 6-0.

3. ENGINEERS' REPORT

- a. **HAZEN AND SAWYER** (ITEM G3a)
 - 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***
 - 5. ***Solids Handling Odor Control System***

QUESTIONS

Engineer's report stood as written.

4. BOARD ATTORNEY'S REPORT

- a. **ROGER SABERSON** (ITEM G4a)
 - 1. ***Headworks and Stormwater System Improvements Project.***
 - 2. ***Solid Waste Authority.***

3. **Attendance at Board Meetings by electronic means.**
4. **Deep Injection Well.**
5. **Secondary Clarifier and Stormwater System Improvements Project.**
6. **Hazen and Sawyer Work Order.**

QUESTIONS

Board Attorney's report stood as written.

H. 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 **\$ 28,950.52** from January 31, 2011 through March 31, 2011. (Required for expenditures between \$10,000 and \$25,000)
 - a. **Replaced Blower #5 Motor Rewind – (estimated \$13,000). Line Item Number S535807.59, Equipment Number 023-11005. Motor tested bad requiring a rewind.**
 - b. **Replaced Centrifuge #3 Gearbox - \$15,950.52. Line Item Number S535806.164, Equipment Number 030-11006. Changed out gearbox on an emergency basis due to mechanical failure.**
2. Authorization to expend **\$0.00** on an emergency basis from repair and replacement funds (expenditures above \$25,000).

There were no emergency purchases required this quarter.

MOTION TO APPROVE CONSENT AGENDA WAS MADE BY COMMISSIONER FRANKEL AND SECONDED BY COMMISSIONER ORLOVE. MOTION CARRIED 6-0.

I. ITEMS REMOVED FROM CONSENT AGENDA FOR DISCUSSION

There were no items removed from the Consent Agenda.

J. NEW BUSINESS

1. **Approval of Chairman, Treasurer, Executive Director, Finance Administrator, and Plant Superintendent as signatories on checks. (Two (2) signatures required on each check.)**

MOTION WAS MADE BY COMMISSIONER HAY AND SECONDED BY COMMISSIONER FRANKEL. MOTION CARRIED 6-0.

2. Committee Appointments

- a. Auditing, Budgeting, Personnel Compensation, and Grievance Committees.**

Traditionally, the Chairman, Vice Chairman, Secretary and Treasurer have served on these Committees.

MOTION MADE BY COMMISSIONER HAY TO MAINTAIN STATUS OF COMMITTEES THEREBY APPOINTING CHAIRPERSON ROSS, VICE CHAIRMAN CARNEY, SECRETARY RODRIGUEZ AND TREASURER MCDUFFIE; MOTION WAS SECONDED BY COMMISSIONER GRAY. MOTION CARRIED 6-0.

- b. Pension Committee**

Traditionally, the Committee consisted of two (2) Board Members, three (3) elected employees. Also included on the committee but non-voting are the Executive Director and the Board Attorney.

Chairperson Ross stated that she would like to remain on the Pension Committee as one of the Board Members. Commissioner Frankel then nominated Commissioner Carney as the second Board Member to serve on the Pension Committee.

MOTION MADE BY COMMISSIONER HAY TO APPOINT COMMISSIONER ROSS AND COMMISSIONER CARNEY AS MEMBERS OF THE PENSION COMMITTEE. MOTION WAS SECONDED BY COMMISSIONER ORLOVE. MOTION CARRIED 6-0.

- 3. AUTHORIZATION TO APPROVE HAZEN AND SAWYER'S WORK ORDER 11-001 FOR ENGINEERING DESIGN, PERMITTING AND BIDDING SERVICES FOR THE REPLACEMENT OF THE UNDERGROUND DUCTILE IRON PROCESS AIR PIPE, ASSOCIATED WITH THE FACILITY'S REPAIR AND REHABILITATION PROGRAM IN THE AMOUNT NOT TO EXCEED \$55,770. TO BE FUNDED THROUGH THE BOARD'S REPAIR AND REPLACEMENT FUND. (ITEM J3)**

The main air distribution line that feeds both "A" Plant and "B" Plant has deteriorated to the point it is in serious need of replacement. Only those areas that are below ground are scheduled to be replaced at this time. The line provides oxygen to the microorganisms in the aeration basin that are mainly responsible for the treatment process. The lines were simultaneously installed in 1991.

MOTION TO APPROVE AUTHORIZATION MADE BY COMMISSIONER ORLOVE AND SECONDED BY COMMISSIONER FRANKEL. MOTION CARRIED 6-0

- 4. AUTHORIZATION TO DECREASE OUR RECLAIM USER RATE FOR HUNTERS RUN, COUNTRY CLUB OF FLORIDA, QUAIL RIDGE, DELRAY DUNES AND PINE TREE FOR FISCAL YEAR 2010/2011 TO \$,2000/1,000 GALLONS.(ITEM J4)**

- **PREVIOUS FISCAL YEAR \$,2417/1,000 GALLONS.**

The five original golf course customers have a cost formula that requires adjustment of their usage rate annually. It essentially averages the past 24 months operating cost and is applied to the current fiscal year. Due to increased volume through the reclaim plant due to the deep injection well process, the adjusted rate this year would be \$.1686/1,000 gallons. However, due to their contract structure their rate cannot go below \$.20 /1,000 gallons

MOTION MADE BY COMMISSIONER FRANKEL AND SECONDED BY COMMISSIONER HAY. MOTION CARRIED 6-0

K. UNFINISHED BUSINESS

There was no unfinished business.

L. PUBLIC AUDIENCE

Commissioner Hay complimented Mr. Coates and staff on the professional manner in which the agenda packet is put together.

M. ADJOURNMENT

CHAIRPERSON ROSS ADJOURNED THE MEETING WITH COMMISSIONER HAY MAKING THE MOTION, THE MOTION WAS SECONDED BY COMMISSIONER FRANKEL. MOTION CARRIED 6-0. MEETING WAS ADJOURNED.