

**VERO BEACH UTILITIES COMMISSION MINUTES**  
**TUESDAY, JULY 14, 2020 - 9:00 A.M.**  
**CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

**PRESENT:** Chairman, Jane Burton; Vice Chairman and Indian River Shores Representative, Bob Auwaerter; Members: Judy Orcutt, Mark Mucher, John Cotugno, and Bob McCabe **Also Present:** City Attorney, John Turner; Water and Sewer Director, Rob Bolton and Deputy City Clerk, Sherri Philo

**Excused Absence:** John Sanders

**1. CALL TO ORDER**

Today's meeting was called to order at 9:00 a.m.

**2. APPROVAL OF MINUTES**

**A) March 10, 2020**

**Mr. McCabe made a motion to approve the minutes of the March 10, 2020 Utilities Commission meeting. Mr. Mucher seconded the motion and it passed unanimously.**

**3. PUBLIC COMMENT**

None

**4. NEW BUSINESS**

**A) Senate Bill 712 and House Bill 1091 – Mr. Rob Bolton, Water and Sewer Director**

Mr. Rob Bolton, Water and Sewer Director, gave a Power Point presentation on Senate Bill 712 Environmental Resource Management Clean Waterways Act (attached to the original minutes).

Mr. Auwaerter referred to, Section 17 – Advance Water Treatment (AWT) required for discharges to Indian River Lagoon (IRL), item 3, *Annual expenditure dedicated to pipe assessment*. He asked how would they go about assessing the pipes.

Mr. Bolton said they are looking at hiring new employees and doing inspections and smoke testing.

Mr. Bolton did not give a presentation on House Bill 1091.

Mrs. Orcutt referred to Section 11 – Discharge Contingency Plan for Vessels, *increase penalty to \$7,500 from \$5,000* of the backup information on House Bill 1091 (on file in the

City Clerk's office). She asked if that applies to the City. She said currently the City is in the process of putting out signs and was not sure if the signs included the penalty.

Mr. Bolton said that he didn't think the sign has the amount of the penalty listed.

At this time, Mr. Bolton gave a Power Point presentation on the effect of the "Clean Waterway Act" on the City's Water and Sewer Customers (attached to the original minutes).

Mrs. Orcutt asked does smoke testing identify a broken pipe.

Mr. Bolton said sometimes it would if it is close enough to the surface and is not underwater.

Mrs. Orcutt said then that is not the way to find a broken pipe.

Mr. Bolton answered no. That is found by inspection.

Mr. Mucher referred to the slide, what is in the budget to address the new Clean Waterways Act. He said it states that this year's operating budget includes four (4) new employees to do tv and smoke testing. He asked are they year-round, year to year type of activities.

Mr. Bolton answered yes.

Mr. Mucher said so it is not something they could contract out.

Mr. Bolton said the problem with contracting is that every utility in the State of Florida now has to do this and there are only a few private contracting firms that does this and it is hard to get them to come and do a small segment of pipe, let alone the entire system.

**B) FY 20/21 Budget – Mr. Rob Bolton, Water and Sewer Director**

\*Please note that questions and discussion took place throughout the presentation.

Mr. Bolton went over the FY 20-21 Proposed Water and Sewer Utility budget with the Commission members (on file in the City Clerk's office).

Mr. Auwaerter referred to the Water and Sewer Fund – Operating Expenses. He said they are projecting a 2.9% jump in revenues. He questioned rate increases.

Mr. Bolton said the rates would have to be determined when they go through the rate analysis. The revenue increases they are seeing is from meter sales, etc.

Mr. Auwaerter said that he placed a few handouts in front of the Commission member's seats (attached to the original minutes). He said that he wanted to discuss under the General Fund, the Administrative Chargeback. He said in 2017/2018 there was \$732,000 and in

2018/2019 it jumped 29%. He said that he and Mr. Bolton had a discussion about that and he (Mr. Bolton) made a comment that he thought it would be a one (1) time thing. Mr. Auwaerter said instead it went up another 16.6%. Therefore, over two (2) years it has gone up 71%. This year it is flat, but it is up substantially from 2016/2017. He is concerned that this is a bit of a piggybank for the General Fund to take water and sewers customers to pay for the General Fund. He said in last year's budget book it shows that 40% of the City Clerk's office was allocated back to the Water and Sewer Fund, which was a big jump from previous years. He said that he has a concern that these costs are being dumped on the Water and Sewer Fund.

Ms. Cindy Lawson, Finance Director, explained that generally the administrative charges is calculated by the individual departments that are in the General Fund that provides support to Water and Sewer Department because they do not have those functions. It is for things like finance, cashiering, the City Clerk's office, the City Council, the City Manager's office, etc. Those functions do not exist within the Utility so they pay their proportionate share of those shared services. She said that she does not have this information with her and she can provide them, but wherever possible she likes to tie the general administrative charges from an individual department to something specific. In the transition from having an Electric Utility to not having an Electric Utility, there was a rise for all the Enterprise Funds because their proportionate share of the number of the employee population went up as the total employee population went down by the 85 or 90 employees that worked for the Electric Utility. That transition happened and now they see that this has leveled off. She said that she would be happy to provide more detail on the individual departments and how the allocations are calculated.

Mr. Auwaerter said still, in reality the cost went up 71%. He said the Electric Utility was a big chunk of this government before it was sold and you are telling me that you couldn't take any reductions in staff or reductions in other costs, that they just all stayed the same and caused it to go up 71%.

Ms. Lawson said some of them went down. She said there are four (4) people in the Human Resource's Department and you can't have a half of a person go. She said there is a certain level of fixed costs to operate the government.

Mr. Auwaerter said that he had a conversation with Mr. James O'Connor, former City Manager, about the City Clerk's office and at that time 50% was attributed to the Electric Utility and Mr. O'Connor stated that they were dealing with a lot of issues with electric.

Mr. Mucher said that he is trying to figure out how 40% of the City Clerk's office goes to Water and Sewer Utilities.

Ms. Lawson said that she does not have that information with her, but she can provide it to the Commission members.

Mr. Auwaerter said in the last fiscal year, \$217,739 of the City Clerk's costs were attributed to Water and Sewer. The total was \$537,551 so in dividing those two (2), you get approximately 40%.

Mr. Auwaerter referred to the Town of Indian River Shores and the City of Vero Beach Water, Wastewater, and Reuse Water Franchise Agreement that he provided the Commission members (attached to the original minutes). He said Section 14 – Capital Improvement Plan states in part, *Vero Beach shall annually provide the draft of its detailed Five (5) year capital improvement plan, specific to the water, wastewater, and reuse water utility systems within the Service Area to the Indian River Shores Town Manager ...* He asked Mr. Bolton if he has a breakdown on this.

Mr. Bolton answered no. He explained that he does not have this broken down by specific projects and a lot of times they don't list out every single project because it becomes cumbersome so they list it all as one (1) number and it is under rehab of the sewer system. He said one (1) of the first generators they put in will be at Lift Station 69, which is right by Town Hall, and all the flow from Indian River Shores goes through that Lift Station. He said that he can send Mr. Auwaerter the entire Capital Plan.

Mr. Auwaerter said that he is not an attorney and doesn't know if the City is adhering to that provision or not. But, they haven't been getting anything.

## **5. OLD BUSINESS**

None

## **6. CHAIRMAN'S MATTERS**

Mrs. Burton reported that in February or March, the Commission was asked by the City Council to comment on the pros and cons for teaming up with the County regarding the Wastewater Utility rather than building a new facility for the City. She said at that time, they were aware that the State was having the regulations that they just discussed and the consensus of the Commission was that it would be prudent on the City's part to provide their own wastewater facility.

## **7. MEMBER'S MATTERS**

Mrs. Orcutt reported that she submitted a video that explains the Basin Management Action Plan (BMAP) history and process. She asked that they view the video at the next Utilities Commission meeting.

Mrs. Burton agreed to put this on their next agenda.

Mr. Mucher asked if they could watch the video in advance of their meeting.

Mrs. Burton said the Commission members could view the video prior to the meeting and they will watch it again and then have discussion. She asked the Deputy City Clerk to send the Commission members the link to the video.

**8. ADJOURNMENT**

Today's meeting adjourned at 10:14 am.

/sp