



**MEETING MINUTES
CITY OF FORT LAUDERDALE
INFRASTRUCTURE TASK FORCE ADVISORY COMMITTEE
THURSDAY, OCTOBER 6, 2022 – 2:00 P.M. TO 5:00 P.M.**

CITY OF FORT LAUDERDALE

January-December 2022

Attendance

Marilyn Mammano, Chair	P	7	0
Peter Partington, Vice Chair	A	4	3
Gerald Angeli	P	6	1
Shane Grabski	P	4	3
James LaBrie	P	7	0
Michael Marshall	A	4	3
Roosevelt Walters	P	5	2
Ralph Zeltman	P	7	0

As of this date, there are 8 appointed members to the Committee, which means 5 would constitute a quorum.

Staff

- Alan Dodd, Director of Public Works
- Chris Bennett, Assistant Director of Public Works
- Omar Castellon, Assistant Director of Public Works – Engineering
- Betty Crews, Senior Administrative Assistant
- Sylejman Ujkani, Program Manager
- Pauline Ricketts, Administrative Supervisor
- Greg Chavarria, City Manager
- Susan Grant, Assistant City Manager/Finance Director
- Carla Blair, Recording Secretary, Prototype, Inc.

Communication to the City Commission

None.

1. Call to Order

i. Roll Call

Chair Mammano called the meeting to order at 2:10 p.m. Roll was called and it was noted a quorum was present.

ii. Approval of Agenda

Motion made by Mr. Walters, seconded by Mr. Zeltman, to approve. In a voice vote, the **motion** passed unanimously.

iii. Approval of Previous Meeting Minutes – September 12, 2022

Motion made by Mr. Walters, seconded by Mr. Zeltman, to approve as written. In a voice vote, the **motion** passed unanimously.

2. Old Business

i. Update on review of public records draft comprehensive agreement on P3

Chair Mammano asked if the draft comprehensive agreement provided to the Committee members two weeks prior has been amended since that time. Omar Castellon, Assistant Director of Public Works (Engineering), confirmed that there have been changes, with comments provided by the City's legal and technical teams.

Chair Mammano observed that it may be difficult for the Committee to provide feedback on the comprehensive agreement when they do not know whether or not their comments will be relevant. Mr. Walters advised that the members would need to see a draft of the agreement in which comments have either been accepted or rejected. Mr. Castellon added that Staff has made many of the same comments as the Committee members thus far. Mr. Walters suggested that the Committee authorize the Chair, and perhaps one other member, to review the final document in lieu of a full meeting of the membership.

Mr. LaBrie stated that many of his comments had been questions, which the Staff members present may be able to clarify at today's meeting. Chair Mammano suggested that they begin by discussing general impressions and unanswered questions rather than reviewing the document line-by-line.

Mr. Walters explained that his concerns were for the content of the agreement as well as with the process used to select the private entity for the public-private partnership (P3). Chair Mammano commented that the comprehensive agreement represents the final step in this process, and noted that the City Commission has specific options: they may accept, modify, or reject the agreement that comes before them.

Chair Mammano requested clarification of what would happen if the City Commission rejects the agreement. Public Works Director Alan Dodd asserted that there would be no financial liability to the City if they fail to come to terms with the private entity. That entity would take the drawings and other documents they have prepared with them if an agreement cannot be reached.

Mr. Zeltman stated that he had not found the agreement to be a comprehensive document. He felt it should focus more closely on sections that ensure both participants in the project have a clear understanding of their responsibilities. He also emphasized the need to ensure that the function or process is clearly identified and concise, with clear identification of what comprises success for the partnership. He concluded that the final

document will need to be “more definitive” than the draft agreement he had reviewed, identifying the goals and functions of each participant.

Mr. Dodd advised that the concerns expressed thus far by the Committee members have also been raised by Staff. He pointed out that the agreement includes a number of specific provisions clarifying what is being built, which party is responsible for it, and how it will be both built and operated. Staff continues to work with the private entity’s legal team to define these provisions before the agreement is ready to go before the City Commission. He emphasized that the agreement is still under negotiation, and noted that the October 18, 2022 deadline presents an aggressive timeline in which recommendations must be made.

Chair Mammano addressed the annexes to the document, requesting additional information on the labor agreement in particular. While the employees working in the proposed facility will be City employees, the managers on-site will represent the private entity. Mr. Dodd explained that the labor services agreement is still being negotiated with an external law firm in order to clarify the details of how this employment structure would work. While the City employees will be required to follow City procedures and regulations, the overall operation of the facility would be overseen through the private entity, which would direct when maintenance will be done and other requirements. The City is still working to determine the balance of these responsibilities. Mr. Dodd concluded that the labor agreement is not yet available for review.

Mr. LaBrie observed that much of the document seemed like a boilerplate agreement to him, with most of his questions occurring in the first 20 to 30 pages. He did not feel the document would be ready for presentation to the City Commission by October 18.

Mr. Grabski advised that most of his questions dealt with technical aspects of the comprehensive agreement, and he did not wish to belabor the discussion, as much of the document is subject to change.

Mr. Angeli addressed the project’s schedule, pointing out that the draft document states if the project does not begin within 18 months of its target date, there would be ramifications for the partners. He asked if the schedule includes specific milestones and dates, and what might happen if a milestone has not been achieved by its target date.

Mr. LaBrie agreed, also requesting clarification of how the project would be kept on track if a milestone is missed. It was clarified that once a certain point in the process has been reached and the private entity is given notice to proceed, they have a set time frame in which they must deliver the project; however, the schedule inside that time frame is the full responsibility of the private entity.

Mr. Angeli stated that he had similar concerns regarding the funding of the project, including inflation and supply chain issues. He asked what controls are included in the comprehensive agreement’s annexes which require the private entity to purchase

materials that may be affected by these concerns. Mr. Dodd replied that the agreement does not state the private entity must buy these materials; however, it states that when the City signs the agreement, the private entity assumes risk if they do not purchase these items, as their prices may continue to increase. This is reflected throughout the comprehensive agreement.

Mr. Walters observed that change orders are anticipated with a project of this magnitude, and asked how these will affect the project's timeline. Mr. Dodd stated that the agreement will include a formal change order process which will outline how change orders are identified and their value determined.

Mr. Dodd continued that the agreement will also address "compensatable" events or delays, such as major storms. These delays will not fall solely on either partner, as they would be outside both partners' control. The agreement will define what these events might be, as well as whether they might result in the private entity being allowed more time or more money and what risks would be the responsibility of the private partner.

Chair Mammano stated that she shared Mr. LaBrie's concern that the comprehensive agreement may not be ready for Commission approval by October 18. She felt there was a lack of clarity regarding which entity is responsible for specific requirements, as well as the penalties if these responsibilities are not met. She suggested that there should be other solutions in place in order to keep the project moving forward.

Mr. Dodd noted that the Committee received the draft document only one day after it was received by Staff. He added that the draft was crafted by legal teams and had not yet been subject to review by technical and professional Staff, many of whom have since expressed the same concerns as the Committee members. He characterized the draft agreement as a starting point which was "far from what the final agreement needs to be."

Chair Mammano recalled that when the Committee first began discussing the agreement, their concerns had focused on ownership of the project and water quality. She pointed out that the draft agreement does not acknowledge that the City would be responsible for supplying the facility with water of a specific level of quality over the next 30 years.

Chair Mammano continued that the agreement suggests the City would be paying for 50 million gallons of water every day whether or not this full amount is used. Mr. Dodd confirmed that this is true. Chair Mammano asserted that the calculation of the availability payment is "incredibly opaque" and does not appear to have any relationship to the rights to that water.

Mr. Dodd explained that there are two parts to the availability payment: it includes payback for the initial costs of building the plant, as well as an amount over the course of 30 years to pay for operations and repairs for the plant. The availability payment does not include the costs of electricity or chemicals, both of which are variables subject to change, depending upon how much water is being produced. The amount of maintenance and

repairs required by the plant will be consistent over the 30-year time frame, irrespective of how many gallons the plant produces every day. This figure will be based on a known amount of capital costs the City will be investing in the facility, as well as the expected maintenance and repairs over the 30-year time frame.

Mr. Dodd continued that the agreement also includes a separate bill for electricity and chemicals. The City will forecast, several months in advance, how much they will need to use, recognizing that water use is higher at some times of the year than others. The private partner will be asked to maintain the City's water tanks at a certain level at all times. Based on this production, the City will pay for more or less chemicals and electricity.

Chair Mammano asked if the payment on bonds, which the City will have to raise, is also included in the availability payment. Mr. Dodd replied that this is not included. The bond payment will be determined through the rate model. He recalled that the Committee discussed this at their September 12, 2022 meeting, as the model projected the rate increase over the next 10 years.

Chair Mammano expressed concern that it is very difficult to determine how much the project will cost the City, as so many variables seem to be open-ended. She felt there is little clarity to the specific components and costs of the agreement as stated in the document.

Mr. Walters asked if there would be a public hearing to discuss the proposed agreement, which would estimate what residents and users will be asked to pay. Mr. Dodd stated that the City Commission will ask for the total cost of what they are expected to approve, and Staff must be able to explain this with a greater degree of certainty than what is currently reflected in the draft agreement. He advised that this discussion is likely to occur in conjunction with a City Commission meeting, with the standard public notice provided for those meetings. He was not certain at this time whether this might be on October 18, as originally intended, or later in the year.

Mr. Walters expressed concern that including this discussion as part of a City Commission meeting could mean the public may not clearly understand what they are being asked to pay. Chair Mammano asked if it might be more appropriate to schedule this discussion for a City Commission Conference Agenda meeting, as it is important for the public to understand the components of the proposed agreement. Mr. Dodd replied that due to the timeline for the agreement, he did not know whether or not the City Manager might place this item on a Conference Agenda meeting; however, he agreed that there should be more discussion before the public regarding what the agreement contains and the City's responsibilities.

Mr. LaBrie suggested that the Committee consider sending a memorandum to the City Commission and the City Manager to express their concerns with the agreement and how it should be addressed with the public. Chair Mammano advised that the only way to proceed at this point would be for each Committee member to reach out to their individual

Commissioners. She suggested, however, that it could be useful to reach out to the City Manager during today's meeting. Mr. Dodd agreed to attempt to contact the City Manager's Office to determine whether or not he was available at this time.

Chair Mammano added that she would not be available to attend the October 18 City Commission meeting, and encouraged another member of the Committee to attend the meeting and represent its concerns.

The members returned to their concerns with the draft agreement, with Chair Mammano addressing the City's access to the field office as outlined in the document. She asked if the field office would be accessible from a public right-of-way, as well as whether or not Staff has concerns regarding the limitations on their access to this office. Mr. Dodd advised that the field office will belong to the private entity, which will construct and operate that office. The City's responsibility will be to allow the field office to connect to water and wastewater at the site.

Mr. Dodd continued that if the City wishes to bring other people into the field office, they are asked to coordinate with the private entity ahead of time, so there is no interference with operations. Either City Staff or a representative of the owner/builder will have regular access to this office as part of their job responsibilities. The City is not responsible for building or maintaining this office; however, they will review and approve the security plan for the field office, although the private partner will be responsible for the security itself.

Mr. Zeltman asserted that he had concerns regarding the location of the proposed facility at the Prospect Wellfield site, which abuts the Fort Lauderdale Executive Airport (FXE). Should a serious issue occur on the wellfield site, it could result in shutting down a well or wells; he felt that placing an entire facility on the wellfield, located close to an airport, would be of even greater concern.

Chair Mammano advised that if the City is paying for up to 50 million gallons per day, it might be useful to connect to a different wellfield site. Mr. Castellon explained that this connection would be made so diverting water from another wellfield would be possible if necessary.

Chair Mammano also addressed the water quality guarantee, pointing out that one issue of default would be failure to provide the required quality of water resulting in the issuance of a second boil water notice by governmental authorities. The agreement does not specify a time period in which the second notice must be issued in order to result in default. Mr. Dodd advised that the annexes to the agreement will include a clearly defined standard with respect to the quality of the water that will come from the plant.

City Manager Greg Chavarria and Assistant City Manager/Finance Director Susan Grant joined the meeting at 3:02 p.m.

Chair Mammano explained that the Committee has significant concerns related to both general and specific aspects of the draft agreement, and was requesting input on the best way to communicate these concerns. She felt the impact the project would have on water rates is currently not transparent, and reiterated concerns with the availability payment and the commitment to pay for 50 million gallons per day, whether this full amount is used or not.

Chair Mammano continued that the Committee felt the general public may not clearly understand how these issues relate to projected water rate increases. They were concerned that if this issue is addressed before the public at a City Commission meeting, it may not be discussed in sufficient detail to clarify the project's effect on water rates. She asked what might be the best way to make this information clear to the public before the Commission votes on the comprehensive agreement.

Assistant City Manager/Finance Director Susan Grant recalled that she had made a high-level presentation discussing water rates at a previous Committee meeting, which estimated the expected rate increase over 10 years would be 139%. She noted that the City's expenses included \$80,000 per day, as well as the cost of chemicals, the City's debt service, and electricity. This estimated total was provided to consultant Stantec, who incorporated it into their rate model. She clarified that the overall rate model included all these costs.

Mr. Chavarria emphasized that the City is still negotiating the comprehensive agreement, which has not yet been finalized. He suggested that as updates on the agreement are provided to the Commission, they may also be shared with the Committee, which will provide additional opportunities for the members to ask any questions they may have. He noted, however, that because negotiations are ongoing, the City does not yet have all the final figures that will be part of the agreement, some of which are the responsibility of the private partner rather than the City. He was confident that Staff is doing the best possible job in reviewing the technical and financial aspects of the agreement.

Mr. Chavarria requested the most recent update on the agreement's status, recalling that some responses are pending from the private entity. Ms. Grant replied that the most recent draft of the comprehensive agreement includes the majority of the annexes. Mr. Dodd advised that he plans to meet with the private entity's representatives the next day to review the most recent update.

Regarding the financial side of the agreement, Ms. Grant stated that in order for the City to be able to finance their portion, they have involved bond counsel. They will need to bifurcate the availability payment into two separate payments, although the total would remain \$80,500 per day. She emphasized that the City is thoroughly reviewing the agreement.

With regard to the labor services agreement, Ms. Grant advised that the private entity provided the City with a draft of this document, which the City has provided to its labor counsel, with comments.

Mr. Chavarria also addressed the labor services agreement, stating that a similar agreement is in effect for the servicing of the City's fleet of vehicles by outside organizations. City Staff oversees these operations and remains involved with quality control. He assured the Committee that the City values its labor force, and that at the end of the day, the City will own the facility in question: the P3 is a procurement mechanism which allows the City to proceed toward a new water treatment plant.

Chair Mammano asked why the City would pay for 50,000 gallons per day if it did not intend to use this full amount. Ms. Grant advised that this amount is the plant's capacity. Mr. Chavarria added that while this is a fixed cost, current conditions are volatile, including the effects of the recent Hurricane Ian. He characterized fixed costs as an advantage in light of changing conditions.

Mr. Walters asked if all other fees, including the availability payment, was included in the calculation of the estimated 139% rate increase. Ms. Grant confirmed this, noting that it also includes annual increases in labor costs, as well as the additional \$200 million due to be issued through the City's bond program next year.

Chair Mammano asked how the Committee's discussion of the draft comprehensive agreement with City Staff would be memorialized, suggesting that the members could be sent a follow-up memorandum citing the component parts of the agreement that were discussed today. She also asked if the approximately \$150 million in the City's Capital Improvement Program (CIP) is already included in the proposed costs. Ms. Grant confirmed that this amount was included in the calculations of the 139% rate increase estimate, along with 75% of the City's plant costs.

Mr. Chavarria asked if it would be helpful to provide the Committee with the presentation to be made to the City Commission, so they could engage more fully with the information and ask questions of Staff as well as City consultants. He suggested that this could be done at the Committee's November meeting. Ms. Grant advised that both partner entities feel it is not realistic to expect the draft agreement to be complete by October 18.

Mr. Chavarria proposed that a special meeting could be scheduled for the presentation to the Committee prior to the comprehensive agreement's presentation to the Commission. There was Committee consensus to proceed with this. Chair Mammano reiterated her request for a summation of the component parts of the agreement discussed at today's meeting. Ms. Grant offered to provide a spreadsheet reflecting the input she had provided to Stantec, which figured in their calculation of the rate model, as well as additional information and assumptions used in the City's calculation.

Mr. LaBrie commented that he was concerned the City may not be doing its best to present the business case for the proposed P3 to its residents, including its explanation of why water rates are slated to increase. Mr. Chavarria agreed that there is a need for improved outreach and public understanding, pointing out that one current challenge is the ongoing negotiations of the comprehensive agreement. He noted that the City has recently brought on a new hire to work in strategic communications, with the intent of increasing public engagement and sharing the story in an understandable format. He felt the result will be better updates in the future.

Chair Mammano reiterated that the Committee's questions include how the various components of the draft agreement will affect water rates, as well as questions regarding timeline issues. Mr. Angeli reiterated his concerns with supply chain issues and the inflationary spiral, both of which may be affected further by the recent hurricane on Florida's west coast.

Mr. Angeli continued that he had not heard any estimates of what the cost of not going through with the new water treatment plant project would be. Mr. LaBrie added that it could be useful to review "how we got to this point," including a chronology decisions made over the last several years.

Mr. LaBrie also suggested that a future Committee meeting to discuss the project further could be treated as a "Town Hall" meeting, and could be advertised more comprehensively so members of the public would also have an opportunity to ask questions if they wish. Mr. Chavarria agreed that this was a good suggestion. Chair Mammano added that there would still need to be some documentation to distribute for residents who may not be able to attend.

Mr. Chavarria reviewed the components of the comprehensive agreement on which the Committee had questions, which included:

- Prepare a one-page summary document
- Schedule a Town Hall meeting
- Provide the Committee with all the details they have requested
- Case study/justification of how the City reached this point
- Understanding of today's water quality as well as future water quality
- Ownership of water
- What happens to labor
- Explanation of water rates, with a breakdown of what the proposed 139% increase would include
- Discussion or outline of the 50 million gallons per day capacity, and how this relates to the availability payment

Mr. Chavarria concluded that Staff will do their best to provide the Committee with as much information as possible along with another presentation.

Chair Mammano requested clarification of when Staff would be able to provide the above information. Mr. Chavarria stated that he was confident Staff can provide the summary components of the agreement within a relatively short time frame, and can post this information on the City's website so it can be shared with the public. He pointed out, however, that any information he might email to the Committee members would be a matter of public record, and some aspects of a P3 process cannot be shared with the general public.

Chair Mammano asked if the information might be provided within the next two weeks. Mr. Chavarria stated that he would like to first check in with the City Commission to ensure they are aware of what is going on; however, he reiterated that he was confident in stating a meeting could be scheduled within two to three weeks.

Mr. LaBrie asked if Staff is reviewing the comments provided by Committee members on the draft comprehensive agreement. Mr. Chavarria replied that he has reviewed the Chair's and Vice Chair's comments thus far, and will continue to provide these and other comments on the process to consultant Hazen and Sawyer, with whom Staff meets multiple times per week to address concerns and work toward agreement.

3. New Business

None.

4. Public Works Update

i. September Water and Wastewater Break Report

Program Manager Sylejman Ujkani reported that the City has reached an agreement with their consultant and are currently preparing paperwork to present to the City Commission at their November 1, 2022 meeting in relation to the reward of contracts. Chair Mammano requested that a scope of services for this contract be provided to the Committee members. She recalled that the City is under a Consent Order which required mapping of the sewer and water systems.

Chair Mammano noted that there were six water breaks and no sewer breaks during September 2022. She requested clarification of the term "emergency repairs." Mr. Dodd advised that he did not have the reason for these breaks at hand. He pointed out that most of the issues affected smaller pipes and were leaks rather than breaks.

Mr. Zeltman recalled that he had previously requested information on the additional inflow to the George T. Lohmeyer Wastewater Treatment Plant. He felt the work done to reduce infiltration and inflow (I&I) throughout the City should be reflected in a lesser amount of I&I at this plant. Mr. Dodd replied that at present, the City is not seeing a substantial reduction in I&I, as a great deal of work must be done before results may be seen at the

plant. The work to reduce I&I is more easily seen in the reduction in pump station run times, which were presented to the Committee at a previous meeting.

ii. Financial Report

Chair Mammano requested an overview of the City's progress on the Consent Order, including whether or not the City is meeting its required benchmarks. Mr. Ujkani reported that significant progress has been made with the sewer system, although some administrative milestones remain to be met. The City is in the design phase of some of these major projects. The next \$200 million tranche of bond funds will be issued in 2023 and has been built into the CIP. No priority list has been developed for this \$200 million thus far. He estimated that a first draft these priorities will be underway by early 2023.

5. General Discussion and Comments

i. Committee Members

None.

ii. Public Comments

Boyd Corbin, member of the public, addressed the color of water, asserting that it is discolored when it comes out of the existing Fiveash plant and remains discolored as it goes through the system. He continued that nanofiltration results in the waste of 5 million gallons of water per day and uses a great amount of electricity, for which Fort Lauderdale would pay under the terms of the draft comprehensive agreement.

Mr. Corbin recalled that the Reiss report, which was provided to the City by consultants in the past, suggests it is not necessary to use ammonia if better filtration is used. He felt ammonia is used "to cheat on EPA water tests," as it temporarily lowers the percentage of federally regulated chemicals. He was also critical of the City's hydrant flushing program, stating that ammonia in the water in some parts of the City may have harmed wildlife. He concluded that the City should return to the recommendations made in the Reiss report rather than moving forward with different plans.

Chair Mammano asked if the proposed nanofiltration process would use ammonia. Mr. Castellon replied that ammonia would not be used at the new water treatment plant.

Victoria Olsen, member of the public, expressed concern with the City's drinking water. She showed photographs of discolored water in home appliances, adding that she was also concerned the City has not considered seeking a loan from the federal Clean Water Trust Fund, which provides low-interest rates as well as assistance with design and engineering.

Ms. Olsen continued that another issue is that the proposed new water treatment plant would not remove PFAS. Instead, it would use nanofiltration and ion exchange technology to filter the water. She cautioned that PFAS could contribute to a hazardous waste discharge problem, and expressed her opposition to the proposed P3, as these types of partnerships have not been successful in other locations. Ms. Olsen concluded that a number of City Commission candidates in the upcoming election have indicated their opposition to the proposed P3.

Chair Mammano noted that the next scheduled Committee meeting is November 7, 2022, but reminded the members that a special meeting is likely to be held near the end of October. It was noted that the Committee would need to vote to hold an additional meeting, although the date has not yet been set.

Motion made by Mr. Walters, seconded by Mr. Grabski, to hold a special meeting on the water treatment plant comprehensive agreement, to be determined. In a voice vote, the **motion** passed unanimously.

6. Adjournment – NEXT SCHEDULED MEETING DATE: November 7, 2022

There being no further business to come before the Committee at this time, the meeting was adjourned at 4:08 p.m.

Any written public comments made 48 hours prior to the meeting regarding items discussed during the proceedings have been attached hereto.

[Minutes prepared by K. McGuire, Prototype, Inc.]