



**MEETING MINUTES
CITY OF FORT LAUDERDALE
CITY OF FORT LAUDERDALE**

INFRASTRUCTURE TASK FORCE ADVISORY COMMITTEE

CITY OF FORT LAUDERDALE MONDAY, NOVEMBER 7, 2022 – 2:00 P.M. TO 5:00 P.M.

January-December 2022

Attendance

Marilyn Mammano, Chair (arr. 2:37)	P	8	0
Peter Partington, Vice Chair	P	5	3
Gerald Angeli (arr. 2:22)	P	7	1
Shane Grabski	P	5	3
James LaBrie	P	8	0
Michael Marshall	A	4	4
Roosevelt Walters	A	5	3
Ralph Zeltman	P	8	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
- Vickie Beauvais, Senior Administrative Assistant
- Betty Crews, Senior Administrative Assistant
- Pauline Ricketts, Administrative Supervisor
- Jamie Opperlee, Recording Secretary, Prototype, Inc.

Communication to the City Commission

None.

1. Call to Order

i. Roll Call

Vice Chair Partington called the meeting to order at 2:22 p.m. Roll was called and it was noted a quorum was present.

ii. Approval of Agenda

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

iii. Approval of Previous Meeting Minutes – October 6, 2022

Motion made by Mr. LaBrie, seconded by Mr. Zeltman, to approve.

Mr. Castellon noted the following corrections to the October 6, 2022 minutes: Patricia Jolly was not present at the meeting, and Betty Crews was present. He also noted that Pauline Ricketts' proper title is Administrative Supervisor.

In a voice vote, the **motion** passed unanimously [as amended].

2. Old Business

i. New Water Plant Discussion

Public Works Director Alan Dodd advised that Staff has prepared a presentation for the Committee which addresses the timeline of the water plant project, as well as other considerations related to the existing Fiveash Water Treatment Plant. The presentation includes information not previously shared with the Committee.

Mr. Dodd explained that there has been public misconception regarding what constitutes a public-private partnership (P3). In the case of the new water treatment plant, a P3 is a contract and agreement between a public party, in this case the City of Fort Lauderdale, and a private party, IDE Ridgewood. The plant will not be privatized, but will be owned by the City, and the City will provide the Staff to operate the plant. The City will also make decisions regarding the amount of water to be produced each day to meet its needs. The new plant must also work in conjunction with the Peele-Dixie Water Treatment Plant.

The City will also control the water rates paid by its residents. The rates are based upon not only the cost of operating the new plant, but the cost of running the entire water and wastewater systems.

In 2017, the City's Utility Strategic Master Plan was created, and called for a close look at the Fiveash facility, which was a very old plant with more than \$200 million worth of identified repairs at the time. In 2019, this plan was followed by the Carollo report, which recommended construction of a replacement facility as well as its design. The Carollo report also recommended that the new plant be built at the Prospect Lake site.

The City received an unsolicited proposal in early 2022 for the new facility, followed by three additional unsolicited proposals. These proposals went through a P3 process defined by the state of Florida, which provides guidelines for the receipt of unsolicited proposals. An interim agreement was reached in May 2022, which gave the private entity access to the Prospect Lake site to conduct additional technical analysis. At present, the City is working to create a comprehensive agreement that fully captures all of the technical and financial requirements, how risk is allocated, and how the City will operate the plant. Work on this document is ongoing, with a goal of completing the

comprehensive agreement by the end of calendar year 2022. The agreement will be presented to the City Commission once is fully complete.

Vice Chair Partington recalled that there had been some discussion at a recent City Commission meeting regarding the P3. Mr. Dodd stated that this discussion addressed how financial details have changed since the Commission made its final selection of a private partner. The Mayor and one Commissioner expressed concerns with the escalation of the project's costs, including the additional costs associated with enabling works.

Mr. LaBrie requested clarification of the term "enabling works." Mr. Dodd explained that the P3 proposal is based on provision of a water treatment plant that will produce up to 50 million gallons of water per day. The proposal does not include the work necessary to connect the new plant to the City's existing system. Enabling works include:

- Providing a power supply to the new facility
- Modifications to the Prospect Wellfield in order to connect to the system
- Pre-treatment facility to filter sand and other materials from water before it enters the plant
- Distribution pipe to connect Prospect Lake to the Fiveash plant, which will serve as a distributor of water
- Water and wastewater connections for employees of the plant

Mr. Dodd estimated the cost of enabling works at approximately \$150 million. As part of the agreement, the City and the private partner will determine which entity will be responsible for which portions of the enabling works: for example, the private entity will be responsible for the pre-treatment facility, as well as an injection well for disposal of water. The remaining work will be contracted and constructed by the City. This division of works will be included in the comprehensive agreement.

Mr. Dodd continued that the original price of the P3 proposal was \$385 million. Since that time, the cost of the plant itself has increased to \$485 million. This is separate from the \$150 million in enabling works. He noted that some projects, such as the connection of the new plant to Fiveash, are less expensive for the City. The City will also pay the new facility's power bills to Florida Power and Light (FPL).

Chair Mammano arrived at 2:37 p.m.

Mr. Zeltman asked if there had been consideration of constructing the new plant on the Fiveash site, which would use the existing transmission system, rather than locating it on the Prospect Wellfield site. He was concerned with the proximity of the Fort Lauderdale Executive Airport (FXE) to the Prospect Wellfield, and asked if there are any other available sites in closer proximity to Fiveash and farther from the airport. Mr. Dodd explained that the Fiveash site is approximately 12 acres in size. The requirements to keep that existing facility in operation, including its administrative building and fuel station, would not leave sufficient space to accommodate a new plant on the same site.

Mr. LaBrie asked if there were other properties available in the area closer to the existing Fiveash plant. Omar Castellon, Assistant Director of Public Works (Engineering), replied that building the new facility on a closer site would still require installing pipe from the wellfield to the new plant.

Mr. Dodd advised that at present, there are two pipes connecting the Prospect Wellfield to the new site, one of which is in operation and one of which serves as a backup. It has been determined that an additional pipe will also be needed to carry fresh water. Once this new pipe is in place, the existing two pipes would be refurbished to convey finished water to Fiveash.

Chair Mammano asked how much this additional pipe is expected to cost. Mr. Dodd explained that its cost is included in the \$150 million worth of enabling works. There will also be modifications to the Fiveash plant, including changes to its pumps and piping, to turn it into a distribution center.

Chair Mammano asked if the enabling works would need to be done whether the City or a P3 was responsible for the new plant. Mr. Dodd replied that this work would be necessary in any case to build a water treatment plant at Prospect Lake. Relying on the two existing pipes alone would not have been feasible, particularly as one of the two would have needed to be taken out of service to be rehabilitated while the Fiveash plant was in operation.

Mr. Zeltman commented that the two existing pipes connecting the wellfield to Fiveash are relatively old and may not be sufficient to serve higher-pressure transmission from the new plant to Fiveash. Mr. Castellon stated that the new pipe would be 54 in. in diameter rather than the 42 in. of the existing pipes. This would be able to accommodate future expansion of the facility.

Mr. Dodd continued the presentation, explaining that at present, the City complies with the required water quality standards; however, there are some issues that need to be addressed, such as the color of the water currently produced at Fiveash. Another concern is the overall condition of the Fiveash plant, which has not undergone hardening to protect it against hurricanes.

The Carollo report proposed the new plant at Prospect Lake, and also recommended that a new plant use a combination of nanofiltration, membrane softening, and ion exchange technology in order to produce 50 million gallons per day. This amount is greater than the City's current needs but takes the possibility of future demand into consideration.

Chair Mammano asked how the 50 million gallons per day output was determined. Mr. Dodd explained that while it would be less expensive to build a plant that provided a lesser amount, the state requires that when a new plant is built, it must be overbuilt so

no more than 75% of its total capacity is used. The City currently produces 38 million gallons per day (MGD). The new plant at 50 MGD would meet the City's needs plus provide the required overbuilding buffer.

Operating the new facility at full capacity would also help the City dial back activity at the Peele-Dixie plant, creating potential savings. Mr. Dodd added that should the new facility require maintenance, Peele-Dixie can also produce more water than its current output. Mr. Dodd concluded that it is more accurate to say the City will be paying for a plant that can produce 50 MGD than it will be paying for 50 MGD.

Mr. LaBrie asked how much water is sold by Fort Lauderdale to other Broward communities. Mr. Castellon replied that the exact amount was not available, but could be provided at a subsequent meeting.

Mr. Dodd continued that if the comprehensive agreement is signed at the end of 2022 or soon after, the construction period is expected to take 42 months. This would put the completion of construction in late 2026. The overall cost estimate of \$485 million would include the cost of constructing the building itself, \$150 million for enabling works, and the City's payment of 75% of initial costs.

Vice Chair Partington requested additional information on the City's 75% of initial costs. Mr. Dodd stated that 100% of this amount would come from a separate bond, which will be paid for through increases to the water rates over time. The City will pay 75% of the \$485 million total on a schedule that will be established in the agreement. Should costs increase or decrease during construction, the City will still pay the same amount per month, which will be locked in through the comprehensive agreement. The private entity will pay the first \$100 million, or 25%, with the City to pay the remaining \$385 million, or 75%. The private entity assumes the risk of any cost overruns and will benefit if prices decrease after the agreement is signed.

Mr. LaBrie requested further clarification of how water rates are expected to increase over time. Mr. Dodd replied that at present, the monthly water bill for a 5000 gallon per day user is \$31. This covers water only. When the proposal was first brought forward in 2020, it would have resulted in a \$66 per month bill for the same use. At present, the City anticipates that the existing \$31 rate will increase to \$73 per month in 2032.

Mr. LaBrie commented that there are many additional costs included in a water bill which can make it difficult for residents to understand. Mr. Dodd pointed out that if the proposed new plant is not designed at present, the City takes on the additional risk of further delaying construction, in which time inflation can have an even greater effect on the water rates.

Mr. LaBrie also requested clarification of where IDE Ridgewood would be making its profit. It was clarified that this would occur through the City's availability payment.

Chair Mammano asked how much money IDE Ridgewood is expected to make at the end of 30 years. Vice Chair Partington stated that this begins at \$30 million per year. Chair Mammano emphasized that the public should see the actual figure the City will have paid for its water at the end of the 30-year period. Vice Chair Partington noted that this will be reflected in the estimated 2032 water bill.

Vice Chair Partington continued that part of the estimated future water bill was developed prior to the P3 and included an amount that would have contributed to the cost of the City's replacing the Fiveash plant on its own. He pointed out that what has changed due to the P3 is a set of figures which reflect the availability payment at the 10-year point. He expressed concern that the public should be able to see the increases generated by the P3.

Mr. Dodd advised that Vice Chair Partington's concerns were accurate, noting that the water rates approved by the City Commission were based on a rate structure and assumptions made in early 2022. Modeling has been done based on the more recent costs of the P3, including the \$485 million and \$100 million costs; however, this modeling has not yet been taken to the Commission. The most recent rate structure also includes the availability payment.

Chair Mammano asked what would become of the funds raised over the last three years, which had been intended for use when the City built a new plant. Mr. Dodd explained that this money will be included in the first check from the City used toward its portion of the \$485 million.

Vice Chair Partington asked how the various figures associated with the project, including construction, the availability payment, enabling works, and other expenses, would affect the projected water rate increases. Mr. Castellon replied that if the City paid to construct the new water treatment plant itself, it would cost approximately 2.7% less.

Mr. Angeli expressed concern with the potential public reaction to these proposals, stating that he has not seen any clear explanation of how the new plant would be paid for. He asserted that there is growing skepticism among the public regarding the expense and construction of the new plant, and emphasized that the capital costs should be kept separate from the operational costs when the plans are presented to the public. He concluded that the public will also need to be clearly informed of what is happening to their water bills and why, and that this should also be kept separate from the capital and operational costs.

Mr. Angeli continued that yet another consideration is the need for the City to cite successful P3s related to water as examples. Mr. LaBrie recalled that at the Committee's October 2022 meeting, there had been discussion of holding a "town hall" meeting to provide information to the public. Chair Mammano also noted that there will be new City Commissioners who will be presented with the P3 agreement as well. Mr.

Dodd advised that it is hoped the town hall-style public meeting could be scheduled by the first week of December.

Chair Mammano requested a summary of currently outstanding issues. Mr. Dodd replied that the greatest issue on which no resolution has been reached thus far is the labor services agreement. The City will provide employees who will work in the new plant under the general framework of IDE Ridgewood operations; however, they will remain City employees. This means the two entities will need to reach agreement on how issues such as termination, discipline, overtime, or replacing employees would be handled. Other concerns include liability and how responsibility for any failures at the plant might be determined.

Chair Mammano asked if the employees at the new plant will work on the same pay scale as employees at other plants, such as Peele-Dixie. Mr. Dodd confirmed that because these will be City employees, they are subject to the same pay grade. He pointed out that there are also questions regarding the input the private entity will have into those employees' evaluations.

Mr. Dodd continued that other annexes in the comprehensive agreement address the quality and expectations of water coming from the wells: should that water quality change, it will affect the new plant's ability to produce clean water to a certain standard. At present, the wells are producing water with no PFAS pollution; if this condition changes, the filtering process must also change in order to meet regulatory requirements. This would require a change order and the City would be responsible for any additional procedure or equipment to address this change.

Mr. Dodd continued that the agreement includes ranges of what could be expected, including less optimal conditions. The intent is to protect the City and create an agreement that is sufficiently robust and flexible to address future changes. He added that in order for the private entity to produce water that meets certain standards, there are monetary penalties to hold that entity accountable if those standards are not met.

Mr. Dodd continued that the design of the plant is based on current Florida Department of Environmental Protection regulations. If these regulations change, the City is responsible for any impacts this may create. He emphasized once more that any changes of this nature would be subject to a change order process, and the City would retain veto power over any changes.

Vice Chair Partington asked if there has been consideration of seeking grant funding for the new plant. Mr. Dodd replied that federal grant applications have several of requirements that would need to be met in the contract for reimbursement. The current comprehensive agreement does not meet all of these requirements.

Vice Chair Partington also asked if the private entity would be willing to change their contract into a construction management contract, which would use more traditional

procurement methods. Mr. Dodd advised that the P3 plans to use a specific design build company with whom they are expected to lock in an agreement once the comprehensive agreement with the City takes effect.

Mr. LaBrie requested clarification of why the project's timeline would have added two years to the time frame if it were undertaken by the City alone. Mr. Dodd replied that if the City signs the comprehensive agreement in December 2022, the private entity could have the design/build contract underway in January 2023. If the City were to proceed on its own, however, they would need to spend three to four months minimum preparing a solicitation for the design/build contract, followed by the procurement process required to bring a contractor on board. It would also take some time for the City to catch up to the private entity's current state of progress.

Mr. Zeltman again addressed the public relations aspect of the agreement, pointing out that the plans will affect not only Fort Lauderdale residents but those in other Broward municipalities who purchase water from Fort Lauderdale. He recommended ensuring that these customers are not left out of the public process. Mr. Dodd stated that a presentation was recently made to the Wilton Manors City Commission, and that Oakland Park has expressed interest in a similar presentation. He added that these customers already pay 25% more than Fort Lauderdale residents, which would mean the increase in water rates will have an even greater impact on them.

It was suggested that the Committee members may wish to meet with the City Commission following the election. Chair Mammano advised that she was not in favor of a meeting of this type until all parties have a clearer understanding of the terms of the proposed agreement, and that the printed materials used to convey this information should be significantly clearer.

Mr. Dodd advised that the first meeting of the new City Commission will take place on Tuesday, November 15, 2022. This meeting would give a better indication of the new Commission's wishes. He had already approached the City Manager to suggest that some time be spent with the Commission at a Conference Agenda meeting to explain the comprehensive agreement before it goes to them for a vote.

Chair Mammano suggested that a workshop could provide a more interactive environment for a joint meeting with the City Commission than a Conference Agenda meeting. She requested that this option be presented to the City Manager. Mr. Dodd advised that he would pass along this proposal, but cautioned that multiple entities will be vying for time with the new Commission, which could make the next month or so a challenging timeline in which to request a workshop.

Chair Mammano concluded that at present, the Committee does not have sufficient clear information to opine on the comprehensive agreement, and that more work remains to be done on the agreement's component parts at this point. The Committee members agreed with this by consensus.

Vice Chair Partington stated that he felt the necessary changes in water rates should be presented along with the comprehensive agreement. He cautioned that the public is unlikely to realize that these water rates would have increased in order to replace Fiveash whether through a P3 or a City project.

Mr. Dodd advised the Committee that at present, there are still no finalized versions of the comprehensive agreement's component parts that can be shown to the Committee, the public, or the City Commission.

3. New Business

None.

4. Public Works Update

i. September Water and Wastewater Break Report

Chair Mammano requested an update on the consultant contract for mapping the City's water system. Assistant Director of Public Works Chris Bennett replied that the consultant has been given the contract to sign and execute. When the signed contract is returned to the City, it will be routed through Procurement for final execution of the contract and issuance of a purchase order. The contract has been approved by the City Commission.

ii. Financial Report

None.

5. General Discussion and Comments

i. Committee Members

Mr. Grabski asked if a joint Florida Department of Transportation (FDOT)/Broward Metropolitan Planning Organization (MPO) sidewalk project on Bayview Drive is subject to final City inspection. He expressed concern that at present, the project's slopes present a number of issues. It was confirmed that because this project is on a City roadway, the City will have a final say on it.

Mr. Grabski also addressed force main replacement, asking if the City plans to take any action about a contractor whose repairs resulted in potholes and other issues. Mr. Castellon replied that the City has required the contractor to address these problems. At least one pothole has already been addressed.

ii. Public Comments

None.

6. Adjournment – NEXT SCHEDULED MEETING DATE – Monday, December 5, 2022

There being no further business to come before the Committee at this time, the meeting was adjourned at 4:03 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.]