

**City of Fort Lauderdale  
Infrastructure Task Force Committee  
December 4, 2017  
2:00 p.m. to 5:00 p.m.  
8th Floor City Commission Room – City Hall  
Fort Lauderdale, FL 33301**

1. **Call to Order:**
  - **Roll Call**

<b>MEMBERS</b>		<b>PRESENT</b>	<b>ABSENT</b>
Marilyn Mammano	P	8	0
Ed Kwoka (By phone)	P	7	1
Ralph Zeltman	P	8	0
Keith Cobb	A	5	3
Leo Hansen	P	7	1
Roosevelt Walters	P	8	0
Fred Stresau	P	7	1
Norm Ostrau	P	5	1
David Orshefsky	P	5	0

**Staff Present**

Meredith Shuster, Administrative Assistant  
Paul Berg, Public Works Director  
Lee Feldman, City Manager,  
Lian Chan, Prototype-Inc. recording secretary

2. **Approval of Agenda**

**Motion** made by Mr. Walters, seconded by Mr. Orshefsky, to approve the agenda. In a voice vote, the motion carried unanimously.

3. **Approval of Previous Meeting Minutes**

**A. November 6, 2017**

Mr. Zeltman requested the following corrections be made:

- Page 3, last sentence, should read **we** instead of he. Take the **s** off needs.
- Page 4, top of page, after Mayor Seiler insert **to evaluate the infrastructures.**
- The next sentence should be **Mr. Zeltman** instead of he.
- Page 6, first sentence; **remove “that”**. The sentence should read, **“Mr. Zeltman indicated the Reiss report has 837 pages and the executive**

***summary outlines and characterizes improvements for both water and sewer.” Remove “would save time.”***

- Page 7, 4<sup>th</sup> paragraph should read, “Mr. Zeltman ***believes*** as opposed to believed. The sentence should read, “***Mr. Zeltman believes that a project schedule can establish milestones and the scope that would be helpful to keep us on track.***”
- Page 10, last sentence, should read, “***Mr. Zeltman commented that currently the City uses a footprint of the impervious area to determine stormwater cost responsibility.***”
- The next sentence take out this is and replace it with “***The proposal methodology uses the travel route method, which is a fairer way for inclusion of the units in the high-rises and vertical structures.***”

Mr. Stresau referenced the top of Page 19 and noted that the second line should say, “***...knew they could not build \$1 billion in five years.***”

Mr. Orshefsky mentioned the following changes/corrections:

- Page 3, last three lines, the problem is; insert a colon, insert a comma.
- Page 9, third paragraph; preview should be ***purview***.
- Page 14, second paragraph; third sentence that begins with Mr. Orshefsky did not have a problem with. It is sentence fragment; delete the whole sentence ending with etc.

**Motion** made by Mr. Stresau, seconded by Mr. Zeltman, to approve the November 6, 2017 meeting as modified. In a voice vote, the motion carried unanimously.

#### **4. General Discussion (Board Members) – 15 minutes**

Chair Mammano mentioned available material and was pleased to see a breakdown of projects into categories. There was a concern about potential capital budget substitutions going on and that projects put into the CIP were part of the bond. It was questioned if any of those projects would have been funded in the next CIP round and if those projects are being advanced with the \$200 million.

Mr. Berg explained that the consent order projects are straight forward and there are about \$76 million worth of projects that are fixed. Deferred projects are the ones that were in the CIP but the funding was used for the wastewater project. Those projects are having the funding put back. As long as the projections and the anticipated revenues are there those are the monies reserved for those projects.

Chair Mammano clarified that the \$55 million worth of projects were at one time reserved but the money had to be used on an emergency basis and it is now going back in.

Mr. Berg stated that the third part is the recommended priority projects other than consent order or re-funding of the projects that were defunded before. Those projects are out of the Strategic Utilities Master Plan in terms of what is believed to be priorities that need to be funded first. How much can be built at a time must be anticipated, as everything cannot be done at once and there might be a couple of minor changes due to reviewing the logistics of building over the next three years. One of the restrictions on the bond is that 85% of the money is spent in three to five years.

Mr. Orshefsky questioned if each additional Reiss report element added are the highest of the priorities or if those elements are constrained by the capacity to get the elements implemented.

Mr. Berg indicated that consideration of which priorities are included also depends on what can be done within the given time. He referenced the Coral Ridge area and noted in order to reline the forcemain, a redundant line would have to be built first so there would be capacity while the forcemain is being lined. Rehabbing of the existing line would occur probably in the follow-up bond issue after the redundant line is built.

Mr. Orshefsky questioned if the constraint is the capacity to manage the project or the dollar value of the \$200 million bond.

Mr. Berg advised that both building the redundant line and repairing the Coral Ridge line were priorities but cannot be done simultaneously. It is probably a three-year project to build the redundant line and clarified it is also known as a bypass line.

Chair Mammano asked if using the bond money for CIP projects would mean there would be CIP funding available and what the future CIP money is going to be used for if the bond money is being used for these projects.

Mr. Berg stated that only the priorities are addressed. Every year there will be debt service for the bond issue that will come out of the water and sewer fund and as more gets built there will be more to maintain so there will be more operating costs moving forward. Any money left from the annual operating funds after the bond, debt service, and operating costs have been paid, will automatically go into capital improvements.

Chair Mammano commented that in the recent past about \$20 million worth of capital improvement projects have been allocated. Now bonds have to be paid and more maintenance and operations will be needed because of the bigger system. It is assumed that less money would be available in CIP's going forward.

Mr. Berg stated there will not be as much money due to the increased operating costs as well as increased debt service.

Mr. Orshefsky indicated that some of the answers to previous issues involved Contributions in Aid of Construction ("CIAC") fees being collected. It was believed

around \$10 million over the last five years. There were issues about how rates for those impact fees needed to be addressed. Mr. Orshefsky asked that there be a broader discussion on those issues, how much was collected and what the projection was, because it has been an upward progression in terms of collective impact fees. The secondary piece is when is a new rate study likely to update those fees since 2005, the year of the ordinance that originally set the rates. As understood, those dollars get fed into the CIP on an annual basis as they are received. Will there be a plus or minus in the CIP available on an annual basis to additionally serve water and sewer enterprise fund needs. It is believed that is a broader discussion, particularly since the City has, on an annual basis, been adding from general revenues into the CIP. There are three types of dollars coming in; the developer paid dollars; what is likely to come in from potential rate increase in those impact fees; and what Administration is planning to do in the way of additional capital contributions coming out of the general revenue.

Chair Mammano understood there were no capital funds going into the water and sewer fund.

Mr. Orshefsky advised there have been general revenue dollars assigned to capital projects, which may not have been in water and sewer, but if there is a way to reduce the pressure on capital demands elsewhere in the budget then maybe additional capital flows could be available in water and sewer and other enterprise funds. Mr. Orshefsky would like a full discussion about what the City Administration is trying to do with this.

Mr. Walters Understood the City carries a reserve fund and asked if there are any reserve funds for any infrastructure projects.

Mr. Feldman stated that a reserve is maintained in the general fund and there is currently \$76 million in that reserve for general government. Enterprise fund reserves are also maintained and the water and sewer fund is no exception; there are reserves in that fund. There is a goal and it is usually a minimum of 45 days of operating costs in the enterprise funds for reserves. Other enterprise funds have similar reserve targets established through the budget, which is adopted by the City Commission. Mr. Feldman was not aware of any fund within the City that has gone below their minimum reserves. From a fund balance standpoint, healthy reserves are maintained.

Chair Mammano commented that the question was if there were reserves for breakdowns in capital projects. There are reserves for operation; however, there is not a reserve capital fund in the enterprise funds. Whatever money is put in the CIP gets allocated or not and it accumulates. The burden on staff to get things done is becoming an issue on its capacity to get all of the needed things done.

Mr. Feldman stated that consideration is being taken. He indicated that everything cannot be taken out of service at the same time. A way to build the redundant line/bypass line from the Coral Ridge Country Club system is being reviewed. Operational reserves are both operational and capital and are available when needed to

make sure there is enough cash so an emergency line of credit does not have to be floated. Priorities may need to be shifted and it is a matter of moving money that was not going to be spent into the current budget.

Mr. Kwoka mentioned the Coral Ridge Country Club line and the three-year timetable to build the bypass line. The age of the existing line was questioned in relation to the 30-inch main where there was a problem. It was also questioned if there is a contingency plan if there are breaks in the line. Mr. Kwoka expressed concern about the three-year timetable and questioned if it would take three years to repair an emergency if there were a similar break in the 30-inch line.

Mr. Berg advised the City is being proactive. The backup plan is to build the redundant line as quickly as possible and that is about a \$20 million to \$25 million project by itself. The design takes a while because it is a major line going through about a two-mile plus area of the City and there are a lot of things to design around in order to get that off the ground. The Coral Ridge line is about the same age as the 30-inch line. It is larger and if it were to fail, it could cause a bigger problem. A spot repair would be done immediately. It is one of the projects on the priority list.

Mr. Feldman stated that a rate study is being considered after the bond issue is closed. Impact fees will be considered as part of the rate study. It was reminded that impact fees can only be collected for the purpose of accommodating growth. Impact fees cannot be used to replace an existing line but can be used for upsizing. The rate study is anticipated to commence in late March.

Mr. Orshefsky asked if impact fees are increased to deal with growth demands how would it get fed into the CIP and asked if it is possible for non-bonding dollars coming into the CIP to be addressed.

Chair Mammano indicated that impact fees are not assigned to specific projects.

Mr. Berg commented that the amount spent on projects in water and sewer with those impact fees are much greater than amounts collected. That could easily be a recommendation.

Mr. Feldman advised that projects are relatively limited to take the system from the beginning to the end. There is enough treatment capacity for water that can be expanded. As far as transmission, some of the water lines may need to be upgraded to meet the fire code and such. On the collection side, larger pump stations may be needed; therefore there would be an impact fee. A lot of impact fees are going into projects where an increase has been needed in the pump station. There is capacity at the treatment facility, GTL, so there are no capacity issues. When looking at the impact fee, it has to be calculated on an equivalent residential unit as to what that impact is going to be on the system. Fees have to be local and tied back to the incremental cost

of the unit onto the system. It was also noted that the results of a rate study may not mean rates will increase but could also decrease.

Mr. Ostrau commented that ultimately rates will go down and questioned how rates are determined.

Mr. Feldman mentioned there are two ways to determine rates. One way is by looking at what is already in the pipeline and the other way is that staff knows what the buildout looks like in terms of permitted land use.

Mr. Zeltman indicated that rates will go down once the sewer collection mains are repaired reducing ground water drainage and will save wastewater treatment plant costs. Once the realization of these repairs is made there should be a big savings in wastewater treatment plant costs. Also the treatment plant capacity will be increased.

Mr. Walters referenced an article in the newspaper over the weekend and questioned if it was incorrect.

Mr. Feldman stated the article headline was misleading; it was partially wrong and partially right. With improvements currently being made, there will be enough capacity. Also, all the projected growth is not being done immediately. Currently, about 2,000 to 3,000 units are coming online in a year.

Chair Mammano questioned if a plan is in place to handle 3,000 units every year considering the unknown condition of the pipes downtown and asked specifically about plans for pipes in the downtown area.

Mr. Feldman explained that repairing the I/I (inflow/infiltration) will add 15 to 20 years of life to the pipes. The I/I projects are in the downtown basin and lining the pipes is being done as quickly as we can. The three highest priorities are the redundant line, the aggressive I/I, and making sure the dollars are put into Fiveash or into Peele Dixie to continue the treatment of water.

Mr. Feldman asked the task force to consider where the future water supply should come from. The City could continue using the Biscayne Aquifer, which is basically the Fiveash plan, or dollars could be put into Peele Dixie to expand the system. It is a little more expensive to treat the Floridan Aquifer but that is where the dollars should be put because that is the water supply alternative versus taking the same equivalent dollars and pushing it into Fiveash to treat the surface of the Biscayne Aquifer, which may only be good for another 50 years.

Chair Mammano commented that is a big issue and requires expertise, study, and pros and cons.

Mr. Berg stated that one revision in the project list was the relining of the existing Coral Ridge pipe, which was about a \$16 million project. The next step was what should be done with water treatment. The final project list will show monies to do the feasibility

study to evaluate which is best, expanding Peele Dixie, rebuilding, or replacing Fiveash in terms of major water supply for the City and then actual design work to do whatever that feasibility study says.

Chair Mammano mentioned that the money comes out of the enterprise funds and will be a CIP line item for a consultant contract to do this study.

Mr. Feldman stated the study is part of the bond issue. \$200 million in cash is being put into the CIP through the issuance of a bond to address the capital needs of the system. The bond will be paid off over a 30-year period so the users of the system are paying over the useful life of the system.

Chair Mammano noted that is the capital budget substitution concern.

Mr. Feldman advised that the City believed the increase in the water and sewer rates would add some savings they have been able to achieve through re-funding received in the past that would provide adequate capacity to fund the debt service on this new issue. It will allow the City to continue to fund the CIP.

Chair Mammano expressed concerned that by bonding, the same amount of money that has been contributed in the past to the CIP would not be made.

Mr. Feldman commented that the intent is not to substitute.

Mr. Zeltman mentioned that the Floridan Aquifer is approximately 1000 feet down and once the groundwater infiltration problem is solved the likelihood of replenishment to the Biscayne Aquifer will increase. As long as are raw water source can be preserved, the longer the source will last and will slow down the saltwater intrusion to the City's wells and having a backup plan.

Mr. Zeltman commented that the service life of the gravity mains is generally 50 years. After the pipes have been lined, life might be extended 15 to 20 years. What will happen then? At some point and time, the pipes will never be able to be lined due to the severity of the damaged pipe.

Mr. Feldman stated that the wellfields are well out west and saltwater intrusion is not a big concern.

Mr. Kwoka mentioned one concern is that a 30-year debt service is being incurred and the life of the infrastructure is being extended for 15 or 20 years.

Mr. Feldman advised that all bonds do not mature in 30 years. The life of the bonds could be tied to the improvements.

Mr. Kwoka mentioned his concern that removing or reducing funds into the CIP because it was infused by a bond issuance. He asked where that would leave the City when additional infrastructure and improvements have to be paid 20 to 25 years from now.

Mr. Feldman reiterated that there has been no mention of reducing the funding for CIP.

Mr. Orshefsky suggested deferring all the Capital Improvement, Contributions in Aid of Construction ("CIAC"), Impact Fee discussions, and potential substitutions to the January agenda instead of trying to speculate..

Mr. Orshefsky commented that the minutes are fine but lengthy. He would like to hear from the Public Information Office as to what the web presence looks like for exchange with the public.

Chair Mammano questioned if Mr. Kwoka spoke to Chaz Adams. She suggested Mr. Adams needs to be at the meeting so there can be a discussion about a greater outreach. This should be placed on the January agenda.

Mr. Kwoka stated that he did not speak to Mr. Adams. If someone could arrange a meeting for them to meet prior to the Joint meeting he would try to meet with them.

Chair Mammano suggested that Mr. Kwoka work that out with Ms. Shuster.

## **5. Old Business**

### **A. Public Outreach Survey**

- i. Survey Distribution and Posting**
- ii. Compilation of survey data**

Discussion ensued regarding survey questions put together by the Committee and sent to Mr. Kwoka. The format of having five topics and five questions per topic was confirmed.

The following comments were made:

- There was concern that questions could not be written without showing bias and a suggestion was made that in lieu of questions, perhaps everyone could go out with handouts or documents to the public that express what the Committee has learned or observed to widen the circle of information available.
- Misinformation and uninformed public will still be inevitable to some degree.
- Once the Committee speaks to the Public Information Office and there is a webpage, the survey could be at one tab and another tab could show what the Committee has been doing for the last six months and what was found about impact fees and capital contributions. One or two pages could be drafted and



posted in the same place. It was noted that the questions would be reshaped to eliminate bias and questions would be randomly selected.

- Mr. Kwoka confirmed that he received enough questions and that bias will generally be reduced in the phrasing of the questions and with enough survey results.
- It was suggested to focus on mobility specifically such as roads rather than passenger models. It was believed that retaining the concept of mobility as one of the infrastructure needs would be a good thing.
- The intention was to keep the initial five recommended topics and adding the two components, sea level rise and mobility.
- Mr. Kwoka stated a deadline would be set so the survey could be opened and closed. Because the survey is online the results are tabulated and each survey must be 100% complete; any incompletes will be removed. He stated he would handle the compilation. It was believed that the tabulation would be available by the next meeting.
- A 95% validity rate is the standard for acceptance; however, there is still value to the survey if the number falls slightly under. There must be a certain number to shoot for; perhaps 300-350 responses.
- In non-technological situations, the study could be published in a paper form; however, two independent people would have to transcribe the paper version to the electronic version to eliminate bias. All Committee members could be emailed the survey and the survey could be available at the January candidates meeting.
- If less than 25 questions were answered on the survey the answers would not be statistically counted. The results could still be used for information but could not be counted toward the validity of the survey. Questions would be set up so if people do not have an opinion, that would be the answer.
- The purpose of this survey goes back to the conversation about open discussion with the public and trying to narrow the focus on the topics to keep the conversation on track.
- Some terms will not be readily understood or are too hard and the survey must be simplified so anyone can answer or check "I don't know" at the end of the question.
- Mr. Kwoka explained how the questions are written at about an eighth grade level and by including certain redundancy, emotional factors can be minimized.
- A City survey was recently undertaken dealing with transportation and Mr. Feldman suggested it does not have to be covered again. One of the biggest issues neighbors have is the synchronization of traffic signals and that responsibility was transferred back to the County in the 1970's. He asked if taking back control is something the Committee wants to address.
- Conversation ensued to not take it back.
- Mr. Feldman questioned what type of control there is so the survey will not be done multiple times by the same party.

- Mr. Kwoka explained tooling is used to capture the IP address so duplicates can be seen and any additional surveys would be extracted from the data.
- The survey was not being used to make decisions on the bond and there would not be any long-lasting implications being determined. The survey is to help the Committee shape a forum for discussion, which will be a public forum. The basic statistical validation is for general knowledge.
- A special meeting was suggested to address the survey.

### **B. Joint Workshop with the City Commission**

Chair Mammano announced that the meeting on Wednesday is on priorities and objectives.

Mr. Ostrau asked if the projections were ever updated and provided on the stormwater rate study.

Chair Mammano replied that the update was not received. Her question was does the rate need to be increased 5% every year when the change in methodology could kick in another \$10 million.

Mr. Feldman advised that the Commission received the communication and basically said they were not interested in the methodology at this time.

Mr. Walters suggested bringing it back in May when the new commission would be seated.

Mr. Feldman indicated that the Committee was trying to get discussion on the philosophy not on the numbers so a rate could be created based on the philosophy.

Chair Mammano commented that the methodology should be changed so everyone is paying their fair share. Redundancy should be a high priority; there should be redundancy in the system and the infiltration (I/I) issues should be prioritized along with relining of the pipes.

Mr. Orshefsky stated there is already \$15 million in contracts with I/I that are currently being implemented.

Mr. Berg indicated there is almost \$22 million worth of I/I scheduled over the five-year plan.

Chair Mammano questioned if there is a map of pipes in the I/I project.

Mr. Berg stated that the pipes are prioritized by drainage basin, both for the gravity sewer system and for stormwater. The \$21.6 million is for the sanitary and gravity system and there is \$15 million authorized as part of the existing CIP, which was

approved earlier this year. The biggest problem has been with the 100-year rain in June, the king tides, and the hurricane. Groundwater levels have been high but as we get into the dry season the projects will get underway.

Chair Mammano questioned if Mr. Berg was confident that there was enough money in the program to get a hold of this and how long it would take to get this done.

Mr. Berg did not readily have a number as far as the timeframe. The goal is to line it all.

Mr. Orshefsky questioned if there is a sense or a ballpark that the \$22 million is 40% or 80% for I/I potential projects.

Mr. Berg did not readily have a number but believed the \$22 million addresses many of the priorities, especially in the downtown area.

Mr. Stresau addressed resiliency and read his question and Mr. Dodd's response from last month's minutes. Mr. Stresau questioned at what point is it considered that the sea level rise will affect the plan to bury a huge pipe leading into the GTL Wastewater Treatment Plant. His concern was the magnitude of cost as opposed to the added value of security to bury a functioning piece of infrastructure when the plant may need to be replaced in 50 years due to sea level rise.

Chair Mammano questioned what resiliency means to the Committee.

Mr. Stresau described resiliency as money being spent on infrastructure that is not necessary or probably will not be used in 35-40 years.

Mr. Zeltman commented service life of the gravity mains is generally 50 years. After the pipes have been lined and the life might be extended 15-20 years what will happen then? At some point in time, the pipes will no longer be able to be lined due to the severity of the damaged pipe.

Chair Mammano referenced the I/I program and questioned which pipes were chosen to prioritize and how that decision was made.

Mr. Berg stated the decision was based on where the demands are and where the most problems have occurred, along with experience in dealing with where the high and low flows are coming out of the gravity systems and how long pump times are. Mr. Berg pointed out that is the reason for master plans that point out useful life and when things will wear out and to build that into future designs and plans because at some point the pipes must be replaced and it must be built into to plan on how to pay for it

Mr. Kwoka mentioned if a line lasts 20 years that is a temporary fix..

Mr. Orshefsky indicated that one of the ways other jurisdictions have dealt with ongoing capital needs is to build a replacement cost into their rates like condos that have to put

money into reserves for eventual capital replacement. It could be brought up at another meeting.

Mr. Berg stated It is a continuous process and there is a part built into the operational costs every year to maintain and replace.

Mr. Orshefsky noted it is not the same concept as the reserves.

Mr. Berg commented that it is an ongoing process that has to be projected. It is one of the limitations of having a five-year CIP and that is why the 20-year utilities master plan was done because a longer outlook had to be taken.

Mr. Walters questioned what limitations are being put on the outflow of the pipe once the stint/liner is in.

Mr. Berg advised the lines are going from a 31 ½-inch diameter line to a 30-inch line so one-inch is being lost, which is about 3%. The functional improvement makes up for the loss in pipe diameter.

Mr. Ostrau questioned what is going to be discussed with the Commission.

Mr. Kwoka suggested talking about the duration of the Infrastructure Task Force Committee because that directly impacts what can or cannot be considered.

Mr. Orshefsky stated that the WAVE and the FDEP consent agreement have been taken off the table. There is a methodology for stormwater; a recommendation was made and is likely to come up again but at this point it was taken off the table. If a reserve element for the replacement of the major expenses/projects is put in as part of the rate structure, debt service would not have to be paid or less debt service would be paid. Then all of the extra jurisdictional elements of the system would also pay for the capital replacement. The rate study is coming up and his suggestion is some sort of component should be put into the rate base that provides for the eventual replacement of all major capital systems.

Chair Mammano questioned if whatever is left in the budget once everything is taken care of is put into the CIP that an amount toward replacement could be held in reserve and a “pay as we go” approach would be used .

Mr. Orshefsky commented that based on the current study, a detailed budget of what Reiss’s recommendations are with respect to water and sewer was given for the next 20 years.

Mr. Kwoka stated there is a comment in the minutes by Mr. Feldman that previous ROI was collected against stormwater but is no longer being done. ROI pertains only to wastewater.

Chair Mammano wanted to discuss sustainability because it means different things to different people. She thinks it means preserving the community and asked the board to for comments.

Mr. Kwoka offered to forward literature placing a clear definition on sustainability with regard to the use of innovation, specifically directed at this type of topic.

Mr. Orshefsky questioned if resiliency and sustainability are perceived as different things.

Mr. Stresau believed it has to do as to whether or not good money is put after something considered bad if looking at sea level rise. There is a perfectly good 1,600-foot long pipe that is six or eight feet in diameter and it has been said that the pipe needs to be put underground for security.

Chair Mammano stated if there is a security issue, perhaps the money should be spent even though putting it underground is not a good idea in the long run due to sea level rise but in the short run it is something that needs to be done if it is a question of sabotage that could kill people.

Chair Mammano reiterated what was said about not being able to do everything at the same time or gridlock would occur. She preferred to see a visual such as a map to show the prioritization. What needs to be replaced when and how much it will cost.

Mr. Orshefsky suggested telling the Commission that this Committee is not going to deal with the WAVE.

Mr. Kwoka indicated that the Committee should give some consideration as to when and how to start replacing the pipes. If this buys 20 years, the next time there may not be the capability to line the pipes. This should not be passed on to the next generation. What matters is that the discussion has begun.

Mr. Orshefsky clarified there is rate methodology, stormwater on the side, rate methodology includes “reserves” as a term of art for the water and sewer system, and no WAVE .

Chair Mammano agreed that the Committee should not get into the details of the WAVE but stated there was a question of whether that amount of money should be spent on that mode of transportation when there are other, better, technological and cheaper alternatives that will accomplish the same thing.

Committee members suggested not bothering with the WAVE, discussing the life of this Committee and to suggest an extension, and discussing the ROI.

Mr. Hansen commented that there are certain priorities that are more imperative. When it is something that affects 99% of the population over a “wish list” that may affect only 1% of the population, the Committee needs to make that case.

Chair Mammano stated that all of the infrastructure programs are being funded out of the enterprise funds.

Mr. Orshefsky advised that some of the programs are being funded from the CIP and general revenue.

Chair Mammano was told by Mr. Berg and others that the amount of money coming out of the general fund to fund infrastructure projects is very small. Perhaps there should be some investments of general funds in infrastructure such as seawalls, that are critical. It was questioned why the City is limited to using the enterprise funds for infrastructure.

Mr. Stresau heard the \$200 million was going into the fund to do projects and that there is not a lot of money coming from anywhere else.

Mr. Orshefsky stated that a recommendation was being made to the Commission that 3% or 4% of the overall general revenue be used for infrastructure. The \$11 million turned out to be about 3% or 4%. There has been discussion at the BAB in the past about whether that percentage should be higher. The question is whether infrastructure should be funded more fully out of general revenue, which goes back to ad valorem.

Mr. Walters expressed concern about trying to be fair with the rate structure homeowners are going to be paying for the sidewalks and/or parks.

Chair Mammano mentioned that the next big discussion would be if the rate structure is changed if there would be enough money to pay for everything or if fees would have to be raised.

Mr. Berg noted that it has not been decided whether seawalls are part of stormwater. It was mentioned that the Commission would have to decide, as a policy issue, how the seawalls are going to be paid for and where the revenue source is.

Chair Mammano commented that if the project could not be bonded as part of the enterprise fund for the stormwater, there is only one other pot of money.

Mr. Ostrau stated that if a piece of property were sold out west something else might be done with the seawalls.

Mr. Stresau mentioned that the difference between ad valorem taxes and selling a piece of property are totally different. There is a major investment in the storm drainage and there is no way to pay for it.

Mr. Zeltman indicated that there are basically two different types of storm drainage systems, positive and exfiltration.

Mr. Berg advised that the City of Fort Lauderdale has 22 basins and the stormwater master plan is focused on the seven top priority basins which have the most flooding and some of that may be due to maintenance; however, most is due to lack of drainage facilities.

There are two (of the seven) basins where there is almost no existing infrastructure; there are no pipes. There are currently two large and two small stormwater pumping stations. With the new stormwater master plan, for those seven neighborhoods, that number of pumping stations would be increased by eight. Currently, the majority of the stormwater pipes are less than 30 inches and with the new system they are looking at pipes that will be as much as 72 inches in certain locations. Maintenance is an issue in the long run but the way stormwater is managed in this City must change.

Mr. Berg stated that is what the \$200 million being estimated for stormwater is going to be spent on.

A comment was made that the stormwater rate has been increased every year for the last three years and part of the discussion about the rate methodology changing is to go back to what Chair Mammano referred to as a fairness issue to determine whether simply changing the rate methodology could prevent an increase to those rates.

Mr. Stresau again questioned if the \$200 million could be funded for the stormwater program out of the current rates.

Chair Mammano stated that the methodology could be done and there still would not be enough money and still have to raise the rates.

Mr. Walters mentioned neighboring cities that use this system and questioned how they are charged.

Mr. Berg advised that stormwater systems are always neighborhood elements; there are no users outside the City limits; however, there are other users with the sewers. When the water system was regionalized a lot of force mains were built by about six or seven cities and Fort Lauderdale was about 80% and the other cities represented about 20%. Those costs for water treatment are computed every year and included are the operation and capital projects. At the end of the year, if there is money left over the money is rebated and if there are shortages the rates are increased.

Chair Mammano commented that millions of dollars are being spent on lining the pipes to stop the infiltration and sand and questioned if other cities are spending millions of dollars on their pipes.

Mr. Berg stated that other cities have spent some funds but as the City of Fort Lauderdale increases its efforts, the other cities will be looked at.

Mr. Hansen noted that the City's position is the stormwater problem not being caused by development.

Mr. Orshefsky stated that each project has to handle its own water use. The stormwater system is needed because beyond that point, no one is required to deal with more than the regulatory minimum.

Mr. Berg commented that when applying for a development permit capacity is part of the issue that must be taken care of.

Mr. Hansen stated that overdevelopment is a big issue in the public mind. Water and sewer were looked at and it was determined that both could be handled. Mr. Hansen wanted to be sure stormwater was crossed off the list.

Mr. Orshefsky read his list of the five topics for discussion with the Commission at the Joint Meeting in no particular order.

A: Stormwater rates using the trip methodology and the issue the Committee had with the equity of the rate structure.

B: To include an element of capital reserve for water and sewer so rates could be collected on an annual basis for the eventual replacement of capital facilities as a potential alternative to bonding or ad valorem. [WAVE is in brackets because it is not going to be raised.]

C: Extension of the life of the Infrastructure Task Force Committee.

D: Generic discussion about ROI philosophy.

E: Infrastructure items as a priority, which was a potential increase in general revenue ad valorem contributions to infrastructure.

**6. Board Member Comments – None.**

**7. New Business**

**A. Criteria for Philosophical Approach to Infrastructure Prioritization**  
**B. Fiveash Water Treatment Plant**

Items A and B were discussed under General Discussion mentioned above.



## 8. Public Comments

Peter Partington, resident, liked the analogy to the condos with their reserve study. It was understood that Condominium Associations can vote not have reserves so the situation is the reverse of how it is with the City. The Reiss study forms the basis of the CIP for 20 years for wastewater. It was suggested that the Committee ask the Commission that somehow funding in the Reiss report each year is a given and a vote must be taken to take things out rather than take or add things. With regard to priorities, it was suggested that earlier projects in the Reiss report be put into the GIS system so the public can see what is planned year by year.

Tim Smith complimented the amazing service of the Committee. The best way to help citizens is if the Committee is certain with their position. The Commission should be asked to take some hard positions. Mr. Smith hopes the Committee approaches it forcefully and tells the Commission that the Committee only has a certain amount of time and that should be the first thing noted. Tell the Commission what the Committee thinks and ask for specific performance. A trip was put together to visit the wastewater treatment plant and Mr. Smith is going to try to put together a trip to Peele Dixie, which is a historic water plant in the City.

Mr. Kwoka asked Mr. Smith if the Committee should continue in perpetuity.

Mr. Smith did not know about in perpetuity but it was not believed that the work was finished.

Mr. Walters agreed with Mr. Smith. The Committee can be as forceful as allowed, but noted that the Committee is advisory in nature.

Chair Mammano advised that the workshop is going to be televised and will be on the City's webpage. People will see that the Committee has been working for eight months and have come to some conclusions and made some statements. This is a serious issue.

Paul Chettle, resident, referenced a statement that ROI is not taken out of stormwater because there is not a rate structure to support it. Stormwater fees have already gone up 186% in the last six years and the Commission has seen it three times, once directly and twice through the Committee communications and they have no political appetite given the 43 days to deliver. It is imperative that whoever is next on the Commission address this immediately because there needs to be a rate structure in order to support issuing the debt needed to satisfy the \$200 million in projects. When speaking to the Commission, many residents have been begging them for a year to address infrastructure in the budget and by the CIP and they have put themselves in a position where they have not raised the millage, have not adjusted the budget, cut spending on critical infrastructure in the CIP, and now they want to issue \$200 million of debt to pay for water and sewer, taking the amount of debt capacity. Mr. Chettle mentioned the \$60

million debt service difference between the two strategies. If there is a billion dollars of debt, five tranches, \$200 million each, with an additional \$60 million difference between two different strategies, suddenly there is a \$300 million difference in debt service.

Mr. Zeltman indicated there might be a problem with a new commission regime effective in March. What is said now may have to be repeated.

Chair Mammano was looking at this as an education process. Issues are put on the table and the next time there is a meeting with the Commission some serious proposals can be put on the table.

Charlotte Rodstrom mentioned the new Commission and suggested the Committee prepare some type of a summary of exact things that have happened on the Committee. Have something ready on day one that can be handed to the new Commission that will give a summary of what has been done over the last eight months and where the ideas are.

#### **9. Adjournment – Next Regular Meeting – January 4, 2018**

There being no further business to come before the Committee at this time, the meeting was adjourned at 4:34 p.m.

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