

**AMENDED AGENDA
UTILITY ADVISORY BOARD
CITY OF DUNNELLON
20750 RIVER DRIVE
DUNNELLON, FL 34431
MAY 16, 2016 AT 3:00 P.M.**

PLEASE NOTE: Individuals wishing to address the Board please sign in. A three-minute time limit will be administered. PLEASE TURN CELL PHONES OFF.

OPENING
Call to Order
Pledge of Allegiance

PROOF OF PUBLICATION
The agenda was posted on the City's website and City Hall Bulletin Board on Friday, May 13, 2016.

ROLL CALL

1. **APPROVAL OF MINUTES**

2. **Recognize Councilman Rick Hancock As Council Liaison To UAB**

3. **Juliette Falls Operating Permit Renewal - Kimley Horn IPO#53**

Consideration of Recommendation to Council for IPO #53 from Kimley-Horn to prepare the Juliette Falls Waste Water Treatment Plant (WWTP) Operating Permit Renewal for submission to FDEP.

Documents: [AGR2016-22_IPO53_KIMLEYHORN.PDF](#)

4. **Florida Rural Water Association (FRWA)**

Address the status of testing for water leaks, conducting rate study and whether FRWA can perform an operational study.

5. **Update On Recommendation To Council Re: Loan/Transfer Of Utility Reserves To Greenlight**

Documents: [UAB REC TO COUNCIL WSLIDES.PDF](#)

6. **Update On RFP For Installation Of Radio Read Meters**
7. **Schedule For FY2017 Budget Preparation**
8. **2015 Audit Report**

Comments from Finance Director, Jan Smith, relative to utility matters.

Link to 2015 Audit Report: [ANNUAL AUDIT REPORT](#)

9. **PUBLIC COMMENT**

10. **ADJOURNMENT**

ANY PERSON REQUIRING A SPECIAL ACCOMMODATION AT THIS HEARING BECAUSE OF A DISABILITY OR PHYSICAL IMPAIRMENT SHOULD CONTACT THE CITY CLERK AT (352) 465-8500 AT LEAST 48 HOURS PRIOR TO THE PROCEEDING. IF A PERSON DESIRES TO APPEAL ANY DECISION WITH RESPECT TO ANY MATTER CONSIDERED AT THE ABOVE MEETING OR HEARING, HE OR SHE WILL NEED A RECORD OF THE PROCEEDING, AND FOR SUCH PURPOSE, HE OR SHE MAY NEED TO ENSURE THAT A VERBATIM

RECORD OF THE PROCEEDINGS IS MADE, WHICH INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. THE CITY IS NOT RESPONSIBLE FOR ANY MECHANICAL FAILURE OF RECORDING EQUIPMENT.



to UAB 5/16/16
back to Council
6-13-2016

Meeting Date: 5/4/16

From (Dept): Sewer

Signature: [Signature]
Department Director

Approved for
Agenda: [Signature]
City Manager

Official Use Only

Reviewed by
City Attorney: _____

Council Action: _____

Date: _____

SUBJECT:

Request For Approval: AGR#2016-22 Kimley Horn IPO#53 – Juliette Falls WWTF Permit Renewal

SUMMARY EXPLANATION & BACKGROUND: The Juliette Falls Wastewater Treatment Facility (WWTF) operates under the FDEP Domestic Wastewater Facility Permit number FLA490415. The current operating permit was issued on April 4, 2012 and expires on April 3, 2017. Chapter 62-620 of the FL Administrative Code requires submittal of the operating permit renewal application no later than 180 days before the expiration date.

FISCAL INFORMATION: Not Budgeted in FY15-16. \$9,500 Funding from sewer operating reserve. Budget amendment will be presented to Council if required at yearend.

PROCUREMENT METHOD:

PURCHASE REQUISITION NUMBER:

RECOMMENDED ACTION: Authorize Mayor to sign agreement AGR#2016-22

Initiated by: EE/js

INDIVIDUAL PROJECT ORDER NUMBER 53

Describing a specific agreement between Kimley-Horn and Associates, Inc. (the "Engineer" or "Kimley-Horn"), and The City of Dunnellon (the "City") in accordance with the terms of the Master Agreement for Continuing Professional Services dated November 9, 2009, which is incorporated herein by reference.

Identification of Project:

Project: Juliette Falls WWTF Permit Renewal
Client: City of Dunnellon
Project Manager: Lewis Bryant

Background Information:

The Juliette Falls Wastewater Treatment Facility (WWTF) operates under the Florida Department of Environmental Protection (FDEP) Domestic Wastewater Facility Permit number FLA490415. The current operating permit was issued on April 4, 2012 and expires on April 3, 2017. Chapter 62-620 of the Florida Administrative Code requires submittal of the operating permit renewal application no later than 180 days before the expiration date.

The detailed scope of services for Kimley-Horn to prepare the required FDEP operating permit renewal package is described below.

Specific Scope of Basic Services:

Task 1 – Design Plans

- A. Kimley-Horn will retain the services of a licensed surveyor to perform a route survey in compliance with Florida Minimum Technical Standards Rule 5J-17 FAC for engineering design.

Task 2 – FDEP WWTF Domestic Wastewater Facility Permit Renewal Application

- A. Kimley-Horn will attend a pre-application meeting with FDEP to ensure all required information is included in the application package.
- B. Kimley-Horn will prepare and submit a FDEP WWTF Domestic Wastewater Facility Permit Renewal Application. The following information is anticipated to be required with the submittal package:
 - Form 62-620.910 (1) "Wastewater Facility or Activity Permit Application – General Information – Form 1"
 - Form 62-620.910 (2) "Wastewater Permit Application Form 2A for Domestic Wastewater Facilities"
 - A "Capacity Analysis Report" update
 - An "Operation and Maintenance Performance Report"
 - Form 62-610.300(4)(a)1 "Annual Reuse Report"
 - Form 62-610.300(4)(a)4 "Pathogen Monitoring"
 - Form 62-620.910(15) "Reclaimed Water or Effluent Analysis Report"
 - A current flow meter calibration certification
 - Current Residuals Management Facilities (RMF) agreement
 - Current Reuse agreements (for each reuse site)
 - Current flow diagram depicting sample and metering locations
 - Current site plan
 - Current Operating Protocol
 - Permit Application Fee (provided by the City)
- C. Kimley-Horn will make up to two site visits to conduct inspections, review plant information and interview plant operators.

D. Kimley-Horn will prepare the following information:

1. Form 62-620.910 (1) "Wastewater Facility or Activity Permit Application – General Information – Form 1"
2. Form 62-620.910 (2) "Wastewater Permit Application Form 2A for Domestic Wastewater Facilities"
3. A Capacity Analysis Report Update
4. An Operation and Maintenance Performance Report

E. The City will provide the following information:

1. Form 62-610.300(4)(a)1 "Annual Reuse Report"
2. Form 62-610.300(4)(a)4 "Pathogen Monitoring"
3. Form 62-620.910(15) "Reclaimed Water or Effluent Analysis Report"
4. A current flow meter calibration certification
5. Current Residuals Management Facilities (RMF) agreement
6. Current Reuse agreements (for each reuse site)
7. Current flow diagram depicting sample and metering locations
8. Current site plan
9. Ground water monitoring reports for the last 5 years
10. FDEP Permit Application Fee
11. Dates and descriptions of all facility modifications within the last 5 years
12. Any FDEP consent orders
13. Discharge Monitoring Reports (DMR's) for the last 5 years
14. A copy of the WWTF Preliminary Design Report
15. Up to date record drawings
16. Up to date Operation and Maintenance Manuals
17. Up to date Operating Protocol
18. Cross-connection control and inspection program
19. Industrial pre-treatment program

F. Kimley-Horn will provide two draft permit application packages to the City for review prior to submittal. Kimley-Horn will provide the City with two final versions of the application package and all RAI submittals.

G. After the initial permit renewal application submittal, Kimley-Horn will respond no more than two reasonable requests for additional information (RAI). Additional RAI responses will be performed on an hourly labor fee plus expense basis in accordance with the approved rate schedule.

Additional Services if Required:

This proposal does not include performing any specialized studies outside those listed above. On specific projects in the past, FDEP has requested additional hydro-geological studies, attendance of multiple meetings at FDEP offices, performing reuse feasibility studies, preparing or updating reclaimed water operating protocols, preparing or updating Operation and Maintenance manuals, preparing construction or modification plans, and certifying the completion of FDEP required repairs or sampling the WWTP effluent and existing groundwater monitoring wells. These types of activities are not anticipated and are not included.

Kimley»»Horn

Services requested that are not specifically included will be provided under an amendment of this scope of services or as a new and separate agreement upon written authorization.

Schedule:

The Engineer will provide the above Scope of Services as expeditiously as possible to meet a mutually agreed upon schedule.

Method of Compensation:

The Engineer will complete the above scope of services for a lump sum fee of \$9,500 inclusive of expenses.

ACCEPTED BY:

THE CITY OF DUNNELLON, FLORIDA

KIMLEY-HORN AND ASSOCIATES, INC.

BY: _____

BY: 
M. Lewis Bryant, PE

TITLE: _____

TITLE: Associate _____

DATE: _____

DATE: April 15, 2016 _____

**Utility Advisory Board
Recommendation
Return of Funds Removed from Water and Sewer Enterprise Fund Reserves**

At its April 18, 2016 meeting the Utility Advisory Board (UAB) reviewed and discussed options relative to the return of funds that were removed from Water and Sewer reserve accounts and used to fund the Greenlight project. The following background information and recommendations are hereby presented to the Dunnellon City Council.

1. Background:

a. Resolution 2010-06, dated 7/26/2010, authorized the creation of Greenlight and the associated Communications Enterprise Fund. The resolution also authorized a loan of \$50,000 from the Water/Sewer Funds to Greenlight. It is our understanding that this loan has been repaid and no further action is required.

b. Resolution 2012-29, dated 11/13/2012, authorized an inter-fund loan of \$1,478,430 from the Water/Sewer Funds to the Communications Fund. Stipulations of the loan are that it carries a .01% per annum interest rate and that it be paid in its entirety by 2017. To date, no action has been taken to repay this loan. The funds were transferred from the Water Capital Improvement/Connect Fees and Reserve Equipment Replacement accounts, and from the Sewer Reserve Equipment Replacement account. This loan remains outstanding.

c. Resolution 2013-18, dated 11/12/2013, authorized the transfer of \$1,962,826 from the Water/Sewer Funds to the Communications Fund. The funds were transferred from the Water Unrestricted Equity and Emergency Reserve accounts, and from the Sewer Capital Replacement account.

d. Resolution 2013-18 also authorized the transfer of \$1,362,664 from Water/Sewer bond proceeds to the Communications Fund. The UAB recognizes that the City is dealing with this transaction separately due to legal issues. The UAB recommends that the City continue making payments from the General Fund to replace the amount removed.

e. The combined amount transferred from Water/Sewer Fund reserve accounts is \$3,441,256.

2. Current Situation:

a. The Water/Sewer Reserve Accounts for Equipment Replacement are empty.

b. The combined amount in the Water/Sewer Emergency Reserve accounts is \$7,308.

c. The combined amount in the Water/Sewer Capital Improvement accounts is \$127,234.

d. The lack of funds in these reserve accounts directly affects the immediate and long-term safety and reliability of the Water and Sewer Utility Systems. This is a significant public interest situation that needs to be addressed by the City Council.

e. The lack of funds in these reserve accounts makes it impossible for the city to undertake utility system improvements and enhancements without borrowing funds.

3. Recommendations:

a. Assuming that the City does not have funds available in the short term to replace funds loaned and transferred from the Water and Sewer reserve accounts, and taking into consideration discussions about this matter at the joint Council and UAB workshop on 3/21/2016, the UAB recommends that the Council approve an agreement that allows the funds to be reimbursed over a period of time.

b. Starting with the fiscal year 2017 Water and Sewer Enterprise Fund budgets, the city should suspend any inclusion of expense items for city staff providing support to water and sewer operations and administration. For the purpose of determining the yearly amount to be applied toward the reimbursement, the city should use the amount of \$143,728, which is the amount being charged in the fiscal year 2016 budget.

c. Starting with the fiscal year 2017 Water and Sewer Enterprise Fund budgets, the city should include one-half of indirect expense items that contribute to the operation and administration of the water and sewer utilities, instead of the two-thirds contribution in the fiscal year 2016 budget. The yearly amount of \$12,274 (based on amounts in the fiscal year 2016 budget) should be applied toward the reimbursement.

d. The total of the above items is \$156,002 per year that would have to be absorbed by the General Fund. By not having these expenses included in the water and sewer funds, and by maintaining the existing utility rates, it should be possible to accommodate operation and maintenance expenses, gradually increase reserves and satisfy debt obligations.

e. The UAB recommends that the City establish a process for allocating these savings to the various reserve accounts.

e. The UAB recommends that the City establish optimum account balances for reserve accounts and continue adding to these accounts until the desired balance is achieved.

f. The UAB feels that the method of formalizing this plan to return funds to the water and sewer reserves should be determined by the Council.

Respectfully submitted,



Hugh Lochrane
Chairman, Utility Advisory Board

Utility Advisory Board

- **Joint meeting March 9, 2016 - discuss loan to Greenlight**
- **Produce a recommendation relative to action taken by Resolution 2012-29**
- **UAB meeting April 18, 2016**

UAB Meeting

- **Draft recommendation for repaying “loan”**
- **Concern about other transfers**
 - **\$1.96M from reserve accounts**
 - **\$1.36M from bond proceeds**
- **Board agreed to address all transfers**

Background

- **Resolution 2012-29 (11/13/2012)**
 - **Interfund loan of \$1.5 to be repaid by 2017**
- **Resolution 2013-18 (11/12/2013)**
 - **Transfer of \$1.9M from reserves**
 - **Transfer of \$1.36M from bond proceeds**
- **Total funds transferred \$4.82M**

Replace Bond Proceeds

- **Legal obligation to replace \$1.36M**
- **Separate line item in General Fund budget**
- **Time period and amount per year ????????**

City decides how to deal with this matter.

Current Situation

- **Reserves for equipment replacement = \$0**
- **Reserves for emergencies = \$7,308**
- **Reserves for improvements = \$127,234**

Impact

- **Re-building reserves means higher rates**
- **No means to replace aging equipment without incurring debt**
- **No funds available for major emergency situations**

Fix the Problem

- **Restore funds to reserve accounts**
- **Suspend General Fund expense items currently being charged to water and sewer funds (\$143,728)**
- **Allocate specific amounts to depleted reserves**
- **Establish optimum account balances for reserves**
- **Formalize plan**