

**CITY OF KEY COLONY BEACH UTILITY BOARD
REGULAR MEETING
MINUTES**

Tuesday, February 19, 2019 – 9:30 a.m. @ City Hall

Call to Order, Roll Call:

The regular meeting of the Utility Board was called to order at 9:30 a.m. by Board Chairman John Dalton. *Answering to roll call was:* John Dalton, Tom Harding, Tom DiFransico and Lin Walsh. *Excused:* Steve Flood and Mike Alexander

Also Present: Jason Shepler of Mittauer & Associates via telephone, Building Official Gerard Roussin, Utility Clerk Pat Hyland and Plant Manager Dave Evans. Public – 1

I. SRF WRF Improvements – Phase 2 Project:

- A. Administrative Order Close-Out -** Jason Shepler spoke with Gus Rios, the Program Administrator for the FDEP. Mr. Rios indicated that the Administrative Order is basically closed out, and no written confirmation would be mailed out. Mr. Shepler also inquired about the sampling frequency since the permit has a weekly compliance requirement. Mr. Rios said that the monthly average and reports would be what was looked at with regard to sampling results. There will be a field visit in March, or during the second quarter at the latest.
- B. FDEP UV Replacement Permit Package –** The signed permit application will be emailed to Jason, who will submit the application to the DEP. Jason will co-ordinate with the Utility clerk regarding remitting the permit fee, which should be around \$1800.00.
- C. Current Operations –** Jason will be on site later today and will be working with Plant Operator Dave Evans regarding field modifications. Enhancements are to be made on the Fluidyne side. There is still a problem with the spare flow meter and it is being returned to the manufacturer for repair. This is still an open item.
- D. Pump Replacement Update –** The pumps should be arriving shortly and will be replaced one at a time. The warranty will start at the time the pumps have been installed. TLC is to address the punch list, which includes cleaning, grating, etc. around the boat trailer parking area. A final inspection by Plant Operator Dave Evans and Building Official Gerard Roussin will take place prior to any preparation of final reports or payment is released for the final payment.

Next Meeting Discussion – the next Utility Board Meeting is scheduled for Tuesday, March 19, 2019 at 9:30 am.

Approval of the Minutes: Regular Meeting, January 15, 2019
Special Meeting January 23, 2019
Emergency Meeting January 23, 2019

Motion – Moved by Tom Harding and seconded by Chair John Dalton to approve Minutes of all three meetings.

On the Motion: Roll Call Vote. Unanimous Approval.

Utility Clerk Report – There are currently 20 wastewater accounts over 30 days past due, with 5 of those with larger balances. The properties with larger delinquent amounts will have a Claim of Lien recorded if payment in full has not been received by February 28, 2019. Delinquent statements and letters have been mailed out.

An Application for ACH Authorization will be included in July's wastewater invoice mailing, in an effort to encourage more residential customers to sign up for autopay. Currently 16% of wastewater customers are on autopay. The plan going forward will be to increase that percentage, in an effort to reduce the administrative time spent on posting each check payment, processing and scanning the bank deposits and handling returned checks.

Operator's Report: Included as part of the Minutes.

The TN average is 1.9 for January, which is the first month of the annual average. The Sludge Box is not being used as hauling is more cost effective. Two loads are being hauled per week. All lift station lids and manhole covers are completed. Tom Harding asked if there was any way to increase the amount of R/O water for City use. 45% is the maximum that can be made; 65% is rejected. It is inherent to get a higher amount of reject water. A total of 99,000 gallons per day would be the maximum that could be produced. More influent would be needed in order to increase R/O production. Irrigation is a large expense to the City. Board members asked Dave and Jason if there was any other technology that could increase the amount of R/O water. Tom DiFransico asked if there is some other technology other than an R/O system. Tom Harding will email Jason to ask if he can investigate other technology. Dave said if the collection system was increased and the i.n.i was stopped, the City would be able to make as much as they wanted. A salinity test indicated that 11th Street has a severe leak that will need to be investigated by using a camera.

Chairs Report:

A. Lower Interest Rate Loan Update for State Revolving Fund – The revised ordinance requested by the State, should be in place by the end of this month. The first reading was at last week's City commission meeting, and the second reading will be at the next City commission meeting in 2 weeks. The first loan payment will be due in March.

B. Utility Board Investment Recommendation with Centennial Bank Public CD's – Iberia Bank and Centennial Bank were competing on the interest rates. Centennial Bank offered higher rates. Centennial Bank is owned by a conglomerate and is rated #1 with Forbes. Public funds are slightly lower than private funds. Lyn Walsh provided information explaining the reason for the rate difference.

Motion – Moved by Tom Harding and seconded by Chair John Dalton to recommend starting the process of working with the City Clerk to invest excess wastewater and stormwater funds in CD's with Centennial Bank.

On the Motion: Roll Call Vote. Unanimous Approval

C. DEP Grant Idea Discussion for Fund Usage – The City commission has approved the acceptance of grant funding from DEP. The grant is for wastewater and R/O. Tom Harding will complete a spreadsheet of what items/equipment will be needed which can be reimbursed afterwards by the grant funding. Should there be a problem or emergency in the State of Florida which would require emergency money, the State would pull the grant funds first. It is to the City's advantage to use the funds within the year, so the funding is not lost. Funding reimbursement generally takes 9 months to be received. Tom asked Dave for ideas of what items can be looked at, for the next meeting.

Treasurer's Report: included as part of the Minutes

Financial Reports: The January Financial Reports for the Utilities are ready and available.

Waste Water/Sewer Warrant #0119: was approved in the amount of \$70,113.05.

Stormwater Warrant: No warrant for January

Any Other Business – Tom Harding discussed the stormwater capital investment. Costs related to swales have increased twice over the previous amount since the 12th Street project was completed. Construction costs have increased significantly. Four streets remain to be completed. The estimated cost is between 3 to 4 million dollars for the four streets. Tom will contact the SFWM representative to inquire if there will be any matching funding available for 2020. There is no State-issued deadline for the stormwater project to be completed.

The meeting adjourned at 10:50 am.

The next meeting will be on Tuesday, March 19, 2019 at 9:30am

Respectfully Submitted by:

A handwritten signature in cursive script that reads "Pat Hyland". The ink is dark and the signature is fluid.

Pat Hyland, Utility Clerk

*** Note: A mechanical recording has been made of the meeting of which these minutes are a part, And a copy is on file in the office of the Utility Clerk, as a public record. ***

OPERATOR REPORT

January 2019

Plant Update:

1. Call Outs January 13th 6:45 AM Power blip caused CFM meter to go out. Reset meters. January 26th 1:20 AM Flow low side one. Clear Crispin valve and restart plant.
2. January 2nd Replace ball valve on UV A and clean crystals.
3. January 4th Electrician and TLC on sight. Confirm issue with SAM DO in Fluidyne HMI
4. January 8th City workers replace missing safety chain on sludge box.
5. January 9th JAWS service tech on sight. Correct issue with HMI. SAM DO reading correct.
6. January 10th FKAA on sight. Confirm no water leak. High water usage due to irrigation.
7. January 17th H.O.A. switches backwards on blower # 2 and # 4. Notify engineer
8. January 21st Jeff Hall electrician and CC controls on sight. Rewire blower # 2 & # 4 H.O.A switch. Install UPS for CFM meters. CC controls install new back up flow meter not working. CC Controls send new meter back to factory. CC control attempt to calibrate CFM meter not reading the same on meter as on HMI screen. Adjust screen to read correct CFM plant was shut down from 11 am to 3 PM Notify engineer CFM meter and HMI not reading the same.
9. January 18th All Keys Diesel on sight to perform annual service and oil change on generator. Recommend seal up holes in frame to keep iguanas out of generator. Also will send proposal to replace belts and hoses.
10. January 22nd Hach on sight perform 2nd service visit and calibration on Nitrax meter. Meter OK.
11. January 24th Install new timer for solenoid switch on both alum pumps. Solenoid switch not working take apart and clean. Still not closing. Notify engineer.
12. January 24th Air dryer not working remove and install back up.
13. January 28th Seal up holes in generator base to prevent iguana from getting into generator.
14. January 28th TLC on sight to move CFM meter location welder on sight shut down plant so welder can weld in fitting for CFM meter. Old fitting striped out from original installation. Welded in fitting from CFM meter into pipe. No coupling. No reading on CFM meter 501 but reading on HMI. Notify engineer.
15. January 28th Air dryer not letting air through. Repair old air dryer and reinstall.
16. T/N average to date is 5.27 Mg/l. Annual limit 3.0 Mg/l
17. Total gallons Hauled 31,294 gallons. Removal by G-tech pump truck at 17 cents per gallon
18. Bubble test cassette # 46, 44, 66, 65 & 67
19. Wash Cassette D-2, A-1, A-2, B-1 & B-2

R.O. Update:

1. Maintenance Budget for Re-Use (attached)
2. January 11th Flow switch for anti scalent bad. Install new switch and order back up switch.

Collection system:

1. January 15th 3rd Generation raise and replace manhole cover at 311 11th street & 750 10th street and 620 9th street.
2. January 16th 3rd Generation raise and replace manhole cover at 431 2nd street & 220 3rd street.
3. January 17th 3rd Generation raise and replace manhole cover at 470 4th street.
4. January 18th 3rd Generation raise and replace manhole cover on Causeway and Coral lane. Manhole complete.
5. January 22nd Pull pump at 12th street lift station inspect impeller and wear ring. Remove rag from mount. Station has high power usage. Power usage has gone back down to normal.
6. January 23rd New lift station lid installed at the Coral Lane lift station.
7. January 24th New lift station lid installed at the 5th street lift station.
8. January 28th New lift station lid installed at the 8th street lift station.
9. January 30th New lift station lid installed at the 4th street lift station.

MAINTENANCE BUDGET FOR RE-USE									
Month of January 2019					Budgeted	Actual	Actual		
					Cost per Year	Cost/Month	Cost/year		
RO Power Cost KWH X 0.777200					\$5,000	\$583.86	\$2,039.00		
Irrigation Pumps Power Cost KWH X 0.777200						\$49.85	\$176.15		
Chemicals RO System Include Anti-scalent					\$16,000	\$128.65	\$3,962.95		
Extra Testing for DEP TSS, FECAL,					\$9,000	\$700.00	\$2,900.00		
Contingency					\$0	\$0.00	\$0.00		
Main & Repairs to system including pre filter cartridges.					\$5,600	\$231.16	\$381.38		
Consulting					\$15,000	\$0.00	\$1,530.00		
Insurance RO system/building					\$1,400	\$83.33	\$333.32		
Reserves					\$8,000	\$666.66	\$2,666.64		

CITY OF KEY COLONY BEACH						
SALINITY TEST						
February 5, 2019						
TIDE +0.6						
start time	12:00:00 PM	end time	3:00:00 PM			
LIFT STATION	INVERT S	flow	INVERT N.	flow		
CORAL LANE	W 0.2		1.0 ppt		MH # 31 0.4 ppt	
CAUSEWAY NORTH	7.8 ppt		4.2 ppt	north	MH # 29 car parked on manhole	
CAUSEWAY SOUTH	No Flow		5.8 ppt	south	Terminal man hole no flow	
				north	MH# 26 4.8 ppt	
3rd Street	East 0.4 ppt		3.3 ppt		MH # 18 3.6 ppt	MH 19 5.2 ppt MH 20 terminal no flow
4th Street	0.9 PPT		1.3 PPT		MH# 21 1.3PPT	MH 22 0.7 ppt
5th Street	0.5 ppt		0.8 ppt			
7th Street	0.9 ppt		2.5 ppt		MH# 36 3.1 ppt	MH# 37 1.9 ppt unable to locate c/o 880 Shelter Bay
8th Street	5.0 ppt		0.3 ppt		MH# 41 no flow	
West Ocean Dr.	West 0.7 PPT		East 1.4 PPT		North 0.4 South 0.5	MH #4 1.4 from 8 st & 1.4 from W. Ocean
9th Street	3.3 ppt		0.7 PPT		MH# 48 0.1 PPT	
10th Street	1.9 ppt		No Flow	south	MH # 55 1.32 ppt	MH # 54 1.0 ppt
11th Street	11.6 ppt		1.4 ppt	north	MH # 63 11.6 ppt	MH# 64 21.2 ppt MH # 65 terminal manhole
12th Street	0.6 ppt		0.3 ppt		MH # 62 3.2 ppt	MH # 61 0.7 ppt
13th Street	0.6 PPT					
14th Street	0.4 PPT					
Vista Del Sol	0.5 PPT					

Key Colony Beach Utility Board

Treasurer's Report – February 19, 2019

Utility Board excess funds investment – Update from January 2019 Utility Board Meeting based on further CD rate investigation:

From our Key Colony Beach ordinances, 14-50 paragraph (I);

"The utility board will invest all excess funds not required for normal operation of the system in federally insured investments, or federal notes or bonds at the highest yield possible for the time period".

From Florida Statutes, Chapter 280 on Security for Public Deposits, 280.02, paragraph (26) "Qualified public depository", means a bank, savings bank, or savings organization that:

- a) Organized in the United States
- b) Has its principal place of business in Florida or has a branch office in Florida
- c) Has deposit insurance pursuant to the Federal Deposit Insurance Act.

I contacted four banks that the City of Key Colony Beach works with, and determined Centennial Bank (Home BancShares Company, headquarters in Arkansas, with 2 local branches in Marathon, Florida) had the highest yield for Public CD's, updated rates as of Jan 22, 2019 (provided by Stephanie Scuderi – Centennial Bank Market President) – located in Islamorada. Local branch contact is Dawn Morgan in Marathon.

Updated rates: 1 year 2.4%, 2 year 2.5%, 3 year 2.65%, 4 year 2.95%

(Previous rates: 1 year 2.3%, 2 year 2.4%, 3 year 2.5%, 4 year 2.8%)

Recommendation for excess fund investment:

Wastewater, invest total of \$600,000.00 with Centennial Bank:

\$200,000.00 for 2 years

\$400,000.00 for 4 years

Stormwater, invest total of \$300,000.00 with Centennial Bank:

\$200,000.00 for 1 year

\$100,000.00 for 4 years

Treasurer's Report compiled by Tom Harding

Key Colony Beach Utility Board

Treasurer's Report – February 19, 2019

DEP Grant LP44012, addition funds of \$366,667

1. City Commission approved Jan 24, 2019 based on Utility Board recommendation.
2. Develop prioritized list of suggested improvements:
 - a. Grant required to be used for Waste Water and Reclaimed Water Infrastructure
 - b. Initial idea list for discussion pulled from Asset Management File:

Item #	Description	Benefit	Estimated cost
1	UV new 8" system (assuming final permit edit approval), and electrical installation	Enhanced Fecal Coliform control and durability of the current system	\$140,000
2	Main line and lateral line camera	Improved inspection of sewer return lines, to reduce any system leakages	\$60,000
3	Review replacement of older pumps (RO, sludge recirculation, etc)	Improved efficiency pumps, replace older pumps from planned asset management list	\$60,000
4	Review if RO membranes should be ordered for replacement	Improve RO performance and lower maintenance costs of current membranes	\$32,000
5	Additional new control updates for Suez and Fluidyne??	Improved control for total nitrogen	\$40,000
6	Biosolids dewatering unit, sludge box	Replace existing per asset management plan for age	\$100,000
		Total	\$432,000

Treasurer's Report compiled by Tom Harding

Key Colony Beach Utility Board

Treasurer's Report – February 19, 2019

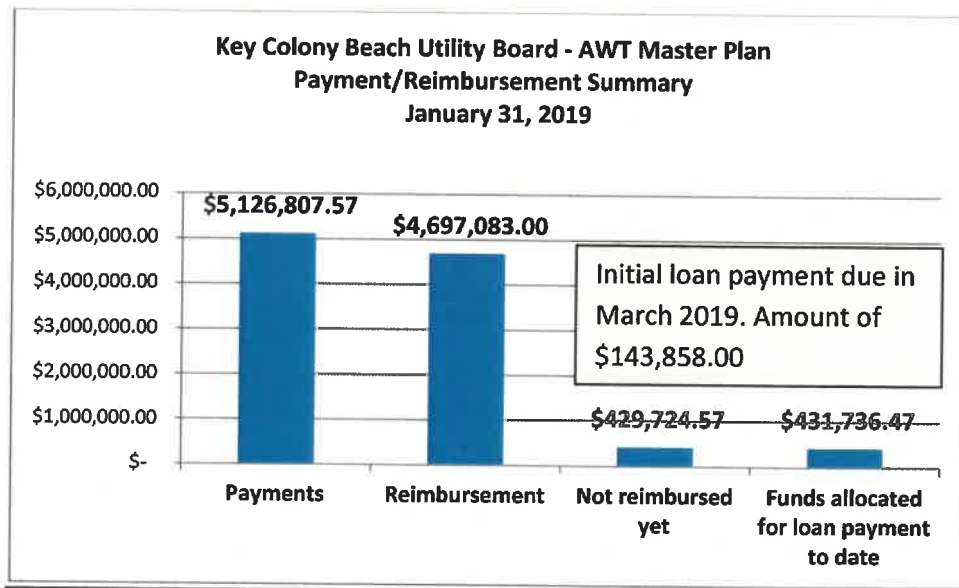
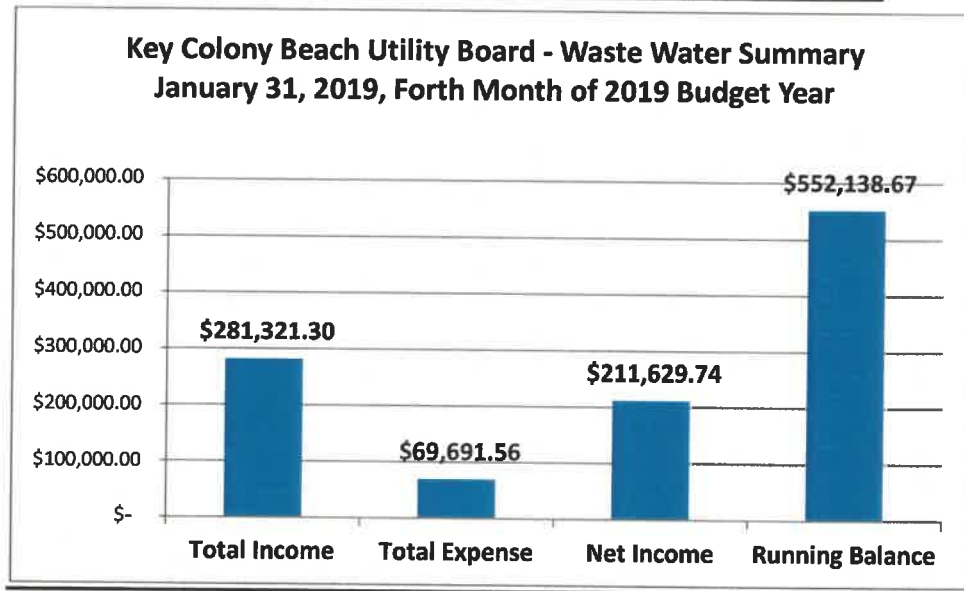
- ✓ January 31, 2019 financial summary
 - Waste Water funds in excellent condition for the 4th month of the 2019 budget year.
 - We continue with positive cash flow
 - Total income is in line with budget
 - Sewer Connection Income Fees exceeding expected budget estimate
 - Total expenses below budget estimate.
 - Electricity and Sludge Hauling continue to track lower expenses than budget estimated
 - In reference to potential lower interest rate for State Revolving Loan, the following is the status update for this month:
 - Suggested Ordinance change is in process with City Commission approval process, expected final 2nd reading to be completed Feb 28, 2019.
 - Monthly tracking file has been updated with January 2019 actual results. Plot below attached.
 - Note – initial loan payment will be due in March 2019, for the amount of \$143,858.00
 - Storm Water funds are in excellent condition, with no concerns.
 - Majority of 2019 income received
 - Recommendation to approve Waste Water Warrant #0119 for \$70,113.05

Financial data provided by Pat Hyland

Treasurer's Report compiled by Tom Harding

Key Colony Beach Utility Board

Treasurer's Report – February 19, 2019



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