

# TOWN OF PALM BEACH

## Office of the Town Clerk

### MINUTES OF THE UNDERGROUND UTILITIES TASK FORCE MEETING HELD ON TUESDAY, AUGUST 4, 2015

1 **I. CALL TO ORDER AND ROLL CALL**

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3 The Underground Utilities Task Force meeting was called to order on Tuesday, August 4,  
4 2015, at 9:00 a.m., in the Town Council Chambers. On roll call, all Task Force Members  
5 were found to be present, with the exception of Task Force Member Bottorff.  
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7 **II. PLEDGE OF ALLEGIANCE**

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9 Chair Smith led the Pledge of Allegiance.  
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11 **III. APPROVAL OF AGENDA**

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13 **Motion was made by Vice Chair Ross, and seconded by Task Force Member Dowell,**  
14 **to approve the Agenda. On call for a vote, the motion carried 6-0, with Task Force**  
15 **Member Bottorff absent.**  
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17 **IV. COMMUNICATIONS FROM CITIZENS – None**

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19 **V. MINUTES**

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21 A. UUTF Meeting Minutes of June 25, 2015  
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23 B. UUTF Meeting Minutes of July 7, 2015  
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25 **Motion was made by Vice Chair Ross, and seconded by Task Force Member Gary,**  
26 **to approve the Minutes of the June 25, 2015, and July 7, 2015, Underground**  
27 **Utilities Task Force meetings. On call for a vote, the motion carried 6-0, with Task**  
28 **Force Member Bottorff absent.**  
29

30 **VI. LESSONS LEARNED – INFORMATION FROM MUNICIPAL OFFICIALS WHO**  
31 **HAVE, OR ARE, CONVERTING TO COMMUNITY WIDE UG, WITH**  
32 **FOLLOW-UP QUESTIONS FROM TASK FORCE MEMBERS**  
33

34 A. Jerry Warren, Director, Electric Utility, City of Winter Park, FL

Mr. Warren spoke regarding Winter Park's experiences with undergrounding.

Director of Public Works Brazil spoke regarding re-locating utilities to front yard easements.

Discussion ensued regarding the disruption of working year round in the commercial areas, how the project starting points were ranked, obtaining easement agreements, financing options, continuance of other infrastructure projects during undergrounding work, use of directional bore as opposed to open-ditching, pole attachment agreements with other utilities, the advantages of owning an electric facility, taking ownership of a utility, the Town's remaining 28 year franchise agreement, profit and revenue driven funding from the electric utility, difficulties in contracting with local engineering and construction companies, and the need to place transformers in easements.

**VII. OPINION OF BOND COUNSEL AND UUTF QUESTIONS Richard "Rick" J. Miller, Esq., Locke Lord, LLP**

Attorney Miller provided an overview of his opinion.

Discussion ensued regarding general obligation bond requirements, benefits, and disadvantages, special assessment bond benefits, referendum requirements, benefits of undergrounding, property owner costs and benefits, sending an interim report to the Town Council in October, establishing a schedule for delivery of information to the Town Council, the need to identify the deliverables in the schedule, the next steps regarding financing, construction, community involvement, and legal questions regarding yield curve, the useful length of life of the facilities to be constructed, current and future interest rates, issues regarding special assessment bond financing, reviewing the report before making a decision on which financing method to recommend, scheduling financing matters for the September 1, 2015, Task Force meeting, taxable bonds versus tax exempt bonds, leaving the cost comparison portion of the report blank, issuing taxable bonds now to lock in a low interest rate, and creative financing techniques.

**VIII. OPINION OF UTILITY COUNSEL ON RECOUPMENT OF FPL FUNDS PREVIOUSLY ALLOCATED FOR HARDENED FACILITIES IN PALM BEACH**

*Robert Scheffel "Schef" Wright, Esq., Gardner, Bist et al*

Attorney Wright provided an overview of the recoupment of FPL funds previously allocated for hardened facilities in West Palm Beach.

Discussion ensued regarding the reason for receiving the estimated versus actual salvage values, calculation methodology, the current weighted cost of capital, the 25% discount, facility removal costs, Attorney Wright's experience in working with FPL and other municipalities, FPL's non-refundable deposits, the Town's Engineer's underground conversion cost estimate, working on a phase by phase basis, the most cost effective approach, undergrounding the facilities within FPL's hardening timeframe, the need for

FPL's long-term hardening plan for the Town, the Public Service Commission requiring FPL to harden the Town by 2016, project completion estimates, FPL's hardening plans and including those costs into the formula in order to obtain the lowest possible price for the Town.

**IX. OPTIONS FOR MANAGEMENT, DESIGN AND CONSTRUCTION OF TOWNWIDE UG PROJECT**

*H. Paul Brazil, Director of Public Works*

- Design – Bid – Build
- Construction Management Agent
- Construction Management at Risk (CM @Risk)
- Design - Build

Director Brazil provided an overview of the options for management, design, and construction of the project. He recommended that the Task Force recommend that the Town Council proceed with an RFP process to obtain a consultant.

**Motion was made by Vice Chair Ross, and seconded by Task Member Gulbrandsen, to recommend that the Town Council direct Staff to issue an RFP for project consulting services. On call for a vote, the motion carried 6-0, with Task Force Member Bottorff absent.**

Discussion ensued regarding the types of consultants to be considered, inviting industry people to discuss other consulting methods, hiring an experienced consultant, obtaining unbiased viewpoints from independent consultants, ensuring that accurate information is received from the consultants, putting everything agreed to by the Task Force into one recommendation to the Town Council, wrapping up by the October meeting, the use of open trenching versus directional boring, the disruption and impacts from other simultaneous projects, and communicating to the residents the magnitude of the anticipated disruptions.

**X. UTILIZATION OF WEBSITE TO COMMUNICATE UNDERGROUND UTILITIES PROJECT**

*Jay Boodheshwar, Deputy Town Manager*

Deputy Town Manager Boodheshwar provided a presentation on utilizing the Town's website to communicate with the public about the project.

**Motion made by Vice Chair Ross, and seconded by Task Force Member Gary, to approve the creation of a public information website for the project entitled, "undergroundpalmbeach.com". On call for a vote, the motion carried 6-0, with Task Force Member Bottorff absent.**

Discussion ensued regarding Staff's development of a new project information page on the Town's website, whether the Task Force or Staff has the right to put information on the website, and adding a brief summary to the page about the Task Force.

Deputy Town Manager Boodheshwar continued his presentation.

Discussion ensued regarding posting a list of impacted streets, interactive maps, construction schedules for the next three months, and traffic disruptions on the webpage.

*(Clerk's Note: Vice Chair Ross left the meeting at 12:14 p.m.)*

**XI. UPDATE ON PROJECT MANAGEMENT TIMELINE (GANTT CHART) AND  
DECISION MAKING MATRIX**

*Thomas G. Bradford, Town Manager*

Town Manager Bradford provided an update on the timeline and matrix.

- Review of Draft Decision Making Matrix
- Status of Gantt Chart and Decisions Needed for Completion

Discussion ensued regarding information provided to Town Manager Bradford by Task Force Members for input into the chart, project financing and impacts, project costs per resident, educating the public on the benefits of undergrounding, obtaining a vote by the residents, general obligation bond inequities, the need for Town Council direction, the need to act before FPL hardens, the resulting years of disruption and the costs to residents, and special assessment bond petitions.

Town Manager Bradford spoke regarding the decisions the Task Force needs to make in order for him to prepare a project timeline and requirements for special assessment bonds.

Director of Finance Struder provided information regarding special assessment bond dates and general obligation bond referendum dates.

**XII. UPDATE ON COST ANALYSIS OF TOWN PROPERTIES OF VARIOUS  
VALUES COMPARING ESTIMATED ANNUAL COST OF DEBT SERVICE  
FOR GENERAL OBLIGATION BONDS TO SAME FOR SPECIAL  
ASSESSMENT BONDS**

*Jane Struder, Director of Finance*

Town Manager Bradford stated that the cost analysis was not available due to a glitch in the spreadsheet.

Director Struder stated that she would provide more information at the next meeting.

Discussion ensued regarding Staff providing closer comparisons of the general obligation bonds, special assessment categories, and assessment ranges, an estimate of relative ranges for various maturities of taxable bonds versus special assessment and general obligation bonds, closer comparison of the two bonding methods, the additional costs for special assessment bonds, and the benefits from \$1 million a year out of a 20-year bond

1 at the current interest rate.

2  
3 **Task Force Member Gulbrandsen requested a closer comparison between general**  
4 **obligation and special assessment bond financing, the added costs to issue a special**  
5 **assessment bond, the benefits from \$1 million a year out of a 20-year bond at the**  
6 **current rate, and information on how much more equity would be created in the**  
7 **community.**

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9 **Task Force Member Parker requested that a comparison between the costs for**  
10 **taxable bonds at various maturities, special assessment bonds, and general**  
11 **obligation bonds be provided in one table.**

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13 **XIII. ANY OTHER MATTERS**

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15 Town Manager Bradford requested direction from the Task Force as to what they want on  
16 next month's agenda and spoke regarding inviting MasTec, a Coral Gables firm that is  
17 currently doing work for Dominion Virginia Power, to attend a meeting to share their  
18 undergrounding experiences.

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20 Discussion ensued regarding inviting MasTec to an upcoming meeting, limiting guest  
21 speakers to 20 minutes, speaking to Town Council members individually, the next  
22 meeting's agenda items, the preference for Town professionals, ranking the locations of  
23 where to begin the project, the fact that the Town is moving forward with  
24 undergrounding provides flexibility to FPL on when they harden, having Mr. Keshavarz  
25 report on the advantages and disadvantages of starting the project in the middle of town  
26 at the north and south ends simultaneously, getting the engineering done as quickly as  
27 possible, and paying for the engineering.

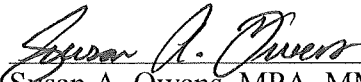
1 **XIV. ADJOURNMENT**

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3 There being no further business, the Underground Utilities Task Force Meeting of  
4 Tuesday, August 4, 2015, was adjourned at 1:00 p.m.  
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Jeffery Smith  
Chair

ATTEST:

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Susan A. Owens, MPA, MMC  
Town Clerk

9/1/15  
Date

