

Meeting: UUTFLocation: T.C.H.Start: 9:00Date: 04/04/17Adjourn: 12:20**-- MEETING ACTION SHEETS --**ROLL CALL: Mr. Parker / Mr. Gulbrandsen / ~~Mr. Ross~~ / Mr. Smith / Ms. Gary / Mr. Dowell / Mr. Bottorff / Mr. Wolin**Notes for Follow-Up:**Item: III / AGENDAMotion: Approve - Approve as Amended - Defer - Deny - Other:Neighborhood Alliance ? From Residents
oppose Easements, ISF to address ?

Mr. Bottorff	Mr. Dowell	Ms. Gary	Mr. Gulbrandsen	Mr. Parker	Mr. Wolin	Mr. Ross	Mr. Smith
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Item: IV / AGENDAMotion: Approve - Approve as Amended - Defer - Deny - Other:AS IS

Mr. Bottorff	Mr. Dowell	Ms. Gary	Mr. Gulbrandsen	Mr. Parker	Mr. Wolin	Mr. Ross	Mr. Smith
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Item: IV /Motion: Approve - Approve as Amended - Defer - Deny - Other:Refer Issue from TC Review for TC to write
letter to PSC to seek action.

Mr. Bottorff	Mr. Dowell	Ms. Gary	Mr. Gulbrandsen	Mr. Parker	Mr. Wolin	Mr. Ross	Mr. Smith
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Item: meeting minMotion: Approve - Approve as Amended - Defer - Deny - Other:

Mr. Bottorff	Mr. Dowell	Ms. Gary	Mr. Gulbrandsen	Mr. Parker	Mr. Wolin	Mr. Ross	Mr. Smith
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Item: Selection CommitteeMotion: Approve - Approve as Amended - Defer - Deny - Other:Sept 15 objective Date for Completion.

Mr. Bottorff	Mr. Dowell	Ms. Gary	Mr. Gulbrandsen	Mr. Parker	Mr. Wolin	Mr. Ross	Mr. Smith
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Item: VIII / Accept Rec on year 1Motion: Approve - Approve as Amended - Defer - Deny - Other:all in favor further discussion year 2 P6.8 RFP

Mr. Bottorff	Mr. Dowell	Ms. Gary	Mr. Gulbrandsen	Mr. Parker	Mr. Wolin	Mr. Ross	Mr. Smith
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Bar - Learning Tow to when 1TB can be put into place

From: Neighborhood Alliance of Palm Beach, Inc <info@napb33480.org>

To: susankgary <susankgary@aol.com>

Subject: Electrifying meeting to attend

Date: Sun, Apr 2, 2017 3:42 pm

SUB. MFG 04/04/17
Gary
Bmk

Shock Treatment 4-4-17

Electrifying Report

Neighborhood Alliance of Palm Beach

Are you ready for Shock Treatment?

Your shock treatment appointment is scheduled for Tues, April 4, 2017 at 9:00 in Town Hall. You will be shocked when you hear how the Underground Utilities Task Force(UUTF) is proceeding with what is now at a total estimated cost of 197.2 Million dollars. The original estimate which Town Manager Bradford very reluctantly revealed was 120 million before financing costs or 30 million MORE than what the voters approved in a narrowly passed referendum. With smoke and mirrors, the Town has reduced it to 98.6 million. Bradford said with the financing, the cost will double so give or take 200 million now. Over budget is OVER BUDGET. 98.6 million is NOT OK. We need a new VOTE.

Let's ask the UUTF ask the following questions:

- 1. Is the budget being cut by reducing the quality of the wires for phone, cable and internet? Will these be state of the art now or 1980 quality?**
- 2. How will this service be upgraded over the next 30 years as products improve?**
- 3. What guarantees do we have that maintaining this new system will not mean increased rates imbedded in our bills though FPL says it won't?**
- 4. Has the cost of drilling through coral where it exists on the island**

been included in this budget?

5. How will FPL remove the poles? Across our properties? Will they pay for the damages to structures and landscape in the removal?

6. How much will it cost homeowners in older homes to upgrade their electrical system to accommodate the conversion?

7. How will the landscaping around these boxes look and how much needs exposure for access? Will we be looking at exposed boxes from inside our houses? Or will our neighbor if we face the open side toward him?

8. How can even this budget be relied upon since you reduced the contingency from 20% in the 90 Million estimate to 10% in this one? Is this a trick to make the medicine go down, knowing the cost, as in most other Town infrastructure projects, will far exceed this?

9. Why pretend the 10 million dollars for resurfacing of the roads after conversion damage moved to Public Works' budget isn't still coming out of the taxpayer's pocket? How will services now provided by Public Works be affected with this additional responsibility?

10. Has the cost of litigating easements been included in the budget?

11. Is UUTF endorsing this project with a blank check?

12. How many technical aspects are not reflected in this budget such as how to address fixes in flood prone areas? How much is all the additional project-related staff going to cost? What cost is calculated legal fees for litigation, master planning and additional financing costs?

12. Are the savings touted really savings or are they costs shifted to property owners such as rear yard restoration and street lights?

13. Has any utility agreed to deeper discounts that you are hoping for?

14. Is the scope of the peer review and entire project analysis not just where to cut costs? It should be.

We need a NEW VOTE with a reliable cost estimate made by professionals in the field of underground conversion.

DID YOU KNOW? You do not have to give away your property rights for free. The Town must compensate you for your 100 square feet of property. It has value and its loss diminishes the value of your property because it affects its curb appeal. The gained space in the back of the property has less value as it is not visible from the street. **The Town must pay all fees-lawyers, appraisers, landscape architects related to taking your property from you.** The law is on the side of property rights so a 'taking' without compensation is unlawful. It costs you nothing to refuse the easement.

Please attend the UUTF meeting on April-4-17 and say NO to a blank check and YES, we want a new VOTE. Mark your calendar for April 13th when Undergrounding again comes up before Town Council as does the Rec. Center.

If you cannot attend either or both of these important meetings please call, write or send emails letting our government know your concerns and opinions.

Mayor@townofpalmbeach.com

Council@townofpalmbeach.com

We appreciate your continued support and your efforts to preserve our small town quality of life.

Sincerely,

Anne Pepper/ Secretary

NAPB Board

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Palm Beach, FL 33480

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THE NEIGHBORHOOD ALLIANCE OF PALM BEACH (NAPB) NEWSLETTER

RESPONSE OF SUSAN GARY

UTILITIES UNDERGROUNDING TASK FORCE (UUTF) MEETING

QUESTIONS & RESPONSES

Date: April 4, 2017

Background: I received the NAPB Newsletter posing questions for the UUTF. I prepared a response to those questions posed by Anne Pepper, NAPB Secretary.

The questions and responses are below:

1.) Will the budget be cut by reducing the quality of the wires for phone, cable & internet? Will these be state-of-the art or 1980 quality?

Answer: We have been told that both AT&T and Comcast will be installing fiber optic cables—that is state-of-the-art; not 1980 quality.

2.) How will this service be upgraded over the next 30 years as products improve?

Answer: Both Comcast & AT&T have agreed to install fiber optics. What is "on the horizon" for 30 years down the road, I do not know. Future innovative technologies & equipment that I am not aware of—Good question; maybe we include this question in the Peer Review.

3.) What guarantees do we have that maintaining this new system will not mean increased rates imbedded in our bills though FPL says it will not?

Answer: FPL is regulated by the State Public Service Commission. Any increases to customers must be approved by the state regulator. There are no guarantees that FPL would not increase their rates that I am aware of.

4.) Has the cost of drilling through coral where it exists on the Island been included in this budget?

Answer: The Draft Master Plan addresses this issue. There are different topography & soils conditions on the Island; the master plan does discuss this. Please refer to Pages 15 & 22 in the Draft. The last sentence on Page 22 says: "...we recommend that soil testing be conducted throughout the phase areas during design to better define the local soil characteristics." Kevin—have you put an allowance in the budget for these issues? What is that estimate?

5.) How will FPL remove the poles? Across our properties? Will they pay for damages?

Answer: This is a question that was asked at our last UUTF meeting.

Answer: Tom has the answer.

6.) How much will it cost homeowners in older homes to upgrade their electrical system to accommodate the conversion?

Answer: This is a question many people have asked. For Phase I (north & south) NO homes will need to be upgraded. Be advised however, only when the engineers complete the field surveys during the

SUBMITG. 04/04/17
Gary
PM

planning & design phase for each specific area will we know if homes need to be upgraded. But none in Phase 1 will require upgrading.

7.) How will the landscaping around the boxes look and how much exposure is needed for access? Will we be looking at exposed boxes from inside our houses? Or will our neighbor, if we face the open side toward him?

Answer: "Exposure" – the new boxes need to be readily seen by FPL crews for access; so they will be seen from the street. They are placed in the front part of the property (vs the old system where FPL had access only by entering our properties by walking thru our yards.) So—yes they will be viewed by folks living directly across from the box. For example, if a box is placed curbside at a home the back of the box will be facing the homeowner and that can be screened.

8.) How can even this budget be relied on since we reduced the contingency from 20% to 10%? Is this a trick to make the medicine go down, knowing the cost, as in most other Town infrastructure projects, will far exceed this?

Answer: You may be correct on this that the contingency is too low. If you read the R.W. Beck Report (2006) they include a 15% contingency for our project.

The Peer Review we will be advising on the cost estimate Kimley-Horn has prepared. We will get a "second opinion" on our cost estimate.

With regards to your comment that Town infrastructure projects exceed their budgets. The Shore Protection program; started out at \$85Mil and is now estimated at \$128Mil. Over the years, I have often heard similar comments.

I would suggest we look at this. Undergrounding is a good place to start. If projects are over budget than it is in the best interests of all of us—residents, elected Town Council members, and staff to find a better way to do public projects. I agree. What do you suggest? Let's look for ways to advance a solution.

9.) Why pretend the \$10Mil for resurfacing isn't still coming out of taxpayer's pocket? How will services now provided by Public Works be affected by this?

Answer: You are correct; the \$12.8Mil for asphalt was literally moved over from a column in the original \$90Mil budget estimate to offset the \$30Mil deficit of the \$120Mil estimate. Either way however, the repaving costs will be borne by taxpayers. With regard to Public Works staff, in either scenario they would oversee the work.

10.) Has the cost of litigating easements been included?

Answer: There are legal expenses included in the \$98.6Mil budget.

11.) Is the UUTF endorsing this project with a blank check?

Answer: I can only speak for myself.

From a public safety perspective, I believe we need to underground. At our last meeting we heard from P.B. Deputy Fire Chief Donato that they respond to fires involving the power lines "once a week".

There were two recent fires likely caused by the power lines: on La Costa and at a condo in the south end. The condo fire was on the Palm Beach Civic Association website. In addition, my neighbor, Jane Lindsay had a fire in her backyard, Tom Parker – who sits on the UUTF recently had a fire.

There are hundreds of these incidents occurring. These hazardous electrical conditions are a compelling public safety issue.

No blank checks; I am ok with the \$98.6Mil.

Review of the budget will be done by the Peer Reviewer– this will help us get comfortable with a number (either up or down). The hard part will be monitoring and controlling the budget once we set the number. This is a critical element of the project.

There are some caveats on the budget estimate: when we estimate costs 10 years into the future it is difficult to be completely accurate. In addition, there are variables as you mentioned, the lawsuits and the easements are among them that affect our costs.

12.) How many technical aspects are not reflected in the budget such as how to address fixes in flood prone areas? How much is all the additional project- related staff going to cost? What cost is calculated legal fees for litigation, master planning and additional financing costs?

Number # 1- In a complicated project like this that spans a decade there are unknowns and variables; lots of them. They are typically incorporated into the contingency number. As I mentioned earlier, R.W. Beck 's cost estimate carried a 15% contingency. We are carrying is 10% contingency. Maybe not enough? These are the kinds of things we would want our Peer Reviewer to look at.

Number # 2- Regarding Project Staff. The Town hired Patricia Strayer to work on the project; the Town Council authorized Tom to hire another high level person for this project. That slot has not yet been filled. We are understaffed on this project, in my opinion. Again, I will refer you to the R.W. Beck Report which provides some helpful guidance in this area.

Below are the percentages for project engineering and management (internal and/or external):

- a. Owner's Overhead Expenses: 3% (of the overall budget).
- b. Engineering & Design: 7% (Kimley-Horn stated their fee is 8 1/2%)
- c. Project Management: 8%

This totals 18% of the budget.

Project oversight was not in the original \$90Mil budget; in the Kimley –Horn estimate we have their 8 ½% fee.

Calculated costs: we paid more than \$600,000 for the Draft Master Plan. Seems very high to me, but we did get a great looking oversized cocktail table style book filled with pretty pictures of Palm Beach. As

Mr. Dowell commented —and I am paraphrasing here —the Draft Master Plan books give a new meaning to the phrase “empty suit”. We need to curb costs such as this.

We will not be able to answer the financing question just yet; it is on the Agenda for today. The Town planned to issue GO Bonds but the lawsuits don’t permit us to proceed with the Bonds until the lawsuits are resolved; this necessitates interim financing. Remember we recommend; the Council votes.

I believe it is the desire of everyone on the UUTF to get the least expensive interim financing we can that meets our needs.

The lawsuits are costing us real dollars for three reasons: 1.) the increased cost of the capital 2.) legal fees to respond to the lawsuits and 3.) schedule delays; time is money in construction.

13.) Has any utility agreed to deeper discounts that you are hoping for?

Answer: Tom may have an update for us. He has been busy trying to help on this front.

14.) Is the scope of the Peer Review and entire project analysis not to just cut costs? It should be.

Answer: If I understand your question- you want us to explore options if they provide value even if they cost more? I don’t know, as I have not seen the DRAFT Request For Proposal. Patricia is to provide us this document today. Good suggestion; I support it.

You end the newsletter with: a “DID YOU KNOW” section that advises our residents they “don’t need to give away their property rights”. You state and I quote verbatim “The Town must compensate you for your 100 square feet of property. It has value and its’ loss diminishes the value of your property because it affects the curb appeal. The gained space in the backyard is worth less as it is not visible from the street. You go on to say ... “The Town must pay all fees - lawyers, appraisers, landscape architects, related to taking your property from you.” You go on to say ... “it costs you nothing to refuse the easement”. **What you didn’t say was it costs all of us when you encourage people to do this.**

I am disappointed that you would take such a position:

Help us keep the costs down —rather than encouraging residents to deny easements. These actions could cost all taxpayers MILLIONS extra.

I am asking you to partner with us to make this project as cost effective as it can be.

Thank you.

From: Tom Bradford <TBradford@TownofPalmBeach.com>

To: Jeff Smith - Smith Architects (jeff@smitharchitecturalgroup.com) <jeff@smitharchitecturalgroup.com>; Donald Gulbrandsen <donaIdg@gulbrandsen.com>; Dennis Bottorff <dbottorff@councilcapital.com>; W. Anthony Dowell <adowell936@gmail.com>; Brad and Susan Gary <susankgary@aol.com>; Tom Parker <teexparker@gmail.com>; Harry Wolin <wolin.harry@gmail.com>

Cc: Jay Glover <GLOVERJ@pfm.com>

Subject: Timeline for Lawsuit(s) Resolution

Date: Mon, Apr 3, 2017 9:01 pm

Attachments: UUTF Backup Memo 040417 3.pdf (148K)

UUTF Members:

I just realized that the edition of the cover memo you received was not the latest. You requested a legal timeline be provided and I did under Section VIII, which read:

“Before you read and hear Jay’s important presentation it is important to know the time line on the lawsuits. Appearing below is a very general and purposely vague overview:

- Hearing in late May, 2017
- Appeal -15 days. Decision final
- Hearing in December, 2017
- Appeal – 30 days
- If appeal granted, resolution in 90 to 365 days depending on appeal format used.
- Total timeframe for legal – as soon as 2.5 months from today to as long as December 2018 or approximately 21 months from today.”

The correct page is attached in case you want to switch it out. I will be prepared to read this aloud at the beginning of Jay’s presentation.

Thomas G. Bradford
Town Manager

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