

TOWN OF PALM BEACH

Office of The Town Clerk

REPORT OF THE WATER COMMITTEE HELD ON THURSDAY, DECEMBER 10, 2009

I. CALL TO ORDER AND ROLL CALL

The Water Committee Meeting was called to order at 10:03 a.m., on Thursday, December 10, 2009, in the Emergency Operations Center, 355 S. County Road, Palm Beach. On roll call, Chair Rosow and Committee Member Diamond were found to be present. Former Council Member Denis Coleman was also present.

II. PLEDGE OF ALLEGIANCE

Chair Rosow led the Pledge of Allegiance.

III. APPROVAL OF AGENDA

The Agenda was approved with the addition of public comment.

Public Comment:

There was none.

IV. UPDATE ON IMPROVEMENTS TO CITY WATER SYSTEM. [Eduardo Balbis, Assistant City Administrator, City of West Palm Beach*PowerPoint Presentation]

Eduardo Balbis, Assistant City Administrator, from the City of West Palm Beach, presented a PowerPoint presentation to the Committee. A copy of the presentation was submitted into the record.

Responding to former Town Council Member Coleman, Mr. Balbis noted that regarding staffing levels, intense training had been accelerated in order to have the City's staff in place, and to slowly wean out the US Water employees. Mr. Balbis indicated that when automation was in place, it would eliminate future staffing levels; he estimated that the cost savings would be \$250,000 for the reduction of five operators, but may drop eight to ten operators.

V. COST ESTIMATES FOR A DEDICATED R/O FACILITY. [Eduardo Balbis, Assistant City Administrator, City of West Palm Beach]

Mr. Balbis provided the PowerPoint presentation directly following the previous presentation. A copy was submitted into the record.

Discussion occurred among the Committee Members, Mr. Coleman, and Mr. Balbis. Following were several comments made during the discussion:

- The cost estimate for a dedicated Reverse Osmosis Water Plant totaled \$221 million and the operational costs were very expensive.
- Any water conservation would reduce the potential expansion cost, as the plan's demand increases would be reassessed.
- The Dedicated Reverse Osmosis option was estimated at \$200 million; a 30 year bond that would be charged back to the consumers would be more than \$400 million over a 30 year period, at a \$1.30 a gallon plus operating costs. Currently, the residents were paying a penny a gallon.
- The Floridan Aquifer Plant's cost was \$99 million, which would be a \$200 million plant, and would cost about .65 per gallon plus operating costs.
- The City did not plan for a desalination or a Floridan Reverse Osmosis plant at this time, as the requirements could be met without the more expensive process.
- The level of the quality of the water could be raised or lowered, which could be discussed with the City.
- As water was conserved, the rate structure was increased.
- The Town could become a bulk buyer and sell to the citizens with the Town's own structure rate.
- Water source costs were explained by Mr. Balbis.

Town Engineer Jim Bowser calculated the following costs:

- Costs per gallon for the \$221 million option per 748 gallons =.295 cents per gallon; which was the City's current rate.
- On \$99 million option, assuming a 30 year bond at 5% was estimated to be \$6 million debt service per year for capital costs only; 6 million gallons a day at 365 days =.274 cents per gallon.

- The \$222 million issue was .614 per gallon for only capital debt service, 30 years at 5% plus the operating costs.

Responding to Chair Rosow, Mr. Coleman noted that his appointment to be on the Water Committee was in progress.

Discussion concluded regarding buying in bulk and water requirements and restrictions.

VI. UPDATE REGARDING WATER CONSERVATION PROGRAM. [H. Paul Brazil, Director of Public Works] [Harvey L. Poppel and Mike Brown, Palm Beach Civic Association]

Public Works Director Paul Brazil indicated that the Palm Beach Civic Association Water Committee had created and implemented a Smart Irrigation Program in order to reduce the Town's water consumption. He introduced Mr. Harvey Poppel, Chairman of the Civic Association Water Committee, who had provided an overview of the pilot program along with Mike Brown, Communications Director of the Civic Association.

Mr. Brown noted that the State of Florida, passed a law, implemented in September that the people using Smart Irrigation would not be subject to water restrictions. A model, municipal ordinance would be passed in February, which could be modified for the Town of Palm Beach. He also discussed rebates for residents through the South Florida Water Management Water Savings Incentive Program (WaterSIP) for the residents who used the Smart Irrigation Program.

Discussion occurred among the Committee Members and the Civic Association Water Committee Members regarding monitoring of waste of water consumption, banning the automatic-fill pools to determine if there was a leak, and other suggestions that would help determine water waste consumption. It was discussed that all Town residents should be on the Smart Irrigation Program within three to five years.

Mr. Brazil and staff was to return to the Committee with the feasibility and cost of a retrofit of the Smart Irrigation Program, the monitoring data and automatic monitoring.

Harvey Poppel, Civic Association responded to the Water Committee's questions and comments, regarding the long term demand plan, long term goal, including the issue of bulk buying. Committee Member Diamond said that the proposed statute seemed to be anticipating this type of requirement and read the state statute to the audience.

For future meetings, Chair Rosow requested Mr. Balbis to work with staff regarding the Town becoming a bulk customer, review the existing contract as to where and how it could be modified to accomplish it. He asked staff to research monitoring systems that could be available for homeowners to either install as a new product or retrofit the existing ones.

1 Chair Rosow requested that Town Manager Elwell, place a full discussion of the potential
2 ordinance and its ramifications (not first reading) on the agenda for April.
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4 Mr. Balbis offered the option on how to encourage conservation and become a bulk customer
5 providing the ability of the Town to add its own tiers and rates; the rates could be adjusted for
6 the Town in the current contract. For example, the Town could charge the highest tier users
7 \$3.00 instead of \$2.50 per 100 cubic feet. He noted that from the City's standpoint, the rate was
8 established at \$2.50, but the extra .50 could go to the Town to implement the conservation
9 program.
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11 Chair Rosow asked Mr. Balbis to work with staff along those lines to see what could be done.
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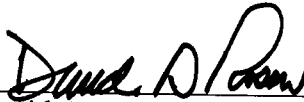
13 VII. ANY OTHER MATTERS

14 Town Manager Elwell indicated that Mr. Balbis needed a response regarding dedicated facility
15 options. Chair Rosow responded that the Water committee meeting could be scheduled in March
16 in order to present recommendations to the Town Council at same time of the Ordinance
17 discussion in April. Mr. Balbis would coordinate his schedule with Town Manager Elwell.
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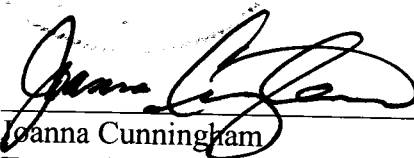
20 VIII. ADJOURNMENT

21 There being no further business, the Water Committee Meeting of Thursday, December 10,
22 2009, was adjourned at 11:38 a.m.
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24 APPROVED:

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29 David A. Rosow
30 Chairman

31 ATTEST:

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34 _____
35 Joanna Cunningham
36 Town Clerk