

MINUTES OF THE SPECIAL TOWN COUNCIL MEETING HELD ON MAY 29, 1998

I. CALL TO ORDER AND ROLL CALL

The meeting to consider issues related to the future water supply for the Town of Palm Beach was called to order by President Lesly Smith at 10:00 a.m. on Friday, May 29, 1998, in the Town Council Chambers. On roll call, the following Elected Officials were found to be in attendance: President Lesly Smith, President Pro Tem Sam McLendon, Councilmen Jack McDonald, Leslie Shaw and Allen Wyett. Mayor Paul Ilyinsky was absent. Also present were Acting Town Manager Peter Elwell, Public Works Director Al Dusey, and Town Clerk Mary Pollitt.

II. APPROVAL OF AGENDA

Mr. Wyett made a motion to approve the agenda. Mr. McLendon seconded the motion which carried unanimously.

III. SELECTION OF WATER RESOURCES CONSULTANT

Mr. Elwell referred to a May 20, 1998, memorandum from Public Works Director Dusey that listed the Selection Committee's choices for an engineering firm to provide water resource engineering services to the Town on a continuing contract basis. Mr. Elwell said that Mr. Hartman, of Hartman Associates, the top ranked firm was present at this meeting. Mr. Elwell said that Hutcheon Engineers was the second ranked firm, and the recommendation of the committee, as set forth in the memorandum, was to have contracts offered to both companies.

Mr. Dusey explained that these are continuing contracts, and the only expenses would be the ones authorized by the Town Council or very minor work, authorized by staff based on existing funding.

Responding to a question from Mr. Wyett, Mr. Dusey responded that these contracts are for general engineering services for water resource engineers which included the water plants and the distribution system.

Mr. Elwell said the contract was broadly written so as to enable the Town to utilize these engineers for the broadest possible array of services related to the water matters that are before the Town Council. He said the actual work that would be done and the scope of work for each project would be determined at the time of the project as well as the fee for that work. As Mr. Dusey indicated, Mr. Elwell said that would come back to the Town Council on a project by project basis.

Mr. Wyett commented that the "cart may be put before the horse" in this particular case. He thought there were issues the Council had to address and decide first, because it is a political decision. Mr. Wyett said the net result of whatever way the Town Council goes about this will be pretty much the same, because the Town wants a good water system, highly reliable and high quality. Mr. Wyett said if the Town eventually contracts with one of the successful bidders, and a conventional approach is used where the bidder builds it and the Town owns and operates it, newer methods were mentioned by various vendors. He mentioned that some of the vendors told the Town that they would own and operate the facility and sell water to the Town at a guaranteed price for a guaranteed amount of water. If they failed to do that, they would have to pay to correct it, and with that in mind, the engineering falls under their scope.

Mr. Wyett said the Town had two choices for the pipe system—hire engineers and put its own pipes in, take water from the private water utility at a guaranteed price and distribute the water, or the Town could have the water facility people take over and install the pipes that would include hiring the engineers. The facility would own the pipes or the Town could buy it back from them at an agreed price at a future date. He said the Town could also buy back the water system if it is a build-own-operate, and the next step is called a BOOT (build-own-operate-transfer). Mr. Wyett said he was explaining this because to start with the engineering before the Town decides how the water system will be handled and the direction the engineering will go may not be the way to go. He thought the Town should be talking first about whether or not to go ahead and do the water system. If the Town decides to go ahead, Mr. Wyett said the Town should take the steps to separate from West Palm Beach and have engineers tell the Town what they believe should be in the system. Mr. Wyett said he did not want engineers telling any bidder how to construct the plant because engineers could over construct it for their safety. Mr. Wyett said he would like to change the agenda.

Mr. Elwell said Mr. Dusey could provide additional information about the projects that the engineers may be working on; however, the reason the agenda was ordered the way it was and the reason the staff recommended the Town Council approve the retention of a consultant was to have the Town Council have a hired professional with

special expertise in water systems as decisions are made between the Town and the City of West Palm Beach including the available options relating to what type of independent system the Town may wish to proceed with. Mr. Elwell said those were some of the issues the Town will need to decide to determine which road will be taken, and he thought a water resources consultant will help the Town Council to make those decisions.

Mr. Elwell said the reason the staff thought that now is the appropriate time to retain such a person or firm was that the Town Council was not committed to any particular study, design work, or expenditures, and this consultant would be utilized only in the fashion that serves the Town Council and the Town.

Mr. Wyett responded he was concerned with the order of the presentation on the agenda, because he thought the Town Council should spend most of its time making a final decision which is getting closer. After the decision is made, that decision may influence who would get the contract, and perhaps the engineering should be more on the pipe side.

Mr. McLendon said he thought the Town Council should select the engineers, and he did not see any problem in doing that in a different sequence regardless if the Town Council approved a project, a type of project or the selection of the engineer in the first instance. He said his concept was that he understood Hutcheon Engineers already had a hydraulic model of the Town's distribution system or the layout of the distribution system, and it would seem natural that they would be selected to do that part of the project. Mr. McLendon said the Town Council would need additional input before a decision would be made to determine if reverse osmosis is the system to rely on, and from all indications to this point, it is the only real alternative unless there are changes from West Palm Beach, and there have been no signs of that.

Mr. McLendon said he had ideas where the plants should be located and the alternatives for that, but he thought the Town Council needed a quick, good approach for the presentation of whatever alternatives there are to the reverse osmosis process that the Town Council has not seen. Mr. McLendon said he would be comfortable making a decision today as to where the Town ought to go, but he did not think the other Council members were comfortable with that.

Mr. Shaw asked Mr. Dusey to provide details beyond the specifics of designing a water system of what the engineering functions have been in the prior years with the prior awards, and what he envisioned in the future?

Mr. Dusey responded the actual participation by an engineering firm will depend upon the decisions of the Town Council. The function can be that of an advisor. Mr. Dusey said the Town has not had this type of contractual arrangement in the last five years because the Town has not had the necessity for it. He added that a feasibility study was done in the early 1990's by James M. Montgomery that looked at the reverse osmosis process and other combinations and permutations including aquifer storage recovery and other issues. He said that obviously the Town did not build something based on that study but the Town acted not to do something based on the study because it was not economical.

Mr. Dusey said this engineer will provide the Town Council with whatever services are necessary to provide direction to the Town Council—it could be the full gamut of design or it could be advice.

Mr. Shaw said he thought it was beneficial to have an engineering firm on the Town's payroll rather than having a contractor who is bidding for a job as the full source and verification. He said a prudent and economical way to approach the issue is by a peer review of the Town's own operation. He understood Mr. Wyett's concerns, but he was not sure that he wanted to wait until a system is presented to the Town Council before the Council decided to hire someone or look for contracts. Mr. Shaw said this was not a cost factor but a preliminary agreement where two people would be chosen that would be available to the Town in the future to provide services if and when needed.

Mr. Shaw made a motion to approve the selection of the committee with the primary and the secondary. Mr. McDonald seconded the motion.

Mrs. Smith said she understood and appreciated the remarks of her fellow councilmen, but she thought perhaps the Council missed the very first step that should be taken which is to meet with the South Florida Water Management District and find out the probability of obtaining a permit to go into the Florida Aquifer. She said she spoke to two of the men and asked them what they thought the right procedure for the Town would be to move ahead. Mrs. Smith said the response was that the permit request would be a step that the Town's staff or the Town's consulting engineers should take to meet with them in a pre-conference meeting to address that question. The second major question was "What should be done with the affluent after the waste water is treated?" Mrs. Smith said this is a major problem, because it certainly cannot go into the Lake Worth Lagoon since everyone has been meeting and trying to clean that up. She questioned if the Town would receive permission to put it in the ocean.

Mrs. Smith continued that the South Florida Water Management people thought that the Town's staff or the consulting engineer should meet with them, and that would be the first step to see how long permitting would take. The rest of it would be a regular permitting issue.

Mrs. Smith said they discussed the plant in Jupiter which had received permission, and SFWM said that was a unique situation because they are using much less water than the Town of Palm Beach would be asking for. Mrs. Smith said, on that basis, she thought the Town needed an engineer to assist Mr. Dusey and his staff in meeting with SFWM to find out what the permitting problems might be.

Mrs. Smith asked the Town Clerk to call the vote.

On roll call, the vote carried 4-1 with Mr. Wyett casting a negative vote.

Mrs. Smith said she would like to ask Mr. Dusey what his reaction was to the remarks made by the South Florida Water Management representatives?

Mr. Dusey responded that if it is decided that the Town wishes to proceed with a reverse osmosis system into the Florida aquifer, it would be reasonable to approach SFWM to find out what their feelings are. He referred to a memorandum he had written to Mr. Elwell regarding the status of South Florida Water Management's lower east coast water supply program where they indicated they were only giving five year permits presently. Mr. Dusey said he believed that if they issued a five year permit to someone to supply water for the Town of Palm Beach, that would be an implication that the permit would be renewed after five years. Mr. Dusey said he believed they were stating they did not want to tie things down long term at this point.

Mrs. Smith asked if the Town had ever approached SFWM and told them the Town had decided to move ahead?

Mr. Dusey responded negatively.

Mrs. Smith said she believed if the Town Council decided to do that and let them know the Town was moving ahead with this process, the Town might get a very favorable reception from them and more concrete action. Mrs. Smith reported that SFWM said the permitting process for this would be very specific and on a very specific time table and could take a good deal of time to actually find out if the Town would get permission to remove however many millions of gallons of water out of the aquifer.

Mr. McLendon said there should not be any huge question about the availability of water from the Florida aquifer; however, SFWM could only give a generality until such time as the Town picks specific locations. He said that to the best of his knowledge, Jupiter has a 12 million/gallon per day reverse osmosis capacity which is not quite as big as the Town of Palm Beach would plan to be in total but it is a big portion of it.

Mr. Dusey said the Town of Jupiter was allowed to dispose of the affluent into a location that was unique.

Mrs. Smith said the Town of Palm Beach may have to look at deep wells under the aquifer for the affluent.

Mr. McLendon commented that the Town has an existing outfall extending one mile into the ocean which is capable of being used, and he said he did not think other locations would be an insurmountable problem.

Mrs. Smith said instead of by-passing SFWM, it would be to the Town's best interests to meet with them.

John Kiernan, Ionics, said that Mrs. Smith was perfectly correct that permitting is one of the quickest de-railers of a project of this type. He said what he was hearing was a march down a conventional road and what he tried to describe the last time he appeared before the Town Council was a different approach from what most town councils consider. Mr. Kiernan mentioned that in several of their projects, the company is responsible for the permitting. He said the preliminary work including the engineering, sizing, and siting and presenting that with the Town's concurrence to the Water Management agency. There is no up front cost for the municipality to do that if a BOOT or a BOO project is envisioned or awarded. Mr. Kiernan said if the Town would choose a "water vendor", many of the things that normally fall under the engineers' scope can be shifted to the overall project by the vendor. He said he was not saying the Town should not have the oversight and backup of a professional and his company almost always works with consulting firms. In this case where the water mains are a large financial portion of this job, there would be a large amount of cooperation between the selected vendor and the selected engineer regardless if one large plant is built with the mains sized to accept that type of flow, or if there were many different sites. He said those are the types of things that can be done in conjunction that allow for the specifics of the plant to be designed so the project can be submitted for permitting.

Mr. Kiernan said one of the items not brought up was the timing aspect. He said that in the numbers he presented at the last meeting, if West Palm Beach maintained a 4% increase in their water rates, the savings to the Town by going to a BOOT would be in excess of \$1 million/year. That number does not reflect the surcharge paid to West Palm Beach, so the savings would approach \$2 million/year.

Mr. Kiernan said if the Town takes a conventional route, there is danger of losing one season of construction that would cost the Town \$1 million of savings. Timing is an issue.

Mrs. Smith asked Mr. Kiernan if his proposal would include underwriting the cost of the installation of the water meters—the water meters the Town is considering to measure the flow of water from West Palm Beach to Palm Beach?

Mr. Kiernan responded said that was an excellent method of determining what type of leakage rate is present in the existing mains. That could be included in the entire project if it were part of the scope of the project.

Mrs. Smith said she understood from other companies they would include the \$150,000 in their projects, and she was asking if Ionics would underwrite the cost as opposed to the Town Council electing, at this meeting, to put up the money to install the meters.

Mr. Kiernan responded his company would, as part of the project, if they were selected to do the project—as one of the specifications.

Mr. McLendon said a disadvantage of selecting a firm first would be the time it would take to negotiate an agreement with a firm, and the installation of the meters would not proceed until that agreement was finalized. He said the cost of the meters, approximately \$175,000, would be rolled into the cost of the project. If the Town Council decided these meters were needed, he did not see the justification for waiting for the installation when the information would be needed to design a plant.

Mr. Shaw requested that item IV. Consideration of the Town's Future Water Supply and Distribution System and item V. Consideration of Installing Water Meters to Measure the Flow of Water from West Palm Beach be reversed in order on the agenda. Mrs. Smith agreed with that request.

Mr. Shaw requested that members of the audience identify themselves if they represented companies.

The following persons identified themselves:

Jerry Hartman, President of Hartman Associates, Consulting Engineers

John Potts, Hutcheon Engineers

Les Camp, U. S. Filter-Culligan

Dick Bresee, resident of West Palm Beach

Mr. Elwell explained that the agenda was structured the way it was to allow the Mayor and Town Council the opportunity to discuss, as a group, the desire to make a commitment to move toward independence, otherwise there was no purpose in anyone investing the \$175,000 for the meters. He suggested the concept of water independence may be discussed before discussing the meters in greater detail.

IV. CONSIDERATION OF THE TOWN'S FUTURE WATER SUPPLY AND DISTRIBUTION SYSTEM

Mr. McLendon said he did not think that the City of West Palm Beach will be convinced of Palm Beach's intentions until they see trenches or pipes go into the ground laying the Town's own distribution system. Mr. McLendon said he would preferably like to see the project start at the north end of the system since the major pipes the City of West Palm Beach has that are worth anything are primarily in the South end of Town. He thought that the public value of the system would change drastically when they saw the Town was serious about replacing the pipes so the Town does not have to buy any of their pipes, and a fair negotiating system could be started.

Mrs. Smith asked Mr. Elwell and Mr. Dusey if they expected the Town Council to authorize the drawing up of specifications for bids at this meeting?

Mr. Dusey replied that the next step is if the Town council is willing to move forward with a complete system, total independence, distribution included, he and his staff would return to the Town Council with a list of items that need to be defined. That list could be done fairly quickly. Mr. Dusey explained many decisions will have to be made by the Mayor and Town Council regarding the potential location of facilities, storage, and water quality. Those items could be outlined.

Mrs. Smith questioned why the companies would not be presenting some or all of that information?

Mr. Dusey responded that a lot of work would be required to determine that information and the Town needs to determine a range of acceptable sites.

Mr. Elwell said the key issue was that the Town is not dictating to the engineers where they have to place any part of the system, but this would provide some guidance to them concerning what is not acceptable aesthetically or otherwise within the Town.

Mr. Wyett suggested asking the representatives from Ionics and U. S. Filter what would be the order of their actions and their help to the Town to start the process.

Mr. McLendon asked Mr. Dusey if he saw any reason that the Town would not own the transmission and distribution system?

Mr. Dusey responded he had a personal bias against having a supplier at one side and a system on the other. He thought that difficulties arose when the homeowner had problems with the water and the problems had to be traced to a source; however, the system could be handled in that fashion.

Les Camp with U. S. Filter stated that most of the discussion the Council had concerned their preferences. He said his company offered a full scope of services ranging from where they selected the site, to doing the entire job. In addition, they had worked with local engineers and done only the design and operation pieces. It was up to the Town Council as to what they felt comfortable with in the process. He suggested that the Town Council use the two firms that had been discussed to draft the request for proposals, and also suggested that some flexibility be left in the considerations.

Jerry Hartman, of Hartman Associates, addressed the Town Council, advising that the procurement document would be the next step. Once those documents were prepared there would be an open procurement for any qualified vendor. He suggested that there would then be a pre-qualification and then a bidding situation. The Town Attorney would also be involved, since there were legal safeguards and requirements in the process.

In response to Councilman Shaw, Mr. Hartman explained that the request for proposal (RFP) and procurement document were essentially the same, however, a RFP was really inadequate for a project such as this. Typically, it would be a document, containing technical, bidder, performance, and costing requirements. He noted that a procurement document should accompany the RFP.

In response to President Smith relating to costs of the RFP and procurement document, Mr. Hartman advised that they could be as little as \$25,000 or up to \$100,000.

Mr. Potts commented that the discussion had not yet centered at all on whether there would be two water systems: irrigation and potable, or whether there would be a combined water system. The two system method would have a higher cost, and a complication in that West Palm Beach would have to permit the irrigation quality water.

Councilman Shaw commented that he believed the Town would be making a very big mistake by not truly considering the option of a dual system.

Mr. Kiernan, of Ionics, addressed the Town Council, commenting that there were a number of projects that had happened that could act as role models. He suggested a very detailed RFP, which could be very expensive, and noted that there were precedents already set forth that could be used for evaluation. It would have to be decided whether there would be a plant for build/own/operate, or just purchasing the system, or including new mains. The scope would need to be identified, which would require the water company to provide the best proposal and design. The danger in structuring the RFP too much was that the water company may be limited in providing expertise.

President Pro-Tem McLendon asked Public Works Director Dusey what the procedure was on permits for construction?

Mr. Dusey replied that a contractor must be licensed to do work in the State, but the permit fees would be waived for the Town.

Acting Town Manager Peter Elwell commented that the declaration of moving forward was a very positive step, however, he cautioned that the project was huge, and there were dozens of details which must be addressed before going ahead. He requested that direction be given to staff in regard to what was expected.

Mr. Hartman commented that a preliminary list of issues that the Town Council would need to address in order to proceed could be provided by June 9, 1998.

The Town Council determined that the next meeting on water would be on Thursday, July 9, 1998 at 10:00 A.M. in the Town Council Chambers.

The Ordinances, Rules, and Standards (ORS) Committee Meeting scheduled for July 8, 1998 would be canceled and re-scheduled at the June Town Council Meeting.

Councilman Shaw moved that a preliminary list would be provided by June 9, 1998, and the next meeting to be held would be on June 9, 1998 at 10:00 A.M. for further discussion of the water issues. The motion was seconded by Councilman McDonald. On roll call the motion carried unanimously.

Mr. Eric Gilbertson congratulated the Town Council on addressing the water issue.

V. CONSIDERATION OF INSTALLING WATER METERS TO MEASURE THE FLOW OF WATER FROM WEST PALM BEACH

This item was heard after Item III.

Mr. Elwell referred to possible legal issues related to the Town's ability to install the meters on West Palm Beach's lines. He requested the Town Council not take action regarding the installation of the meters on the lines until Town Attorney Randolph (who was not present at this meeting) had responded to the legal side of the issue.

Mr. Shaw said he did not think the Town needed to spend \$150,000 of anyone's money to get the answers that the Town wants. He believed statistical analysis could be used with sampling and an analysis could be done based on

the usage to determine what the actual peak hour usage is. He said statistical analysis is used throughout the country and throughout the world in sampling to achieve the necessary results, and there is an accuracy issue. He did not believe that the \$150,000 had to be spent or the Town should be involved with West Palm Beach's pipes. He thought the meters could be attached to the residents' side of the meters or use another type of engineering technology. He said it was the supplier's responsibility to design the system and not the responsibility of the Town of Palm Beach.

Mrs. Smith stated that May 29th should be considered as the Declaration of Water Independence Day for the Town of Palm Beach, and there was no question about that. She said the Town Council is moving ahead and will be independent of West Palm Beach, and that is the purpose of this meeting. Mrs. Smith said she relied on hearing from the experts regarding the specifics of the water meters. She added there should not be any question about the fact that "today is the day".

Mr. McLendon commented that he had discussed the issue of the meters with Mr. Dusey. They are desirable and it is unfortunate that they were not installed previously. Unless the Town has a drought between now and the time size selection must be made, estimations will still be necessary. Mr. McLendon said he was not uncomfortable designing without the meters, provided space could be left for add-on units if the estimates were too low. He said he could go either way on the meter issue.

John Potts, Hutcheon Engineers, said the issue with the meters is not the peak hour flow, but it is the maximum day flow, and that has never been measured in the Town of Palm Beach. He said the consequences are significant from a cost basis. Every million gallons/day of capacity will cost approximately \$2.00 or approximately \$2 million/million gallons of capacity. He said the concept of leaving room for additional units raises the difficulty of requesting an amount of water from the South Florida Management District. This means that the quantity of water that will be used in the Town in the future should be known to request the right amount of water from the South Florida Management District and to design an adequate system.

Mr. Potts said the meters have additional uses and they would be usable in a water system. He thought the meters would also be useful during a transition period between the present and a future water system when the system will probably include a blending of the systems. Mr. Potts added the sooner the amount of water used is known the better. That is a high priority issue.

Mr. Potts said the difficulty with statistical methods is the only meter reading known is a monthly figure, and the water plant has to be able to produce the amount of water needed on the maximum day's requirement. He noted that if a million gallons of water per day could be deducted from the total because the statistics were slightly off, the savings would be \$2 million.

Mr. Shaw said his concern was that considering the relationship the Town enjoys with the City of West Palm Beach, five years could be spent before permission to install the meters is granted. He understood the plants were modular—allowing the increasing of production as needed. Mr. Shaw said he wanted to go forward and not hold up the process because of two years of data and one year of court battles before the project can go forward.

Mr. Potts responded the key period to be measured is the upcoming season, and the water demands during the summer are significantly less than the winter months.

Mrs. Smith asked the reason why the request for \$150,000 for meters should be approved now and not next winter?

Mr. Elwell replied that this item was moved forward to this meeting after a council member proposed the body should consider it. The Town Council did consider it and expressed some interest in the meter installation. Mr. Elwell said that the engineering community would have to determine the value of expediting the meter installation; although Mr. Potts said if the Town wishes to proceed with the meters, it is important to install them before the upcoming season to measure the peak load.

Mrs. Smith said the first thing to do would be for the Town to request permission from the City of West Palm Beach to install the meters. If they will not grant permission, the issue is moot.

Mr. Elwell said the sense of urgency is simply that if the Council wishes to include the meters as one of the first steps in moving towards water independence, that should be done promptly. The cost of the meters, while significant in terms of other things that the Town does, is relatively insignificant compared to the overall cost of the water project.

Mr. Wyett said the meters will give other information including the peak hour. The Town does not know how much water is being used at any given time.

Mr. Potts interjected that the question is: "How big should the pipes be made?"

Mr. Wyett said that is vital to the design of the system. The meters will project more accurately what the size of each plant should be if multiple locations are used. If too much capacity is built, money will be wasted, and if the system is undersized, that will result in a disruption in an adequate supply of water at peak hours until it could be corrected. Mr. Wyett said it did not matter what order the items are considered.

Mr. Wyett asked Mr. Potts if there was another method to measure the peak times other than attaching meters to

the pipes?

Mr. Potts replied there was not because that was the sole source of the water, and the water does not just come to the island during peak hour periods. Mr. Potts said the hydraulic models showed that the water comes under the island and goes off the island—certainly goes south to South Palm Beach so some of the water coming across is not being used by the Town of Palm Beach. The City of West Palm Beach has a meter than shows the amount of water that leaves their plant.

Mr. Potts said Hutcheon Engineers checked the hydraulic model to test for peak times but the system basically fell apart and something else could be happening. He said there are other methods of measuring the water by merely strapping a meter on the pipes. Mr. Potts suggested the prudent question now is to request permission from the City of West Palm Beach to install meters on the pipes. Mr. Potts said the meters could save the Town considerably more money than they cost.

Mr. Wyett said, assuming that more than one water plant would be needed, the measurement is not as important as the estimate, because the plants could be flexible as they were expanded or built.

Mr. Potts concurred that the concept that was put forth was to allow the plants to each have 1/4 extra capacity so they could help each other out. They would all be tied together. Mr. Potts said the solution can be the statistical or a guess, but the first answer should be an attempt to get the right answer, but if that is not available, move on.

Mrs. Smith said the meeting was getting bogged down in the specifics and that was not the reason for this meeting. She said the question of the water meters will go on the agenda, with the input from Mr. Randolph, for the June 9th Town Council meeting.

Mr. McLendon asked if the request could not be made to West Palm Beach before the June 9th meeting?

Mrs. Smith said the request to install the water meters should come from Mr. Dusey to Mr. Olson in West Palm Beach. She saw no reason not to have Mr. Dusey draft and send the letter after it was reviewed by Mr. Randolph. The response would be analyzed at the June 9th Town Council meeting. Mrs. Smith clarified the action would be taken to move ahead and start of the process of asking the City of West Palm Beach.

Mr. Elwell said he understood that at this point the Mayor and Town Council is not making any commitment to spend any money. Staff would make the contact, staff to staff, and see if a response is received prior to June 9th. He recommended that the contact would be made by letter.

Mrs. Smith questioned if the placing of water meters on the water pipes would have to be approved by the City Commission or at the staff level?

Mr. Elwell responded he did not know that, but the Town of Palm Beach would not proceed beyond receiving permission before returning to the Town Council to request permission for the money to install the meters.

Mr. Shaw asked if the franchise fees were based on the amounts billed or the amounts made available?

Mr. Elwell replied it was based on the gross receipts.

Mr. McLendon asked Mr. Potts what kind of meter is anticipated in the budget item that was created—was it a mag meter?

Mr. Potts replied it was an insertion mag meter that will read flow in both directions, put the information into a totalizer, and periodically reduce the data to gallons. Mr. Potts said the meters do not destroy the pipes. The pipes are tapped for two inch openings. The meters are inserted and removed when the measurements have been made.

Responding to a question from Mr. Shaw regarding the rental of meters, Mr. Potts said the purchase is not the major expense. The major cost is in the construction activity of providing electrical power to the site.

VI. ANY OTHER MATTERS

There were none.

VII. ADJOURNMENT

The meeting was adjourned at 11:45 A.M.

Mary A. Pollitt
Town Clerk