MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, APRIL 4, 2017, 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Chairman Glynda Cavalcanti; Vice Chairman Daniel M. Delulio;; Deputy Secretary Michael A. Perri, Jr.; Mayor Linda Hudson; and City Clerk Linda Cox for Nick Mimms, Ex-Officio Member/City Manager.

Absent: Secretary Darryl Thomas-Bey – Motion was made to excuse him.

Others present: Clayton W. Lindstrom, Director of Utilities; Rupert N. Koblegard, III, FPUA Attorney; Nina B. Penick, Director of Financial Services; Paul Jakubczak, Director of Electric & Gas Systems; and Bowdoin G. Hutchinson, Director of Water/Wastewater Systems

The meeting was called to order by Chairman Cavalcanti.

Opening Prayer by Larry Lammers, FPUA Electric & Gas Engineering.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

A motion was made by Mayor Hudson, seconded by Mr. Delulio, and unanimously carried to excuse Darryl Bey from the meeting.

A motion was made by Mayor Hudson, seconded by Mr. Delulio, and unanimously carried to approve the set agenda.

A motion was made by Mr. Delulio, seconded by Mayor Hudson, and unanimously carried to approve the March 21, 2017 minutes.

Mr. Lindstrom requested removing Consent Item 4 as an item of interest for a brief discussion.

A motion was made by Mayor Hudson, seconded by Mr. Delulio, and unanimously carried to approve the remainder of the Consent Agenda items.

1. Approve budget transfers totaling $39,397 to cover the City Distribution for FY 2017, based on FY 2016 Adjusted Gross Revenue.

2. POA 16-07: Approve Amendment No. 1 to the Uniform Rental Contract with Unifirst Corporation of Wilmington, Massachusetts to increase the not to exceed contract amount from $15,000 to 39,000 annually.

3. POA 17-46: Approve budget transfers totaling $30,400 into Other Professional Fees, participation in the Florida Municipal Power Agency Joint Purchase Project Invitation to Bid No. 2016-034 and Contract with Aubrey Silvey Enterprises, Inc., of Carrollton, Georgia, for Substation Maintenance in an amount not to exceed $15,000 annually. The initial term of this contract will be from March 22, 2017 to September 30, 2017 with four, one-year renewal options contingent on extension of the award by FMPA.

5. Approve East Ohio Avenue Water Main Replacement Post Budgeted Project/Budget Request in the amount of $60,000.

6. POA 17-55: Approve the piggyback of South Seminole & North Orange County Wastewater Transmission Authority RFP No. 2016-002, and Contract with Hinterland Group Inc., of Riviera Beach, Florida, for manhole rehabilitation in an amount not to exceed $75,000 annually. The Contract will be from April 5, 2017 through April 4, 2018 with four one-year renewal options, contingent on receiving required Certificate(s) of Insurance.

7. Approve the use of contingency funding in the total amount of $163,572.25 to make payments for Mutual Aid assistance after Hurricane Matthew to the City of Tallahassee, Florida, in the amount of $64,906.61, Keys Energy Services of Key West, Florida, in the amount of $53,622.79, and Pennyrile Electric of Hopkinsville, Kentucky, in the amount of $45,042.85.

Mr. Lindstrom said Consent Item 4 is an item that is an example of our Local Vendor Preference. He said the vendor has an address of Miami, but they have a local office and they also are a customer of FPUA. The first bids came in within the range of allowing for a Local Vendor Preference selection, where the low bidder and the local vendor rebid the process. It was a win/win for both of us because both bids came in lower than initially and we were able to award the bid to a local vendor. Mr. Lindstrom said he wanted to point that out where FPUA was able to accommodate a local vendor.

Mayor Hudson said that is great.

A motion was made by Mayor Hudson, seconded by Mr. Delulio, and unanimously carried to approve Bid No. 17-27: the award of Bid and Contract for the purchase of approximately 400 wet tons per year of 25% Caustic Soda from Allied Universal Corporation of Miami, Florida, in an amount not to exceed $63,272 annually for the period of April 1, 2017 through March 31, 2018 with four one-year renewal options, contingent on receiving the required Certificate(s) of Insurance.

An email was received from John Spivey from FDOT Construction thanking James Carnes of Water/Wastewater Engineering and staff for being very responsive on every issue/conflict that

came up in the SR 70 and Jenkins Road project. They were able to finish the project ahead of schedule and on target with the budget.

Craig Crawford, Gas Operations Supervisor, presented the overview of the Gas Operations Department activities. He said he was going to briefly cover some of the major activities of Gas Operations like the system description, regulations, and responsibilities of the different groups within the department. The FPUA system has been in service since 1962 and is made of coated steel and plastic mains and services. There is no cast iron pipe or uncoated steel in the system, which is important because failures on these types of pipe are common and it would be costly to replace those types of pipes. The majority of FPUA's customer base is residential, about 89%, but they make up only 26% of our revenue. The other 11% is commercial or industrial and they make up 74% of our revenue. The Gas Department is under the rules and regulations of the Department of Transportation, Pipeline and Hazardous Materials Safety Administration and the entire department is subject to random drug testing. We are audited yearly by the Public Service Commission. Mr. Crawford said the Distribution Group does all of their own construction and maintenance work such as leak survey, cathodic protection testing, valve maintenance, install new main extensions, new services lines, and roadway projects. He said the only items contracted out are directional drilling and steel pipe welding. About 1/3 of the system is leak checked every year, along with the downtown areas, schools, and hospitals. This is done by walking 1/3 of the entire system with a laser leak detector every year, which means every three years our entire system has been checked for leaks. Most of the findings are small customer side piping or meter set leaks. The Cathodic Protection is a technique used to control the corrosion of a metal surface by making it the cathode of an electrochemical cell. Around 1998 the last section of FPUA's steel pipeline was put under Cathodic Protection. Staff tests all of the steel pipeline yearly to make sure it has a negative voltage reading of at least .85 volts. They normally find two areas down a year split up in different sections, which is usually caused by contractors that ground to FPUA's meter sets or risers out in the field. The key valves provide isolation within the system and FPUA has about 100 valves that are inspected annually for accessibility and operability. Mr. Crawford said staff finds on average of 10 valve boxes that need cleaning or to be replaced and about five valves that need to be greased or do maintenance on. He said the key valves are spread around the system and provide isolation points within the system. The service group takes care of the customers' needs beyond the meter by doing turn-ons, repair appliances, install water heaters, and respond to odor complaints from the customer. This is the only group that does work inside of our customers' homes or businesses. They also are in the process of tagging and GPSing about 4,300 gas meters and have completed about 2,200. It is a new program which will quickly help us identify meters on the map in areas where we might have a problem. Mr. Crawford displayed a chart that shows the number of service calls and pipe jobs this group has done by year. In 2015 the services calls were very high, which was the result of the low pressure incident in December. The Gas Department has implemented a new meter change program to replace the oldest meters first and increase the number of meters changed per year to at least 120. This is not a safety or integrity issue, but it is important because these are our cash registers and we want them registering properly. Regulations also require FPUA to

have a Distribution Integrity Management Program. The program is designed to analyze the data that is imputed for leaks, hit lines, and equipment failure. The evaluation is done yearly and historically they find excavation damage is the biggest threat to the system. FPUA's Public Awareness Program reaches out to the public, public officials, citizens, and contractors by mail and meetings to inform them the law states they must call 811 before they dig. Regulations also require FPUA to have an Operator Qualification Program to ensure we have qualified employees working on the gas pipeline, which includes Gas Operations, dispatchers, locators, and MIRs. The program consists of field evaluations, online training, and the number of courses required varies based on the discipline of the employee. The Distribution Group must be qualified in all of the 60 covered tasks identified. The Business Development Representative focuses on the growth of the system and customer retention. Every employee helps promote the growth of the system. The St. Lucie County Jail started off wanting gas for a new generator installation and to make the installation feasible, staff talked them into using gas for their laundry facility. Once that installation was complete, we encouraged them into going all natural gas in their kitchen. After realizing the cost savings, they decided to start replacing their electric hot waters in the pods with natural gas water heaters. This is in FPL electric territory so it is all new revenue for FPUA. Mr. Crawford said another example is the Islamorada Brewing Company on St. Lucie Boulevard and once we extended the gas to them, staff was able to pursue Pursuit Boats and now Maverick Boats and Tattoo Yachts are planning on opening new facilities a little west of Pursuit Boats and FPUA is now working on providing gas to their new facilities.

Mr. Perri asked if the gas line out on Jenkins Road was completed.

Mr. Crawford said it was complete.

Mr. Perri asked if it was operating yet.

Mr. Crawford said they are working on getting all of their equipment installed at this time. He said all the equipment is sitting on the pad and they have to do all the piping. The C&G facility has been a long time in getting through the County permit process.

Mr. Perri said he knew they were having some issues there, but he had not been out there in a while.

Mr. Crawford said if Mr. Perri went there now, he would see the equipment set up.

Mr. Perri said concerning the low pressure incident, when he was out in the field with people from Tampa, there were quite a few meters that did not have a little yellow tag. He thought FPUA was going to start a program to take care of it and wondered if that was completed yet.

Mr. Crawford said staff is working on getting it completed and the Service Group is actually working on the GPS and putting permanent tags. He said FPUA has gone with a metal tag so the tags will be riveted on the meters with a barcode. Staff can barcode the tags and input the

information in the tablet, GPS it, and move to the next one. It will bring all of FPUA meters in the field on to the map so if there is a problem in a certain area, staff will actually know which meters are affected and where to go to turn them off. It will make the process so much faster.

Mr. Perri said he did not know what kind of tag it was, just that it was a special tag, and FPUA was in some type of violation if they did not have it.

Mr. Crawford said they address those as much as they can when staff is doing their normal standard of work. He said when they buy the meters and there is no sticker on it, they put a sticker on it. This will be a more permanent placement of FPUA's information.

Mayor Hudson asked if they received some good learning experiences from the low pressure incident and the debriefing afterwards. She said one of the problems was being able to get in touch with customers and bad or out of date phone numbers. Has FPUA learned some lessons so in the future, we can prevent some of the problems they had?

Mr. Crawford said the meter tagging is one of the things they have implemented to speed up the process to be able to identify the area and how many meters and customers are affected. He said as far as the phone numbers, they are consistently updating those in Cogsdale. They have also started working on a pressure monitoring system for the gas system so it will be on the SCADA with the electric. It is in the testing phase now and will be getting those in the field to monitor the pressure at about 15 locations throughout the City so they will have a faster response time to be able to tell there is a problem.

James Carnes, Water/Wastewater Engineering Environmental Engineer, presented Specific Authorization GT 17-02 with Globaltech. He said this authorization with Globaltech of Boca Raton, Florida is for the design, product acquisition, engineering construction, and inspection services associated with the Island Water Reclamation Facilities clarifiers 1 thorough 4 mechanism replacement project. This is a two year capital project with $840,000 being dispersed FY 2017 to cover the cost of preliminary engineering, shop drawing review, and product acquisition services. During the FY 2018, $855,905.05 will be used to cover final engineering, product installation, and other process equipment rehabilitation for a total specific authorization cost of $1,695,905.05. There are additional costs in the amount of $147,000 to cover capitalized interest and in-house costs for a total project cost of $1,842,905.05. An associated budget transfer in the amount of $125,000 is also being requested for approval to cover this year's expenditures. There is also going to be a disparity between the authorization the Board is going to sign tonight and the one in the Board's packet. Mr. Carnes said there was an issue with the estimating with the material being used for construction. He said the original construction material was going to be stainless steel, when in fact it is supposed to be carbon steel. Staff does not see that big of an issue because it is directly in line with what is expected to be spent this year despite the difference in cost being asked for. They are actually replacing the existing system with a new and improved system that will have residual cost benefits with our sludge

management system, chemical cost, and costs of the plant. The nominal cost savings this year will be forth coming in the next ten years of the plant life.

Mayor Hudson asked if the total costs of this process will last ten years.

Mr. Carnes said it will be a minimum of ten years. He said the idea is the intended move of the plant so putting in a system that is going to last longer than the plant would not be prudent.

Mayor Hudson said she agrees.

A motion was made by Mayor Hudson, seconded by Mr. Delulio, and unanimously carried to approve POA 14-53: budget transfer in the amount of $125,000 and Specific Authorization No. GT 17-02 with Globaltech, Inc., of Boca Raton, Florida, in an amount not to exceed $1,695,905.05 for design, product acquisition, engineering, construction, and inspection services associated with the Island Water Reclamation Facility Clarifiers 1 through 4 Mechanism Replacement project.

Mark Kobbe, Wastewater Collections Superintendent, presented the piggyback agreement with Miller Pipeline for the sewer rehabilitation services not to exceed $450,000 annually with two 1-year renewal options. He said staff is recommending approval of the National Joint Powers Alliance, NJPA, quality construction contract agreement with Miller Pipeline of Indiana. The NJPA is a government agency that offers competitively solicited contracts and this specific invitation had 16 bids with Miller Pipeline being awarded the best bid out of those 16. Miller Pipeline operates out of Lakeland, Florida and that is where there office is located. Mr. Kobbe said FPUA has an aging sewer system and there are two basic options when a sewer line is fixed. He said we either dig it up or perform some kind of trenchless technology that fixes the existing pipe that is in the trench. Miller Pipeline specializes in trenchless technology where they take a folded pipe and pull it through from manhole to manhole or they push it through manhole to manhole depending on the size of the pipe. They heat it via hot water or steam and it creates a reaction with the pipe they pull forward or through and it pressurizes it to the exiting ID of the pipe. As that steam or water cools, the pipe hardens in place, therefore giving us solid pipe replacing the cracked or broken pipes. At that point, they tramp the ends of the manholes, grout the epoxy grout between the lining in the existing manhole, cut out the existing services with a remote control tank that goes in and cuts it out, grout those services, and put it back in service. Mr. Kobbe said some of the benefits of this is it is less intrusive to the public. He said the underground roadway projects where FPUA goes in and replaces everything, it takes months and this is done in one working day, depending on the size of the pipe. If it is a smaller pipe and run, sometimes they can get two sections of pipe in. This saves money because a lot of times there is a situation where the sewer pipe is the deepest pipe and therefore, it would have to be dug up and move everything that is above it. Staff would have to replace the gas lines, the water lines, storm drains, and everything else. It saves time because when a roadway project is being done, FPUA

could be there for months and a new sewer pipe with this technology could be put in from 4 to 12 hours.

Mayor Hudson asked if they would have to tear up the streets less.

Mr. Kobbe said to do this technology, staff would not have to tear up the streets. He said they enter the manholes and pull a pipe in between them, they do not remove any asphalt.

Ms. Cavalcanti asked if it lasts as long.

Mr. Kobbe said it does.

A motion was made by Mayor Hudson, seconded by Mr. Delulio, and unanimously carried to approve POA 17-35: the piggyback of National Joint Powers Alliance (NJPA) Indefinite Quantity Construction Contract Agreement IFB No. FL03UGI-051716-MPC, and contract with Miller Pipeline LLC, of Indianapolis, Indiana, for sewer rehabilitation services in an amount not to exceed $450,000 annually. The term of the Contract will be from June 6, 2017 through June 5, 2018 with two, one-year renewal options, contingent on the renewal or extension of the NJPA contract.

Mr. Lindstrom said this resolution recognizes the month of April as water conservation month and Val Schulte will accept the resolution, well she is not here.

Mayor Hudson said Mrs. Schulte was at the City Commission meeting last night to accept the proclamation for this so since it is already proclaimed, the Board should approve it.

A motion was made by Mayor Hudson, seconded by Mr. Delulio, and unanimously carried to adopt FPUA Resolution No. UA 2017-05, Recognizing the month of April 2017 as FPUA Water Conservation Month.

Mayor Hudson thanked FPUA for helping with the Great American Cleanup and for cooking the lunch on Saturday, it was very nice. She very much appreciated all the hard work. FPUA also helped in a special project at the Dale Cassin School and Paul Jakubczak was out there with some other people. They fixed up the benches, painted them, and also built some more pods for their gardening. It is a challenging school and it was very much appreciated.

Mayor Hudson said she wanted to clarify when the 3% pay increase was approved at the last Board meeting, it did not include the Board Members. She wanted to be her understanding is the same as everybody else.

Mr. Perri said he agrees with that.

Mayor Hudson said she just wanted to be sure everybody had the same understanding. Also, she said last Friday she attended the St. Lucie Christian High School and they won a Robotics competition. It is a small Christian School on Edwards Road and they built a robot that won and are now going to the Nationals. They have the least amount of money of any of the other schools and there was a representative there from FPUA, her name is Nicki from fiber optics. FPUA helped those students and Mayor Hudson said she appreciates that. They are challenged there financially so they did a really good job and are now going to Houston. She does not know what makes a good robot versus a bad robot, but their robot won. Thank you to FPUA for your support.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN