



Town of Belleair

901 Ponce de Leon Blvd.
Belleair, FL 33756

Meeting Minutes Finance Board

Thursday, October 15, 2020

4:00 PM

Town Hall

Zoom Webinar ID: 844 5948 6166

Meeting was called to order at 4:05 PM with Chairman Olson presiding.

Staff members: Stefan Massol
Ashley Bernal
JP Murphy

Commissioners: Deputy Mayor Rettstatt
Commissioner Tom Shelly

ROLL CALL

Present 6 - Chairman Tom Olson, Vice Chairman Dan Hartshorne, John Prevas, Mary Griffith, Kevin Piccarreto, and James Ingersoll
Excused 1 - John Hail

CITIZENS COMMENTS

No comments

APPROVAL OF MINUTES

[20-0250](#) Approval of August 20, 2020 Meeting Minutes

Mary Griffith moved to approve the minutes. Seconded by Dan Hartshorne.

Aye: 6 - Chairman Olson, Vice Chairman Hartshorne, Prevas, Griffith, Piccarreto, and Ingersoll

Absent: 1 - Hail

GENERAL AGENDA

[20-0249](#) Discussion of Draft Reverse Osmosis Preliminary Engineering Report and Water Rate Study

Mr. Murphy provided a brief overview and history; McKim and Creed had previously presented this information to other boards. The purpose of this presentation is to inform individuals on the cost and process of transitioning to a reverse osmosis system. The preliminary engineering report (PER) is a guide to what issues the town is currently experiencing, as well as how to fix them.

Phil Locke with McKim and Creed provided a very high level of the Preliminary Engineering Report (PER); Total dissolved solids (TDS) are high for the town, which also means that the town's water is hard, and many residents likely have water softeners. The Town's level of TDSs are above compliance levels. With new wells in place, the town will be able to decrease the levels of TDS in order to vastly improve the quality of water; recommends a pilot test for confirming design parameters, as well as to preliminarily identify any issues within such a smaller system; the Town would likely need three full time staff members to man the new plant. 30% contingency included in the cost of the plan; reviewed proposed RO plant Capital costs.

Mr. Locke discussed the phased implementation plan; First phase: Deep injection well, additional well, clearwell roof rehabilitation (2021); Second phase: Booster pump station, filtration system, chemical systems, yard piping (2023); Third phase: RO system, RO building, additional chemical systems, yard piping (2027); Fourth phase: RO system addition, RO building addition, new high service pump station, yard piping. (2034)

Mr. Locke stated performing tasks all at once would cost around \$11.8 million, while the separate phased approach is estimated to be \$13.4 million.

Mr. Locke provided summary; recommend pilot study to optimize design, Town should identify four additional well sites, the Town will need to make a decision on going RO or Pinellas County as soon as possible.

Mr. Hartshorne voiced concerns about something going wrong with the projects and questioned the well depth estimations. Mr. Locke responded that the Florida Department of Environmental Protection (FDEP) is responsible for identifying what depth the wells should be at. Mr. Hartshorne spoke on issues that occurred in a similar instance in Oklahoma. Mr. Locke stated that the TDS levels are high, but individuals would not be able to see them if they held up their water. He also spoke on how there are multiple deep injection wells in Florida, which means lessons have been learned. Mr. Locke also stated that Clearwater is having an issue with their water treatment as well, and while it is a different situation, the concerns Mr. Hartshorne spoke about should be quelled.

Mr. Murphy also stated that the depth of the well is beyond 1,000 feet which is far enough away from the required depth for the permeation level; discussed not disposing water through county systems. Mr. Locke also said there is some risk with the county as water quality might change.

Nick Smith, consultant with Raftelis, presented the rate study; spoke about the process of the rate study, what was found, and the recommendations.

Mr. Smith reviewed rate study assumptions; the study found minimal customer growth, operating expense growth of 5.7% year over year, and three low-interest state revolving funds (SRF); costs are escalated to account for inflation and such in the following years; two additional personnel are also included in this forecast, where one new employee accounts for around 3% of the total cost of the project; preliminary results include a rate increase of 7% (2022-2028) and 4.25% (2029-2035).

Mr. Piccarreto inquired about if the rate increase is year over year, to which Mr. Smith confirmed. He also stated in 2029 it decreases, but there should be an inflationary increase. Mr. Piccarreto also inquired about the additional personnel as well, which Mr. Smith clarified that the additional staff would be a new baseline for operations. Mr. Murphy stating some details about the class required; current staff and additional staff.

Mr. Smith stated that \$50,000-\$55,000 would be base salary with 35% benefit expectations.

Mr. Smith continued by discussing the reserve policy set forth by the Town; stated that the recommendation for reserves is similar to the present \$450,000 requirement; that the present monthly charge for residential water service is much lower than other municipalities; any others that fall lower than Belleair utilize Pinellas county utilities.

Mr. Locke stated that the City of Dunedin presently has a 20-year old plant that they are currently renovating, in response to a question posed by Mr. Olson.

Mr. Piccarreto asked about the population comparisons between Belleair and the other cities, to which Mr. Murphy stated that was a good point. Mr. Piccarreto stated that comparing apples and oranges would not benefit anyone.

Mr. Smith continued by discussing the projected rate comparisons with Pinellas County; stated that there may still be costs later down the road even if Belleair does move forward with Pinellas County water.

Mr. Hartshorne inquired if going to Pinellas County would maintain the current level of staffing. Mr. Murphy stated that the water staff would not remain with Belleair, as well as the Utility Billing Clerk and Assistant Finance Director positions would dissolve without the requirement of manning utility calls. Mr. Hartshorne also inquired about the fee that Pinellas County would require to absorb the water department. It was around \$750,000 in 2013. Mr. Murphy discussed water quality with RO VS going with County water.

Mr. Smith continued with rate structure comparisons with Pinellas County. Mr. Massol discussed residential meter reads with Belleair VS possible issues with the County.

Mr. Olson stated that he believes fresh water will become a commodity in the future, stating that it is a political issue. He questioned what the Town's responsibility to the residents is, and at what price that would be; stated that it is up to the Town Commission.

Mr. Piccarreto inquired about whether the galvanized pipes would have to be addressed should we keep our own system. Mr. Murphy stated it was their goal to eliminate galvanized pipes in the system; discussed replacing the pipes.

Mr. Olson inquired as to whether the current water treatment site large enough to house the present treatment plant while building the RO Plant in the same area. Mr. Locke stated that yes, the town should be able to generate water during the construction process and has back up with Pinellas County should they be needed.

Mr. Murphy stated he had recently been out to the Oldsmar RO plant; discussed plant operations and their biggest learning moments; no significant setbacks; possible to have a representative or two to go down for a tour.

Discussion ensued regarding the typical life span of a RO system. Mr. Locke state 30 years is a good time frame; there may need for some maintenance and repairs along the way; Mr. Murphy spoke about maintenance done by Oldsmar.

OTHER BUSINESS

No other business

STAFF REPORT

None

COMMISSION ADVISOR REPORT

Commissioner Shelly - appreciates the opportunity to hear from the Infrastructure and Finance Boards; reminded everyone about the Poinsettia Road discussion; the second meeting regarding the Pelican Tournament in November.

Mr. Murphy asked that if you do not need to be in-person for the meeting, please do not be. You may participate in Zoom.

Mr. Piccarreto requested additional cameras to see the dias and such. Mr. Murphy emphatically responded that staff will complete it.

ADJOURNMENT

Meeting adjourned in due form at 5:37PM.

APPROVED:

CHAIRMAN