

SPECIAL TOWN COMMISSION MEETING MINUTES
OCTOBER 4, 2018

Minutes of the Town Commission Special Meeting of the Town of Ocean Ridge held on Thursday,
October 4, 2018, at 2:00 PM in the Town Hall Commission Chambers.

CALL TO ORDER

The meeting was called to order by Mayor Bonfiglio at 2:00 p.m.

ROLL CALL

Town Clerk Stevens led the roll call, which was answered by the following:

	<u>Present:</u>	<u>Absent:</u>	<u>Tardy:</u>
Commissioner Besler	x		
Mayor Bonfiglio	x		
Commissioner Coz	x		
Commissioner de Haseth		x	
Vice Mayor MaGruder	x		

Let the record show that Commissioner de Haseth is absent with notice.

PLEDGE OF ALLEGIANCE

Mayor Bonfiglio led the Pledge of Allegiance.

PUBLIC COMMENT

Mayor Bonfiglio called for public comment and there was none at this time.

WORKSHOP SESSION

Town Manager Titcomb introduced the City of Boynton Beach Staff that were present at the meeting: Colin Groff, Assistant City Manager; Joe Paterniti, Utility Director; and Michael Lowe, Deputy Utility Director.

1. Workshop with City of Boynton Beach Staff to Discuss Water & Sewer Utilities

- a. Review Existing Inter-local Agreement**
- b. Discuss Options for Moving Forward with New Agreement**
- c. Discuss Wastewater Services**

Town Manager Titcomb introduced Colin Groff, City of Boynton Beach Assistant City Manager, who spoke to the Commission regarding the current local agreements between Boynton Beach and Ocean Ridge. He presented a PowerPoint presentation which was changed slightly from the presentation that was included in the meeting packages, and explained that the existing thirty-year agreement is coming to an end in 2020, and noted that we may want to make a change for the future, as the current agreement is not fair for Ocean Ridge, as customers are paying rates to Boynton Beach to maintain the system and also taxes to Ocean Ridge for the repairs and maintenance to the infrastructure. He explained that Ocean Ridge owns all of the pipes and is responsible for the repairs and maintenance for them, and Boynton Beach owns all of the water meters, sets the rates, handles the billing, and collects the revenue. He explained that Boynton Beach has been looking at all of the agreements with other municipalities, and the customers will be charged the same rates as an in-city customer, with no more 25% surcharge for municipalities. He explained that all of Ocean Ridge is located in a utility service area. He stated that Boynton Beach is responsible for water quality, and part of the problem they are having is the chain of custody issue with their water running through Ocean Ridge pipes, and since Ocean Ridge owns them, they are having trouble with the permitting process. He stated that when we look at developing the new agreement, we can solve both municipalities' issues at the same time: double billing customers for the water service, and the chain of custody issue.

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Mayor Bonfiglio asked for clarification on the double billing issue, and Mr. Groff responded that this is happening due to the way the agreement was written. He stated that we can remedy those issues in the new agreement in a way that will be advantageous for everyone. He also explained the way the utility service works.

Mr. Groff stated that six condo associations have approached the City of Boynton Beach because their package plants are wearing out and also discharging into the intracoastal. The package plants are not effective for treating sewer as they are secondary treatment, and they are harder to maintain and run. The condo associations want to join the central sewer system, however, there are operational and permitting issues because Boynton Beach does not own the lines, and because of that, they cannot operate and maintain the utility efficiently. He explained the pressures that will be coming in the future for barrier islands to limit septic systems and hook into the sewer systems. The City of Boynton Beach is prepared for that and has the infrastructure in place ready to serve as needed. He stated that he is aware that Ocean Ridge residents are concerned about the homes in Ocean Ridge becoming larger if the septic systems are abandoned and the town decides to hook up to the sewer system, and noted that will only be a valid concern if the town decides to let that happen. The Town is in complete control of zoning and development. He stated that he would give us examples of how they can give us even more control in the new proposed agreements.

Mr. Groff explained that moving forward, we will need to develop a new interlocal agreement, unless the Town wants to run its own utility, although he's not sure the Town would be able to get the necessary permits to do so. Another option is bulk service, although it may be a more expensive option, and he's not sure the City would agree to it. Out of the three options, he recommends working on a new interlocal agreement. He stated that the City would be willing to become a service provider of water and sewer for the Town of Ocean Ridge, and take over the entire system (pipes included), even though there are pipes that will need to be replaced. Under an agreement like that, the City of Boynton Beach would be responsible for repairs and maintenance to the system, and there would be no more charging the Town for repairs or pipe replacement. He stated that Boynton Utility has the 3rd lowest in-County rates, and they are very low compared to statewide rates, they have the capacity, and they offer 24/7 service. He explained again that we can work out an agreement where the town will take total control of future development within town limits, and we could even work it out so the Town could have the authority to approve all new connections before they happen.

Mr. Groff stated that five associations have requested wastewater collection services because their plants are worn out and need to be replaced. He stated that they have a concept plan on how to serve them, along with preliminary cost estimates, and when they look at service areas, they size whatever they are going to build infrastructure-wise to make sure they can service the entire service area. They have done an analysis on the area South of Woolbright looking forward to estimate who might connect to the system in the future, also taking into consideration that the state may mandate sewer as opposed to septic in the future.

Commissioner Coz asked about the phrase "service area", and Mr. Groff stated that the entire town is the service area, however, they have conceptually designed a force main to come across the intracoastal to serve the area South of Woolbright. Commissioner Coz asked why they would bring a pipe in to service the south end of town as opposed to a larger pipe that could serve the entire town, and Town Engineer Tropepe stated that there was no appetite in Ocean Ridge in the past to switch from septic to a wastewater collection system. The condos have been proactive and requested the utility to service them, so the system was designed just to service them. There have been concerns in the town in the past that if Boynton came in with a larger pipe across the intracoastal there would be some kind of taking or potential mandate, so as not to have that concern, the pipe was designed for the people who requested it. Mr. Groff stated that there are two areas that they would like to physically connect; one South of Woolbright, and the other

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North of Town Hall to serve the rest of the area, which would fit into their current infrastructure. They would ultimately like to look at serving St. Andrews Golf Course and Little Club in Gulf Stream. He stated that when they first started looking at servicing the island, they were sizing it for just the people that were asking to be connected, and then they started looking at the system to anticipate future service.

Commissioner Besler asked the price difference between the smaller and larger pipes, and if Boynton Beach is asking Ocean Ridge to pay for a larger pipe, and Mr. Groff stated that they are not asking Ocean Ridge to pay for the pipe. The five condo associations asked for the service, and whoever is adding to the system pays their fair share of the force main that is coming across (cost per connection pays for the line). When a septic tank phase out project happens, infrastructure is installed and fair share is collected. The fair share/cost per connection does not pay for the entire system; the rest of the overhead costs are absorbed into the current rates that are paid by all of the customers on the system. Commissioner Coz asked if the cost share would be divided only by the condos, or by all of the homes that could potentially be tied into the system, and Mr. Groff responded that it could be worked out either way depending on the decisions of the town. He explained that they would like to make a decision fairly quickly, as they will need to drill into the intracoastal, and if they wait longer, there could be potential problems with the current location, and the costs will be cheaper now than in the coming years.

Commissioner Besler asked about the cost difference in pipe size, and Mr. Groff responded that it would be a small amount. He recommends installing something large enough to serve the whole area, and then they would do the math on the rates once the policy decision is made. He stated that the utility would most likely carry the cost until people hook up and they would recover the cost then, with no costs to Ocean Ridge. Because they are a large utility, they have the ability to fund those things with flexibility.

Commissioner Besler asked if the recommendation is to install a second pipe in the north end for future use, and Mr. Groff responded that they currently have a package plant at Oceanfront Park that needs to be replaced, and there are a couple of options. They could replace the package plant, but if they do, it may not work properly because there is not enough sewerage running through it. There have been a couple of condos north of Town Hall that have approached them, and he stated that they can put a plant in now and connect Oceanfront Park and the northern condos to that. He stated there are potential problems with that though because if you install a large force main and there isn't enough flow, the solids settle in the force main which creates another problem. Another option is to put in a high level plant temporarily that goes into the drain field and hook up the condos that need it right now so they have enough sewer flow to make the system work well, and then they would bring the pipe across to the north end when more people want to hook up. He stated they already have a location that would work really well that is not being impacted by current development, so it will be open for a few years. If enough people in the north want to hook up now, we could do it now.

Commissioner Besler asked about the location of the north pipe, and Mr. Groff stated that they would be going through the public property strictly in the Town's right of way, and they may need some temporary construction easements, but nothing permanent. Town Attorney Shutt noted that it would not be going through the property that is currently under litigation. He showed the Commission the proposed location of the south end pipe on a map that was provided in the meeting packages.

The next steps: Mr. Groff recommends renewing the interlocal agreement for utility services with the City of Boynton Beach, and the utility will draft an agreement for town review. He stated that the agreement could save money for everyone across the board, and also provide protections for the town. The controls that the town wants can be built into the agreement, along with anything else that is equitable and fair. He stated that the utility makes sure that anything new is not going to be a cost burden on the existing customers. In this case, the utility already knows the Ocean Ridge system; most of it is

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already mapped and they know the condition of the existing infrastructure, as it is being used every day for water service.

Mr. Groff stated that the sewer is another discussion, but Ocean Ridge definitely has citizens that need it, as their package plants need to be replaced, and he thinks they can do that in a way that would be acceptable to everyone. If people are concerned about development, the Town can control that. The Town will be put in total control of it.

The timeframe was discussed, and Mr. Groff stated that the existing water utility interlocal agreement ends in November 2020, so we should begin the discussions now because it could take a year or so to come to an agreement.

Commissioner Coz asked about the in-city rates, and Mr. Groff stated that the in-city rate would be for water and sewer, and we would not have the 25 cent surcharge. Town Manager Titcomb stated that it's important to point out that historically Boynton Beach has had power of attorney annexation agreements in their water service agreements, which would not apply here. Mr. Groff confirmed that we wouldn't even have a water service agreement, as those are for unincorporated areas.

Town Manager Titcomb stated that Ocean Ridge owns the water line infrastructure and that does not need to change, but we could relegate the repairs and maintenance to Boynton Beach. Mr. Groff stated that may be an option, but they will not recommend that option because if they don't own the infrastructure, they can't bond it for repairs and replacements, and it creates a problem for them operationally.

Mayor Bonfiglio stated that there are two options for us to look at as far as the water service; 1. Town of Ocean Ridge owns the pipes and City of Boynton Beach owns the water, or 2. City of Boynton Beach owns the water and buys the pipes from Ocean Ridge. He suggested that the City of Boynton Beach present a proposal for each option. He stated that since this is still in the preliminary discussions, and we have not seen the dollars and cents yet, we don't know where we will want to go with this. He stated that the big expense from the City of Boynton Beach's point of view will be the infrastructure necessary to get to the individual houses (in reference to the sewer connections). He stated that we will want to know how much it will cost the individual residents to hook into the sewer. Mr. Groff stated that they have already done some preliminary numbers, but will work on finalizing them. He stated they already have the information for the five condos, but they will need information from town staff and the utility in order to expand that proposal to everyone in town. Mayor Bonfiglio stated that he agrees that in the long term everyone is going to need to hook up to sewer, and the policy question is whether or not we should try to limit growth by limiting the size of the pipes or some other mechanism in relation to the agreement that is worked out with the City, and the second policy question is how we pass through the costs to the residents. The next step is to see the numbers on both of those issues. Mr. Groff stated that he could do a report fairly simply as they already have a lot of the data, and can work with staff to outline the options with the dollar values.

Vice Mayor MaGruder asked Mr. Groff to give us a timeframe in the proposal as to when the project could begin and how long it may take to complete.

Mayor Bonfiglio stated that on the sewer system, we would need to know the road closure times and traffic issues. Mr. Groff stated that they could do a conceptual, but most roads could remain open because they would be using trenchless technology. He stated the biggest challenge is A1A and they would do a maintenance of traffic plan (MOT). He noted the south end would be done first.

Public Comment: Phil Lambrechts, Wellington Arms Board, stated that the Board met with Mr. Groff two years ago, as their package plant was built in 1969 which costs about \$40,000 per year to run, and it

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is now failing, and dumping into the intracoastal as it is treated. At that point, Mr. Groff gave them preliminary monthly charges for the residents and it was significantly lower than what they pay now. He stated that hooking into the City sewer would be a win/win situation because the sewage would not go into the intracoastal and it is cheaper. He mentioned that if their current package plant fails, people would need to move out. Based on the preliminary numbers, it is something they would want to proceed with.

Betty Bingham, 1 E. Ocean Ave, asked if the Commission took into consideration that there are right of ways between every road, so we shouldn't have too many road closures. The sewer system could be installed in the right of ways on either side of the houses. She stated that the Town fought hard to keep the right of ways for that reason. Mayor Bonfiglio responded that the pipe locations will be part of the proposals.

Cynthia Devito, 33 Anna Street, stated she is confused about whether the sewer system proposal is only for the south end of town south of Woolbright, or the whole town including the north end. Mayor Bonfiglio responded that we will be receiving a comprehensive plan for the whole town. Ms. Devito asked who supplies the water for Briny Breezes, and Mr. Groff responded that Briny is serviced by Boynton, and the new condo will be hooked into the current system. Mr. Groff stated that the south side plan will be more detailed, as they have already been working on the plan, and the north side plan will be a more conceptual proposal at this time, however, the numbers will be similar.

Vice Mayor MaGruder asked if Wellington Arms is part of the five associations plan, and Mr. Groff stated that it is not. He stated that the State has given Boynton Beach some money to replace the plant at Oceanfront Park, and it will be a high-tech plant that Wellington Arms can hook into. He noted that Town Hall could also hook into the system and by doing so, it would run more efficiently. Ultimately, they want to replace the plant with a pump station and a force main and the package plant would go away. The City has a current problem in the park like Wellington Arms does, and they want to work together to come up with good solutions to that problem. Commissioner Coz asked how many gallons is coming out of Wellington Arms, and Mr. Groff stated that it is approximately 3,500 gallons per day at Wellington Arms. Commissioner Coz asked how bad the plant is at Wellington Arms, and Mr. Groff explained that they did an inspection about two years ago and it is in bad shape. Mayor Bonfiglio asked how it will be handled if the system at Wellington Arms breaks down so the residents would not have to move out, and Mr. Groff stated that they could help, but it would be expensive. They could do a wet well and haul it off-site.

Commissioner Coz stated that we want to make sure we don't confuse development with sewer connections. Development and what we decide to do with our codes is Ocean Ridge's responsibility, and not Boynton's burden, and he opined that it would be senseless to put in pipes that could not serve the entire town because it would be a waste of money. He asked if it would cause problems if we install a large pipe and then don't have enough flow, and Mr. Groff stated that it would not be a problem on the south side because there are enough condo units for the proper flow, but it would be an issue on the north side and that's why they would look at an interim situation for the north end until the flow is high enough. Commissioner Coz stated that we will probably be forced to do this in the next 20 years anyway due to potential new laws, and he asked who would pay for it. Mr. Groff stated that there would be a connection fee down the road. The cost is divided by the number of people that would ultimately be served. He stated that the resident would only pay when they connect, and that is something that will need to be negotiated. If the pipes are available in front of the house, the residents will need to hook up within a certain timeframe, which is the ideal way to do it. Commissioner Coz asked that the proposal be in a chart format, and Mr. Groff stated that they will do a water proposal with a couple of different options, and a separate proposal for sewer. He stated that they may lay out the options, but let us know which options they are not in favor of or will not even consider.

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Commissioner Coz asked what they will do with the old plants, and Mr. Groff responded that they would probably be demolished, but that will need to be negotiated directly with the condo units.

Commissioner Besler left the meeting at 3:05 p.m.

Vice Mayor MaGruder mentioned that on the north side, we have Wellington Arms, a unit south of Wellington Arms, the townhouses, and homes on Inlet Cay that could potentially hook into the sewer system on the north side, alleviating the flow problem on the north side. Mr. Groff responded that if they have enough interest, it would make sense to go ahead with the force main pipe. He noted that the County is also interested in hooking into the sewer system.

Vice Mayor MaGruder mentioned the super majority vote ordinance proposals, and even if we have the ability to hook into a sewer system, it is up to the Commission to regulate development through the town code. Commissioner Coz agreed and stated that the proposals will include a pipe size to handle the current population. Mr. Groff stated that the City of Boynton Beach understands the development pressures, and they could put something into the inter-local agreement that rezoning is directed only by Ocean Ridge. He stated that they are not in the business of development, they just provide the water and sewer utilities. He stated they would eventually want to bring re-use over here over time for irrigation purposes, but that is a longer term project. A re-use system would get the irrigation systems off of the potable water system and put it on re-used water. He stated that the lines would run only where it makes sense to do so where there are larger green areas. Vice Mayor MaGruder mentioned that the odor with those systems would need to be controlled. Mr. Groff stated that their re-use systems don't have any odor; the odor usually comes from individual wells.

Vice Mayor MaGruder stated that we should begin with the sewer system negotiations now due to the sea level rise and drainage issues we have had. Mayor Bonfiglio agreed, but mentioned that we need to deal with the water interlocal agreement first. Mr. Groff stated he will come back with the southern portion sewer, and also the water agreement first, and then we will do the north end conceptual agreement after that.

Town Engineer Tropepe stated that in April 1992 design plans were completed and subsequently thereafter, water mains were constructed and installed in Ocean Ridge for the main trunk line system. In 2004-2006, water mains were replaced on Coconut and Tropical, and for the most part, the majority of the lines are new. She stated that we do not spend a lot of money for repairs to the lines. The A1A main break was somewhat of an anomaly. The system is fairly new and works well. She stated that there needs to be a short term and long term plan for the sewer system, as the condos on the south end are at risk of their treatment plants not functioning properly. She stated that it is fairly urgent that we move forward with helping them. The condos have concerns about their systems not functioning properly and costing them money to maintain them, and they have been talking to the town for several years about it.

Public Comment: Cynthia Devito, 33 Anna Street, asked what would happen to the septic tanks if the town switches to sewer, and Mr. Groff stated that the tanks are typically collapsed and left in place, and the drain field is left in place, and he does not recommend collapsing the drain field. He stated he would not recommend removing them.

The costs for sewer systems was discussed and Mr. Groff stated that it can be significant. He stated that they are currently doing a single-family neighborhood, and the cost is around \$15,000 per home plus \$2-3,000 to connect the home. He stated that it is less expensive for condo units. He stated that the State would award grants more than likely for the single family neighborhoods. He noted that it would raise the property values. They usually do an assessment over 20 years, so the cost is a small number each year.

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Vice Mayor MaGruder asked if the sewer line is installed, could the homeowners decide not to connect, and Mr. Groff explained that everyone would be mandated to connect once the line is installed, but would be given a certain timeframe in order to do so. He stated that the septic rules in Florida are that you need an acre of land to have one in order for it to work properly, and we don't have that here, so eventually the state will come in and mandate that we are no longer able to have them. He stated that generally when they create a mandate, they provide the funds to help with the process.

It was the consensus of the Commission to direct staff to work with the City of Boynton Beach staff on the proposals to bring back to the Commission.

ADJOURNMENT

Meeting Adjourned at 3:19 p.m.

Minutes prepared by Town Clerk Stevens, and adopted by the Town Commission on November 5, 2018.

Steve Coz, Mayor

ATTEST:

Tracey L. Stevens, MMC, Town Clerk