

MINUTES  
SPECIAL COUNCIL MEETING  
CITY OF NICEVILLE, FLORIDA  
AUGUST 30, 2007

The Niceville Council met in special session at 6:00 PM, August 30, 2007 in the Council Chambers, 208 N Partin Drive. All Council members were present. The Mayor was out of town on business. Also present were City Manager Lannie Corbin; City Clerk, Dan Doucet; Director of Public Works; Bruce Price, Chad Morris, Information Technology, and a member of the press. Mayor Protem Smith called the meeting to order at 6:00 PM.

Mr Doucet provided an overview of the technology portion of the general fund budget. Mr Morris answered several questions regarding the proposed budget and future plans regarding technology.

Mr Doucet discussed the following budgetary revenue and expense items.

400 - WATER AND SEWER DEPARTMENT

REVENUES

Charges for Services	\$ 5,093,000
Miscellaneous	\$ 386,000
Non-Revenue & Other Sources	\$ 5,376,000
TOTAL	\$11,205,000

EXPENSE

Last Year - \$8,941,500      This year - \$ 11,205,000

Repair Maintenance Other:

Repair and Replacement for Lift Stations and Wells	\$ 100,000
Manhole elevation correction after road paving	\$ 4,500
Relocate Pump and Engine from LS #29 to LS # 30	\$ 10,000
*SCADA Relocation	\$ 15,000
	Total: \$ 129,500

Repair Maintenance Contractual

Reprogramming and New Software (SCADA Main Computer)	\$ 150,000
Generator Service Contract (New)	\$ 15,000
Generator Repair	\$ 10,000

Water Tank Maintenance contract	\$ 52,000
Manhole Repair/Reline 10 Manholes @ \$3000 ea	\$ <u>30,000</u>
	Total: \$ 257,000

Buildings

Water Shop Replacement due to Fire (bldg & Furnishings)	\$ <u>300,000</u>
	Total: \$ 300,000

Equipment

*Generators for LS #7, 67, 68, 11, 51 & 6	\$ 116,000
Line Locating Equipment	\$ 20,000
Back Flow Tester and Water Test Equipment	\$ <u>5,000</u>
	Total: \$ 141,000

\*Mr Doucet advised that we plan to loan money to ourselves from the water meter deposit trust fund in the amount of \$ 141,000 to be paid back at the rate of \$ 2,350 a month for 60 months vs paying cash for the equipment, or paying interest via a loan from a commercial bank. We are budgeting \$ 28,200 for debt service for FY-008.

We are appropriating \$ 141,000 for equipment FY-08

**Water System and Projects**

**Water system upgrades & extensions**

**Distribution System:**

8" Water Main Bayou Plaza Project #594.20&04	\$ 200,000 (150,000) WE**** &
Fire Hydrant Replace/Repairs (10 Hydrants) (O/M)	\$ 10,000 50,000 05 bonds* )
Turkey Creek Bore and line to Wildwood #594.19	\$ 300,000 (150,000 WE**** & 150,000 05 bonds*)
Road Bore & Tie in NVOC & Niceville Ave, loop to Nathey	\$ 65,000 (05 bonds*)
Road Bore & Tie in Hwy 20 & 85 North	\$ 30,000 (05 bonds*)
Misc Loops/Hudson Circle, 23 <sup>rd</sup> & King St #594.15	\$ <u>10,000</u> (05 bonds*)
	<b>Total: \$ 615,000</b> PG 60

**SEWER PROJECTS**

**Collection System:**

Lift Station # 1 and FM	#599.47	\$ 700,000 (FSRF**)
Reline Sewer Main under John Sims west of triangle	#599.48	\$ 160,000 (05 bonds*)
New LS # 4, Byrn St. And 15" Gravity Flow Lines (eliminate existing LS # 3 & # 4 # 599.35		\$1,200,000 (FSRF**)
New LS # 69 on 45 <sup>th</sup> St # 599.17		\$ 400,000 (SE***)
New LS # 13 at Home Depot #599.33 (487,500 SE & 262,500 05 BONDS)		\$ 750,000 (SE***& 05 bonds*)
New Lift Station #21 Hart St.#599.50 (225,000 SE & 225,000 05 BONDS)		\$ 450,000 (SE***& 05 bonds*)
Force Main Diversion Hwy 20 into New LS # 13 #599.34		\$ 100,000 (FSRF**)
Lift Station #33 Relocate	#599.29	\$ 175,000 (FSRF**)
Low Pressure Sewer Systems includes Bahia Vista # 599.11		\$ 30,000 (SE***)
DOT Utility Relocation #599.45		\$ <u>50,000</u> (05 bonds*)
	<b>TOTAL:</b>	<b>\$ 4,015,000</b>

**Re-Use Water**

Re-use water to triangle	#599.49	\$ 300,000 (FSRF**)
Re-use water to Recreation Complex	#599.49	\$ <u>315,000</u> (SE***)
	<b>TOTAL:</b>	<b>\$ 615,000</b>

**TOTAL SEWER PROJECTS: \$ 4,630,000**

**GRAND TOTAL: \$ 5,245,000**

\* **Bond Issue Funds**

\*\* **FSRF Funds - Project will be completed as funds become available.**

\*\*\* **Sewer.Ext Funds - associated with growth.**

\*\*\*\* **Water.Ext Funds - associated with growth.**

Mr Price answered several questions regarding the planning water and sewer projects.

**Water and Sewer Rate Increase Proposal:**

Mr Doucet explained that our engineer advises that we must have water and sewer rates in place that are sufficient to support our capital improvements, operating expense, and bond payments. Bond covenants require we meet our debt service requirements. Mr Doucet advised that the City projects receiving the required revenues to meet our coverage requirements in FY-08 if we raise water and sewer rates 5.2% overall for the utility as recommended by our consulting engineer. He advised that Mr Glenn Stephens, Polyengineering will provide the council with a coverage analysis briefing during our special council meeting on September 13, 2007. In addition, Mr Bill Fray, Fray Municipal Securities, Inc. (our finance advisor) will be here on the same night to brief the council on investments and Stormwater.

**PROPOSED INCREASES:**

Mr. Doucet advised that currently the average residential customer uses 7,000 gallons of water per month with a billing of 22.55. He proposed to increase the average monthly billing \$.65 to 23.20. Base rate is changed from \$ 9.20 to \$ 9.50. The first 2,000 gallons from \$3.10 to \$3.20. The balance of the 5,000 would increase from \$ 2.05 to \$ 2.10 per thousand gallons.

**NOTE: THE RATE FOR A 7,000 GALLON CUSTOMER WOULD INCREASE .65 PER MONTH.**

**Lawn Meters:**

All water consumed: from \$3.35 to \$3.75 per 1,000 gallons

**Construction Water:**

Each residential living unit from \$140.00 to \$ 150.00.

Each commercial unit from \$140.00 to \$150.00 per 1,000 square foot floor space or fraction thereof.

**SEWER RATE INCREASE**

The base rate will be increased from \$14.20 per month to \$14.60 and the per 1,000 gallon cost be increased from \$1.95 to \$2.00 not to exceed 16,000 per unit. This rate increase is required to offset the cost of doing business.

**NOTE: THE RATE FOR A 7,000 GALLON CUSTOMER WOULD INCREASE .75 PER MONTH.**

This change would also apply to:

Multiple Family, Apartments, Motels, and Trailer Parks

and all Non- Residential customers

Customers on Water Well connected to Sewer.

From \$44.80 a month to \$46.60 per unit.

Customers not connected - Sewer Available:

From \$14.20 a month to \$14.60 per unit.

Outside City Limits:

A surcharge of ten (10) percent shall be added

**SEWER IMPACT FEE:**

The sewer impact fee will be increased from \$5,830 to \$6,130. The increase applies only to new construction and helps to defray the cost associated with growth.

**WATER IMPACT FEE:**

The water impact fee will be increased from \$1,550 to \$1,628 for one inch meters with corresponding increases for larger water meters. The increase applies only to new construction and helps to defray the cost associated with growth.

Size of Meter Inside City

Outside City

To - 1" from \$1,550.00 to \$ 1,628.00  
1 2 from \$2,890.00 to \$ 3,035.00  
2" from \$3,445.00 to \$ 3,618.00

from \$1,938.00 to \$ 2,035.00  
from \$3,613.00 to \$ 3,793.00  
from \$4,306.00 to \$ 4,522.00

3" from \$3,980.00 to \$ 4,179.00 from \$4,975.00 to \$ 5,223.00  
above 3"      Meter Cost plus 55%                      Meter Cost plus 80%

Mr Doucet provided a Water and Sewer Rate Comparison Chart for surrounding Utilities. The chart provides the results of a telephone survey made to utilities on August 10, 2007. Niceville ranks approximately 5.3% lower than the average rate for all utilities listed. He explained that our tiered rates in effect actually discourages high volume use. This rate structure helps us to meet the permitting limitations placed on us by the Water Management District.

Mr Doucet advised that if there is no objection by the council he will advertise the appropriate rate ordinances for public hearing. Mr Corbin advised that if the council wants to meet again to discuss any budget concerns/issues we have set aside September the 6<sup>th</sup> at 6:00 PM to meet prior to our first public hearing that is scheduled for September 13, 2007 at 6:00 PM. Discussion followed.

The meeting adjourned at 7:00 PM.

MAYOR PROTEM

ATTEST:

CITY CLERK