

MINUTES  
SPECIAL COUNCIL MEETING  
CITY OF NICEVILLE, FLORIDA  
AUGUST 27, 2009

The Niceville City Council met in special session at 6:00 PM, August 27, 2009 in the Council Chambers, 208 N Partin Drive. All Council members, and the Mayor were present. Also present were City Manager, Lannie Corbin; City Clerk, Dan Doucet; Public Works Director, Bruce Price; and a member of the press. Mayor Wise called the meeting to order at 6:00 PM.

Mr Doucet discussed the following budgetary revenue and expense items.

**WATER AND SEWER DEPARTMENT**

**REVENUES**

Charges for Services	\$5,433,000
Miscellaneous	\$ 435,000
Non-Revenue & Other Sources	\$4,675,000
TOTAL	\$10,543,000

**EXPENSE**

Last Year - \$10,287,000    This year - \$10,543,000

**Repair Maintenance Other:**

Water Valve location - new boxes	\$ 5,000
Fire Hydrant Replacement/Repairs (10 ea) \$10,000 Estimated cost:	\$ 10,000
Manhole elevation correction after road paving	\$ 4,500
Rehab LS # 56 pumps& discharging Pipe	\$ 12,000
Relocate Pump and Engine from LS #29 to LS # 30	\$ 10,000
Replace Door and vinyl eaves at Well # 1	2,000
Replace Vinyl at Well # 2	1,000
Replace 3 doors at Well # 3	5,000
Replace roof over panels (Fl doors) at Well # 5	10,000
Replace pipe through Bldg at Well # 6	10,000
Rehab bldg at Well # 8	20,000
Paint bldg at Well #10	1,500
Add vinyl to eaves at Well # 11	1,000
Miscellaneous Repairs	<u>8,000</u>
Total:	\$ 100,000

**Repair Maintenance Contractual**

Generator Service Contract (New)	\$ 18,000
Water Tank Maintenance contract	\$ 52,000
Odor and Grease Control Contract	\$ 20,000
Manhole Repair/Reline 10 Manholes @ \$3000 ea	\$ 30,000
Reline 8" SS Coral Dr to Everglade/1000'	\$ 35,000
Reline 8" SS Kelly Rd/1000'	\$ 35,000
	<b>Total: \$ 190,000</b>

**Buildings:**

LS # 11 (Building Replacement)	Estimated Cost: \$ 15,000
	<b>Total: \$ 15,000</b>

**Equipment**

**WELLS:**

C12 Scales (2 ea) @ \$1,500	\$ 3,000
Well Pump	\$ 1,000
Test Eqpt	\$ 2,000
Backflow Test Eqpt	\$ 5,000

**LIFT STATIONS:**

Pipe Cutters	\$ 5,000
New Pumps for LS=s # 22 and 42	\$ 10,000

**LINE CREW:**

Street saw	\$ 5,000
Locator	\$ 1,500
Tapping Machine	\$ 1,500
Hand Tools/Replacement	\$ 15,000
4" Pump	\$ 4,000

**SCADA SYSTEM**

Level Transducer Replacement (10 ea)	\$ 10,000
Water PSI Connection	\$ 1,200
Radio & Repair	\$ 5,000

**VEHICLES:**

2 (One Ton) trucks with utility body-lift Gates w/power invertors	\$	<u>60,000</u>
	Total:	129,200

**Water System and Projects**

**Water system upgrades & extensions  
Distribution System:**

Bayou Plaza Water Improvements Project #594.04	\$	150,000 WE****
12" Water Main Walmart (labor only)	\$	30,000
Misc Water Main Improvement	\$	100,000 *05 Bonds
Water Main Valp Blvd to 18 <sup>th</sup> Street	\$	<u>40,000* 05 Bonds</u>
	Total:	\$ 320,000

**SEWER PROJECTS**

**Collection System:**

Lift Station # 1 Relocation and FM	#599.47	\$	770,000 (308,000 ***SE & 462,000 FSRF**)
LS # 3 Relocation	# 599.35	\$	1,500,000 (FSRF**)
LS # 15 Force Main Diversion	#599.34	\$	100,000 (25,000 ***SE
Lift Station #33 Replacement	#599.29	\$	75,000 & 75,000 FSRF**
North Cedar St Improvements (College)		\$	1,100,000 (** SE 220,000 & 880,000 ***FSRF)
Kelly Rd LS #32 Replacement		\$	<u>265,000</u> (200,000 ***SE&
	Total:	\$	3,810,000 65,000 FSRF**)

**Re-Use Water**

Re-use water to Triangle (Hwy 20)		\$	300,000 (SE***)
Re-use main ext to Walmart		\$	150,000 (SE***)
Re-use water to Recreation Complex	#599.49	\$	<u>200,000</u> (SE***)
	TOTAL:	\$	650,000

**TOTAL SEWER PROJECTS: \$ 4,460,000**

**GRAND TOTAL: \$ 4,780,000**

\* **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.**

Water and Sewer Rate Proposal:

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, bond payments, and provide coverages which have been promised in previous bond issues. He stated that 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-10 if we raise water and sewer rates 5% 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 meeting on September 10, 2009. In addition, Mr Bill Fray, Fray Municipal Securities, Inc. (our finance advisor) will be here on the same night to brief the council on our investments and the Stormwater Management Program.

**PROPOSED INCREASES:**

Mr Doucet advised that currently the average residential customers uses 7,000 gallons of water per month with a billing of \$ 24.40. He proposed to increase the average monthly billing \$1.20 to \$25.60. The base rate is changed from \$10.00 to \$10.50. The first 2,000 gallons from \$3.40 to \$3.60. The balance of the 5,000 gallons would increase from \$2.20 to \$2.30 per thousand gallons.

**NOTE: THE RATE FOR A 7,000 GALLON CUSTOMER WOULD INCREASE \$ 1.20 PER MONTH.**

Lawn Meters:

All water consumed: from \$4.15 to \$4.30 per 1,000 gallons

Each residential living unit from \$225.00 to \$236.25.

Each commercial unit from \$225.00 to \$236.25 per 1,000 square foot floor space or fraction thereof.

**SEWER RATE INCREASE:**

Mr Doucet advised the base rate will increase from \$15.35 per month to \$16.15 and the per 1,000 cost be increased from \$2.10 to \$2.20 not to exceed 16,000 gallons 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 \$ 1.50 PER MONTH.

.80  
.70  
1.50

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 \$ 48.95 a month to \$51.35 a month.

Customers not connected - Sewer Available:

From \$15.35 a month to \$16.35 a month.

Outside City Limits:

A surcharge of ten (10) percent shall be added.

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 August 21, 2009. Niceville ranks approximately 2.36% lower than the average rate for all utilities listed. He explained that our tiered rates in effect actually discourage 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 increases for public hearing. He advised that if the council wants to meet again to discuss any budget concerns/issues we have set aside September 3, 2009 at 6:00 PM to meet prior to our first public hearing that is scheduled for September 10, 2009 at 6:00 PM. Discussion followed.

Other Business:

Request for Qualifications:

Councilman Smith advised that he would like to discuss the subject of obtaining proposals for professional services that was brought up for discussion during the last council meeting. Mayor Wise asked for a motion to place this item on the agenda. Councilman Smith moved approval. Councilman Thomas seconded. Council Vote: Council Vote: Boudreaux-no; Thomas-yes; Henkel-yes; Swihart-yes; Smith-yes.

Councilman Smith made a motion to direct the City Manager to advertise via legal advertisement to obtain Request for Qualifications (RFQ). In addition, for the City Manager to decide on what professional services would be considered such as auditing, legal, and engineering services, etc. Councilman Thomas seconded. Discussion followed. Council Vote: Boudreaux-no; Thomas-yes; Henkel-yes; Swihart-yes; Smith-yes.

The meeting adjourned at 6:30 PM.

MAYOR

CITY CLERK