

**MINUTES  
PUBLIC HEARING  
ENGLEWOOD WATER DISTRICT BOARD OF SUPERVISORS  
201 SELMA AVENUE, ENGLEWOOD, FL 34223  
JANUARY 23, 2018 @ 8:30 A.M.**

**Board of Supervisors:**

Taylor Meals, Chair  
Robert C. Stern, Jr., Vice-Chair  
Phyllis Wright  
Sydney B. Crampton  
Steven Samuels

**Staff:**

Roger K. Quick, Administrator  
Robert Berntsson, District Counsel  
Tim Garland, Water Operations Manager  
Philip Wagoner, Wastewater Operations Manager  
Pat Zoeller P.E., Technical Support Manager  
Lisa Hawkins, Finance Director  
Cynthia Draine, Human Resource Director  
Teresa L. Herzog, Board Secretary

1. The meeting began with the Pledge of Allegiance and a roll call to establish a quorum.
2. ANNOUNCEMENTS – None
3. PUBLIC HEARING PRESENTATION – Chair Meals opened the Public Hearing and outlined the progression of the meeting. A slideshow presentation by Mr. Bryan Mantz CMC, CGFM of Public Resources Management Group Inc, questions by the Board followed by Public Input. The meeting was then turned over to Mr. Mantz who introduced the President of PRMG Mr. Robert Ori. Following the utility rate study presentation Chair Meals called for questions from the Board. Hearing none, Chair Meals gave a brief synopsis of Capital Capacity Charges during recent sewer expansion projects, the proposed reduced Capital Capacity Charges with the addition of the new Accrued Guaranteed Revenue Fee, the need to remain in compliance with the rate covenants for existing debt, the recent master plan update and the “pay as you go” philosophy so the District becomes debt free in 2023. He continued with explanation of nominal base charge increases over the years and the need to now increase usage rates.

**Public Input:**

- a. Dale Novak – 352 South Gulf Boulevard, Don Pedro Island. Ms. Draine read the email received from Mr. Novak on 1/12/18. Mr. Novak expressed his displeasure with the proposed increase of 80% to the barrier islands and the increases of 5% annually.
- b. Craig Baresel – 50 Tarpon Way, Don Pedro Island. Mr. Baresel stated he’d read most of the master plan. He questioned if Bocilla Utilities were in the master plan going forward, why a 5% increase to all other EWD customers and a proposed 80% increase to Bocilla, a large customer? What is the justification for singling them out? He asked that the Board reconsider the size of the rate increase to bulk customers.

c. Dean Beckstead – 7092 Placida Road, but resides on Palm Island. Mr. Beckstead stated he was representing Knight Island Utilities which is part of the agreement with EWD and Bocilla Utilities. He expressed his displeasure with an 80% increase and explained the island no longer has a treatment plant, they no longer have an option and are now totally at the mercy of EWD, their water supplier. EWD was chosen to serve them instead of CCU because CCU wanted impact fees from each of their customers and EWD didn't. Now, 3 years later, we must pay impact fees. The usage increase is understandable adding a recovery fee to the usage fee should be reconsidered. He suggested as they add new customers, they could pay impact fees to EWD.

d. Richard Sadenwater – 150 Kettle Harbor Drive, Don Pedro Island. Mr. Sadenwater noted that the owner of Bocilla Utilities was not present to represent his customers. He felt an 80% increase was excessive considering EWD has nothing to do with their equipment and has little to no maintenance costs. He added that EWD had excess capacity at the time they became customers and asked that the Board be realistic in the size of the increase.

e. Lindsay Yates – 430 Kettle Harbor Drive, Don Pedro Island. Ms. Yates questioned the justification of an 80% increase to them and all others EWD customers a 5% increase? She questioned who had the responsibility to notify Bocilla Utility customers of Public Hearings and water shut offs. No one is notifying them of anything.

f. Harold Morrison – 6480 Manasota Key Road, Englewood. Mr. Morrison asked what became of EWD's interest in putting sewers in East Englewood?

g. James Wade – 8405 Anthony Drive, Don Pedro Island. Mr. Wade reference a story he'd heard about the high cost of water from Charlotte County Utilities vs. other places in Florida and how much he pays for water service. He found the debt service comments, in an interest rate environment, which over the past 15 years has gone down dramatically, one is using the increased cost of borrowing as justification of a rate increase.

Questions and comments were addressed:

a. East Englewood – Mr. Quick stated Englewood East was given back to CCU in exchange for return of capacity in our wastewater plant for customers in our service area, avoiding a plant expansion.

b. Rates for Bocilla Utilities – Mr. Quick explained when the bulk water rate was originally calculated, the capacity fee was built in at a smaller number. Following the rate study, the new fee now reflects exactly what it costs to send bulk water. That number is now \$3.99, the additional \$1.37 is for capacity. Collecting capacity fees is necessary to cover the cost to expand the water plant if needed.

c. Lack of information – Chair Meals stated that Bocilla Utility is our customer, we notify them. We have no knowledge of how they communicate the information. We have no say in what they charge, we maintain only to the interconnect, once it goes beyond the interconnect, it is 100% out of EWD's hands. The bulk water rates are part of our Customer Rules and Regulations. Since 2009 Englewood Water District customers have had increases in their base rates only, bulk water rates have never increased. The proposed additional \$1.37 is amortized over 30 years. As the island grows, usage goes up, this will be a contributing factor in the need to expand the plant. The EWD

tiered rate structure is to deter excessive use, once water is delivered to an interconnect, we can't control how much they charge or how much anyone uses.

Mr. Stern moved, **“to close that portion of the Public Hearing,”** seconded by Ms. Wright.

**UNANIMOUS**

**18-01-23 A**

4. PUBLIC INPUT – AGENDA ITEM ONLY – None

5. ACTION ITEMS

a. Accept the schedule of water & wastewater Capital Capacity Charges; Accrued Guaranteed Revenue Fees; wholesale water & wastewater rates; reuse water system rates; and miscellaneous charges as presented to become effective on February 1, 2018.

Before a motion was made, Mr. Samuels described the desire to not add to our debt, maintain sufficient reserves, continue our pay as we go philosophy, the need to complete the projects listed in the master plan, and still have the lowest rates of surrounding utilities. He then proposed that the rate increase be 5%.

Mr. Samuels moved, **“to accept action item A as presented,”** seconded by Ms. Wright.

Chair Meals continued discussion with a suggestion to move to increase the bulk rate to \$3.99 and 12 months down the road, moving the balance of \$1.37 to get to that number instead of a sudden 81% increase. Ms. Wright added they should have been paying capacity charges, it's likely the utility collected them from those customers prior to that. Mr. Quick interjected that collecting capacity fees from new customers on the Island wouldn't work but adding the \$1.37 would.

Mr. Samuels moved, **“to withdraw the motion of item A on the action items,”** withdraw seconded by Ms. Wright.

Mr. Stern moved, **“to increase the bulk fees to \$3.99 and in 12 months, an additional \$1.37 on top for capacity fees in addition to item A as presented,”** seconded by Ms. Crampton.

**UNANIMOUS**

**18-01-23 B**

Attorney Berntsson added that the rate can be set, but a 90-day notice is necessary for Bocilla Utilities and possibly Knight Island and reiterated, item A was approved as presented with exception that the rate to the bulk customers, of \$3.99 effective February 1 and to increase by the \$1.37 effective February 1 of next year. And in addition, as the other actions, if there is an across the board increase in the rates, it would apply to those bulk rates as well.

b. Approve an across the board increase of \_\_\_% for retail water & wastewater usage/volumetric charges to become effective on February 1, 2018 with base rates increasing October 1, 2018.

Mr. Stern moved, **“to approve an across the board increase of 5% for retail water & wastewater usage/ volumetric charges to become effective on February 1, 2018 with base rates increasing October 1, 2018,”** seconded by Mr. Samuels.

Discussion about the percentage rate increase ensued.

**Motion failed 2/3**

Ms. Wright moved, **“to approve an across the board increase of 4% for retail water & wastewater usage/volumetric charges to become effective on February 1, 2018 with base rates increasing October 1, 2018,”** seconded by Ms. Crampton.

**Motion passed 4/1 (Mr. Stern)**

**18-01-23 C**

c. Approve an annual across the board increases for water, wastewater, & reuse water user rates (base facility charges & usage charges) up to a maximum of 5% annually effective on October 1<sup>st</sup> of each fiscal year.

Mr. Samuels moved, **“to approve as presented,”** seconded by Ms. Wright.

Chair Meals added that the percentage increase will be reviewed annually and will be increased as deemed necessary, 5% will not be automatic.

**UNANIMIOUS**

**18-01-23 D**

6. PUBLIC COMMENT – ANY TOPIC

a. Mr. Beckstead thanked the Board for consideration and reserved the right to return in the future for further discussion. Adding that they did collect capital for equipment they put in the ground, still have in the ground and for the plant they used to have.

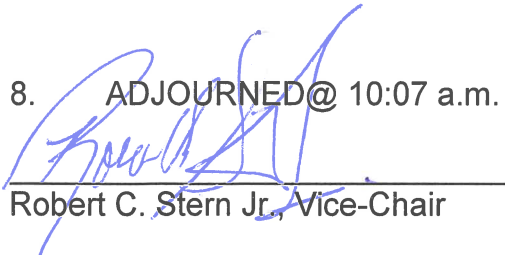
7. BOARD MEMBER COMMENTS

a. Mr. Samuels – we tried to keep the rates low and treat everyone fairly. With Capital Capacity Charges, everyone must share in the burden and the cost. We will continue to try to keep our rates low, but a time comes that the infrastructure needs attention, and that time has come.

b. Ms. Wright – it was a difficult 3 months and she thanked Chair meals for leading them through the process.

c. Chair Meals agreed with Mr. Samuels and thanked everyone for attending.

8. ADJOURNED@ 10:07 a.m.



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Robert C. Stern Jr., Vice-Chair

APPROVED

/tlh