

MINUTES
SPECIAL COMMISSION MEETING OF THE STUART CITY COMMISSION
SEPTEMBER 14, 2022
AT 5:00 PM
COMMISSION CHAMBERS - UTILITY RATES HEARING
121 SW FLAGLER AVE.
STUART, FLORIDA 34994

CITY COMMISSION

Mayor Merritt Matheson
Vice Mayor Troy McDonald
Commissioner Becky Bruner
Commissioner Eula R. Clarke
Commissioner Mike Meier

ADMINISTRATIVE

City Manager, David Dyess
City Attorney, Michael J. Mortell
City Clerk, Mary R. Kindel

ROLL CALL

5:00 PM

PRESENT: Mayor McDonald, Commissioner Bruner, Commissioner Clarke, Commissioner Collins, Commissioner Rich

PLEDGE OF ALLEGIANCE

COMMENTS BY CITY COMMISSIONERS

COMMENTS BY CITY MANAGER

APPROVAL OF AGENDA

5:01 PM MOTION: Approve
MOVED BY: Eula Clarke
SECONDED BY: Becky Bruner
Motion approved unanimously.

COMMENTS FROM THE PUBLIC (3 Minutes Max.)

COMMISSION ACTION

1. WATER, WASTEWATER, SANITATION REVENUE SUFFICIENCY STUDY (RATE STUDY) (RC):

RESOLUTION NO. R76-2022; A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF STUART, FLORIDA, ADOPTING THE WATER, WASTEWATER, AND SANITATION REVENUE SUFFICIENCY STUDY, PREPARED AND SUBMITTED BY RAFTELIS DATED SEPTEMBER 14, 2022. PROVIDING FOR AN EFFECTIVE DATE AND FOR OTHER PURPOSES.

Tim Voelker, Utilities and Engineering Director, began the presentation with maps of the City's Utility Service Area and introduced Murray Hamilton, a CPA of Raftelis who has been working with the City of Stuart on the 5-Year Rate Studies for many years, to present the Water, Wastewater, and Sanitation Rate Study.

Mr. Hamilton presented explaining that the last rate study was done in 2017 which led to the adoption and recommendations that included the RO water treatment plant and the public works complex. He updated the Commission on the current status of the construction of the RO Plant and reviewed discussion topics, and existing financial conditions, reporting net cashflow, gross revenues, operating expenses and transfers, as well as equipment costs for sanitation. Further review included the water and wastewater system, projection of revenues, operating expenses, expenses and transfers, and the Capital Improvement Program. He explained that expenses are continuing to rise and a delay in rate increases will only delay the inevitable.

6:32 PM Recess

6:42 PM Reconvene

Mr. Hamilton continued his presentation with the projected adequacy of existing rates, water and wastewater rate increases and provided comparisons of residential water and wastewater bills of surrounding utilities. Concluded with the request of what is asked of the Commission today, noting that Tim and the staff check in with them annually.

Hamilton explained that the Resolution before them this evening is to adopt the 2023 Plan and staff will come back before the Commission annually. The first step will be at the Sept. 26th Commission Meeting for approval of the recommended increase of 4.53%.

Staff and their firm continuously work together and will work with the Commission to adjust rates based on the rate index.

Projected New Debt Service Payments; the proposed future water and wastewater debt and SRF loans.

Mayor McDonald recommended they break down the discussion and talk about water, wastewater, and sanitation one at a time.

WATER

Mayor McDonald proceeded to provide a brief history of the water and wastewater improvements over the past years, ensuring the City had a secure and safe water supply for the community. He mentioned the Water's Worth It Boot Camp and that it would be a good program for the new Commissioners to attend.

Commissioner Rich commented on the interest rate and that the staff took advantage of the opportunities available and thought it was a job well done. He complimented Murry Hamilton on his presentation and the way it was presented.

Commissioner Bruner commented on the costs going up and hopes people realize that, feels the information was good and is pleased with the plan.

Commissioner Clarke noted the company name change and mentioned the public service commission. Requested the City Attorney comment on the background of the public service commission rate.

Hamilton responded and stated that the Public Service Commission regulates private utilities and City of Stuart has Home Rule. The PSC has put in place an annual indexing provision. Some Florida Utilities choose to follow the index, no index is perfect, but in many cases, many are automatic, many get adopted by the budget. Stuart's plan works for Stuart.

Commissioner Collins asked if an update can be provided on the standing litigation to offset the 25 million RO price tag.

Attorney Mortell provided a case update noting the potential timeline of the case to go to trial being next June and briefly reviewed the PFOA and PFAS case general fund cleanup expectations and fees, noted that there are many unknowns at this time.

Commissioners came to a consensus on the water rates.

SANITATION

Tim Voelker displayed photographs of the current condition of the Sanitation/Vehicle Maintenance facility and presented the options of the proposed site plans for the facility; one at the existing facility and the other at Palm Beach Road across from Stuart Middle School.

Commissioners discussed the possibility of using the land on Palm Beach Road for affordable housing.

Commissioner Collins requested clarification on slide 23, inquiring about the 180 days on Sanitation. Hamilton noted a typo and corrected on, the record, that 90 days is the minimum. The projected index for 2024 is 5.02%.

Sanitation sites reference names: Base case is the new facility and the alternative the existing site.

After the Motion was made, Commissioner Rich commented that he feels the Sanitation facility discussion has not been covered enough and that there should be more on the other facility and the facility part of the Resolution should be tabled.

City Manager responded that there is a Motion and a Second on the floor and the rate study could be approved only and the Sanitation topic could come back before the Commission.

Commissioner discussion included other affordable housing opportunities available in the community. Commissioner Collins stated that he does not feel it is the City's job to provide affordable housing and noted reasons why he feels the existing site is best for the sanitation facility. Commissioner Bruner commented that this discussion has been

reviewed for the past 3-years and she would like to see it move forward.

7:50 PM MOTION: Approve Resolution including the existing facility.

MOVED BY: Christopher Collins

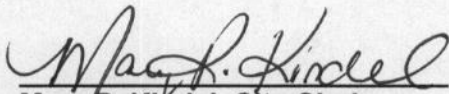
SECONDED BY: Becky Bruner


Motion approved unanimously. 7:57 PM

DISCUSSION AND DELIBERATION

ADJOURNMENT

7:57 PM


Mary R. Kindel, City Clerk


Troy McDonald, Mayor

**Minutes to be approved at the Regular Commission
Meeting this 26th day of September, 2022.**

