

Minutes of Board of Directors Meeting
PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY
Peace River Facility, Water Quality & Training Facility
8998 SW County Road 769, Arcadia, Florida

January 28, 2016

Board Members Present:

Commissioner John R. Chappie, Manatee County, Chair
Commissioner Christopher G. Constance, Charlotte County, Vice Chair
Commissioner Alan Maio, Sarasota County
Commissioner Elton A. Langford, DeSoto County

BOARD APPROVED

Staff Present:

Patrick Lehman, Executive Director
Doug Manson, General Counsel
Mike Coates, Deputy Director
Kevin Morris, Science and Technology Officer
Richard Anderson, System Operations Manager
Ann Lee, Finance/Administration Manager
Linda Stewart, Executive Secretary

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**Peace River Manasota
Regional Water Supply Authority**

Others Present:

A list of others present who signed the attendance roster for this meeting is filed with the permanent records of the Authority. Commissioner Chappie recognized Charlotte County Commissioners Ken Doherty and Bill Truex along with former Charlotte County Commissioner Dick Loftus.

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

There were no public comments.

HOST COUNTY ADMINISTRATOR REMARKS

Mr. Lehman welcomed everyone to the new Water Quality and Training Facility. He said many times governing boards do not have the chance to see the outcome of their investment. Today the Authority Board will have the opportunity to tour the new building and the 1991 Rebuild facilities and will see first-hand how their money has been invested for the good of the public.

ELECTION OF OFFICERS

Commissioner Maio nominated Commissioner Constance for Chair. Nomination was approved unanimously.

Commissioner Constance nominated Commissioner Maio for Vice-Chair. Nomination was approved unanimously.

CONSENT AGENDA

Commissioner Constance thanked Mr. Lehman for providing the additional back-up information he requested for Item 4 [Extension of Agreement for General Land Management Services]. Commissioner Constance said he felt it appropriate the contract be extended as recommended by staff so the Board can have the opportunity to review the proposed revisions to the Procurement Policy covering acquisition of these and similar services which is scheduled to be discussed as part of the regular agenda.

Referring to Item 6a 'Year-End Financial Status Report for FY 2015' Commissioner Constance asked why the decrease in gross revenues from \$10,447,585 in FY 2014 to \$9,237,175 in FY 2015.

Ms. Lee explained the majority of the revenue decrease was from the refunding of the 2005A bonds.

1. **Minutes of December 2, 2015 Board of Directors meeting**
2. **Peace River Facility Property Insurance Renewal with Starr Tech/ACE American for an annual premium of \$234,370 for the upcoming year March 1, 2016 – March 1, 2017**
3. **Award Contract to Crom Engineering and Construction Services for 'Plant 2 Concrete Coatings Restoration Project' in the amount of \$615,850 [which includes an embedded amount of \$75,000 Owner's allowance]**
4. **Extension of Agreement for General Land Management Services with Natural Resources LLC**
5. **Piggy-Back on Charlotte County Contract with Page Mechanical Group, Inc. for HVAC Services**
6. **Receive and File 'Year-End Financial Status Report for FY 2015' and 'Semi-Annual Investment Report' [September 30, 2015]**
7. **Disbursement of Funds to Authority Customers for FY 2015 Debt Service Coverage Payments as shown below:**

Customer	Fund Disbursement
Charlotte County	\$261,659
DeSoto County	\$36,372
Sarasota County	\$885,340
City of North Port	\$147,946
Total	\$1,331,317

Motion was made by Commissioner Langford, seconded by Commissioner Chappie, to approve the consent agenda for January 28, 2016. Motion was approved unanimously.

REGULAR AGENDA

1. **Water Supply Conditions – Staff Report
Presented by Richard Anderson, System Operations Manager**

Mr. Anderson said rainfall in the Peace River basin averaged 4.5 inches through January 18th and another 1.5 inches was received in the last ten days. As of January 18th, the river flow was approximated 1,000

cubic feet per second (cfs). Because of the additional rains since then, today it is about 4,000 cfs. Surface water storage is topped off at 6.8 BG for both reservoirs and there is 5.9 BG in the ASR system. The water quality and water quantity is excellent.

Mr. Anderson said the Authority and its customers maintain close to 103 MGD of finished water supply capacity. For the month of December, the Authority produced about 27.99 MGD and the member utilities produced 41.32 MGD for a total regional use of 69.31 MGD. Regional utilization for the month of December was 66.02 MGD or 60% of the region's capacity.

Mr. Anderson also reviewed the current demand and supply conditions for each of the members/customers for the month of December and first quarter FY 2016 as well as their historical annual average usage for the last six years. Regionally we are up approximately 1 MG in the first quarter 2016 compared to 2015 average.

Mr. Anderson referred to the SWFWMD demand projections for the southern region taken from their 2016 regional water supply plan that includes Authority customers and non-Authority customers in the region. For the time period beginning in 2010 SWFWMD numbers show 91.0 MGD compared to 68.0 MGD for the Authority customers. The Authority members account for about 75% of the region's demand.

Commissioner Maio said he asked the Sarasota County utility staff to make an informational sheet with all of this information for distribution in the county and to his fellow commissioners. He said the public is hearing about droughts all over the US, bad infrastructure, the infamous Flint Michigan debacle, and they really need to know the absolute fantastic shape we are in thanks to the Authority.

**2. Receive and File 'Peace River Manasota Regional Water Supply Authority FY 2015 Financial Statements and Independent Audit Report'
Presented by Ann Lee, Finance/Administration Manager and Joe Welch, Purvis Gray & Company**

Mr. Welch reviewed the results of the annual audit of the Authority's financial records completed by Purvis Gray & Company. Mr. Welch said the report was in draft form because of the implementation of the new Governmental Accounting Standards Board Statement No. 68 [GASB 68] which relates to pensions. The Authority participates in a Florida Retirement System [FRS] multi-employer plan and according to the new ruling is required to show its share of the unfunded liability of FRS on its balance sheet. This information was supposed to be available from the FRS this month, however it may not be available until the end of February or beginning of March. Consequently, the audit report reflects the 2014 FRS numbers and when the 2015 numbers are available the report will be updated with the current numbers and can be finalized. In the meantime the Board was requested to accept the report pending the changes related to GASB 68. Mr. Welch noted the Authority's member counties are in a similar situation with their audits.

Regarding the audit itself, Mr. Welch said there were no new findings. There was one finding the prior year that was resolved. The audit also included a special single audit of the state of Florida \$1.5M grant that went toward the 1991 Peace River Facility Rebuild. On the financial side, Mr. Welch brought the Board's attention to two items. 1) The balance sheet [page 10] shows the Authority continues to be in sound financial condition and 2) the income statement [page 11] shows a loss. Mr. Welch explained there has always been a loss because the Authority does not fund depreciation on an annual basis through rates but funds depreciation through debt service and pays the principal through the rates. This generally amounts to \$11M which is 3% of \$360M assets.

Finally, Mr. Welch said there were no matters involving the internal control over financial reporting or significant deficiencies in operation that would be considered a material weakness.

Mr. Welch said staff did an excellent job preparing for the audit and Ms. Lee assisted in preparing drafts of this report and took over maintenance of the depreciation schedule.

Commissioner Constance referred to the unrestricted net position amount of \$6,493,065 [page 10] and asked how that relates to reserves.

Mr. Welch responded that the reserves are mostly in the restricted net position amount [\$19,738,780].

Motion was made by Commissioner Maio, seconded by Commissioner Chappie, to receive and file 'Peace River Manasota Regional Water Supply Authority FY 2015 Financial Statements and Independent Audit Report' as submitted by Purvis Gray & Company, pending the changes related to GASB 68 and the final review by an independent auditor. Motion was approved unanimously.

3. Procurement Policy Revision to Chapter 5, Section 5.4 'Acquisition of Professional Architectural, Engineering, Landscape Architectural, or Surveying and Mapping Services Presented by Mike Coates, Deputy Director

Mr. Coates said at the December meeting the Board requested the Authority's procurement policy relating to professional services revised to make it more similar to the members' policies for procurement of these services. Staff obtained the procurement policies of the members and interviewed the utility staffs and/or purchasing/procurement staffs to identify and clarify applicable policy. Mr. Coates said the review focused on four questions: (1) do you use a professional services evaluation committee [PSEC], (2) what criteria do you use in the evaluation of submittals, (3) do you conduct interviews as part of that process and (4) what is the approval process specifically for a ranked short list?

Mr. Coates presented a summary comparison of this information along with what is being proposed for the Authority's revised policy. He said the proposed policy is what is typical of what the members do, but nobody conducts this procedure exactly the same. For example, everybody uses a PSEC and most have three to five members on that PSEC and most use either a procurement official, executive or county manager to establish that PSEC and that is what is reflected in the proposed revision. Some conduct interviews all of the time and others leave it to the PSEC to decide whether they should interview and leaving it to the discretion of the PSEC is what is reflected in the proposed revision. In terms of the consultant selection, this is a ranking that would be handed down by the PSEC and for most that ranking is approved at the administrative level by the procurement official or by the county administrator. At this point negotiation of the contract, scope and fee with the top ranked firm would begin and the contract, scope and fee is then brought to the Board for approval and that is what is reflected in the proposed revision.

Mr. Coates stepped through the proposed process which would begin with the establishment of the PSEC by the Executive Director and that would be done in advance of the advertisement for procurement services. There would be a separate PSEC for each procurement event with three to five voting members. Typically, the voting members would be a combination of Authority staff and customer staff. Others might be appointed if there were a project for example in one of the cities. We would then advertise for services and that process is laid out in the Florida Statutes including the information that is required such as where the project is located, how long the project is estimated to take, evaluation criteria, how many pages are to be submitted, etc. That is very similar to the current policy.

The Authority's Purchasing/Finance Department would receive the submittals and review them for conformance and the conforming submittals would be sent to the PSEC. All of the submittals would also be provided to the member utility directors [as is done now] and they would provide feedback to the PSEC chair. There would be an advertised meeting for the PSEC to discuss and evaluate the submittals and develop a ranked short list. PSEC meetings would follow the Florida Sunshine requirements.

Optionally, the PSEC could decide to interview if the votes are close or if they have questions and those interviews would be conducted in compliance with the Florida Sunshine requirements. Following that, the recommendation for a ranked short list would be provided to the Executive Director. Assuming the Executive Director approves the ranking, he would appoint a negotiation committee or he would conduct the negotiations. Assuming those negotiations are favorable the proposed contract, scope and fee would be provided to the Purchasing/Finance Department for development of a recommendation to the Board.

If the Board does not approve the contract, they can kick it back; if the Board does not like the ranked short list, we can go through the selection process again. Mr. Coates reiterated that the proposed policy is similar to what most of the members do but not exactly the same because nobody conducts this procedure exactly the same.

Mr. Coates responded to the Board's questions and clarified they had a clear understanding of the current policy and the revised policy being proposed.

Commissioner Constance said he would prefer the Board end up with a tab sheet that ranks all of the submittals for their review. The Board can then approve the ranking and direct staff to start negotiations with the top ranked firm or not approve the ranking. He said the process is more transparent and makes more sense. If the proposed process has to do with timing since the Board only meets every two months then staff should start the process earlier. He said it is better policy in his opinion.

Commissioner Maio asked if the revised policy is in accordance with the Competitive Consultant Negotiation Act and Mr. Coates said yes.

Commissioner Chappie said he was fine with the revision being proposed and made the motion for approval as presented.

Commissioner Langford said he would second the motion with the caveat that if the revised policy does not work satisfactorily or slows down the process then the policy can be re-visited.

Motion was made by Commissioner Chappie, seconded by Commissioner Langford, to approve Authority Procurement Policy Revision to Chapter, Section 5.4 'Acquisition of Professional Architectural, Engineering, Landscape Architectural, or Surveying and Mapping Services with the caveat to revisit the policy if not working satisfactorily. Motion was approved unanimously.

**4. Regional Integrated Loop System Phase 1 Interconnect [U.S. 17 to Punta Gorda]
Presented by Patrick Lehman, Executive Director and Ford Ritz, Project Engineer**

Mr. Lehman said we are finally reaching the end of a long road after many months of negotiations between multiple agencies. The stumbling block has been funding. The Board has stated it likes the pipeline but would not fund the pipeline and that is the message he and Mr. Manson and others carried to the negotiations. The pieces are coming together and the funding issues have been resolved. Mr. Lehman was happy to say the SWFWMD Governing Board unanimously approved the funding for both the Phase 1 Interconnect and the City of Punta Gorda's reverse osmosis [RO] project at their January 19, 2016

meeting. Mr. Lehman briefly reviewed the particulars of both projects.

Mr. Lehman said the estimated cost for the Phase 1 Interconnect is \$12M. This project received state appropriation of \$4M [through joint appropriation with the City]; the City has agreed to provide \$2M; and SWFWMD approved \$6M for the total cost of \$12M. Mr. Lehman explained because this project is an immediate benefit to DeSoto County which is a REDI [Rural Economic Development Initiative] county SWFWMD policy says up to 75% of eligible costs can be funded and that is what they did.

The SWFWMD stipulated that any cost savings would be applied to the SWFWMD contribution. Another condition is that the Authority would pursue reuse, water quality, storm water, and conservation projects in an equal amount of the SWFWMD funding of \$6M. That money would come from a specific member and is returned to that specific member. The Authority will provide an accounting to SWFWMD on an annual basis. The funding is consistent with SWFWMD policy and SWFWMD staff was directed to provide the cooperative funding agreement to the Authority as quickly as possible.

Mr. Lehman said the City estimated the cost of the RO project to be \$32M. The City received state appropriation of \$900,000. In accordance with SWFWMD policy state dollars are deducted so the amount is reduced to \$31.3M and divided in half so SWFWMD approved \$15.65M for this project. The City is on a similar timeframe of receiving the SWFWMD cooperative funding agreement. The host county approvals required by the MWSC are anticipated now that the funding agreements are in place. In addition, the Authority entered into an operational agreement with the City in 2013 which needs to be amended to include the Phase 1 Interconnect and delivery point which Laura Donaldson discussed in more detail during the General Counsel's Report.

Since the Board does not meet again until April 6, the consensus of the Board was to have a special meeting to consider the SWFWMD cooperative funding agreement and to defer today's requested Board action to approve the Contract for Professional Engineering Services for Design and Construction Management/Inspection with King Engineering Associates, Inc. and Work Order No. 1 'Phase 1 Interconnect Preliminary Design Services' until the special meeting. Mr. Lehman said deferring approval of the contract and work order would not present an issue for the engineer. It is anticipated everything will be in place by late February to schedule the special meeting.

**5. Regional Integrated Loop System – Phase 3B Interconnect [S.R. 681 to Clark Road]
Presented by Mike Coates, Deputy Director**

a. Authorize Funds from Sarasota County “Project Savings” for Preliminary Design Services.

Mr. Coates said at the December 2, 2015 meeting the Board approved a scope and fee with King Engineering for preliminary design of the Phase 3B Interconnect facilities in the amount of \$397,958. Authorization to proceed on that work was pending approval by Sarasota County for use of funds from the County's Project Savings Account with the Authority. Mr. Coates said Sarasota County approved the use of the funds at their Board meeting on Tuesday. [The letter from the Sarasota County Board Chairman, Commissioner Maio, was distributed to the Board.] Staff requested authorization to use the project savings funds the County has in the amount of the work order.

Motion was made by Commissioner Langford, seconded by Commissioner Maio, to authorize use of up to \$397,958 from Sarasota County “Project Savings” to fund the Preliminary Design on the Phase 3B Interconnect. Motion was approved unanimously.

b. Submit Out-of-Cycle Funding Request to SWFWMD for Phase 3B Preliminary Design Services

Mr. Coates said in September 2015 the Authority submitted a FY 2017 cooperative funding application to SWFWMD for the Phase 3B Regional Interconnect Project. SWFWMD has indicated if we want 2016 funding we need to make a separate request for out-of-cycle funding. Staff requested Board authorization to submit an out-of-cycle request to SWFWMD for FY 2016 funding of 50% of the contracted \$397,958 preliminary design cost for the Phase 3B Interconnect.

Motion was made by Commissioner Langford, seconded by Commissioner Maio, to authorize submittal of an out-of-cycle request to SWFWMD for FY 2016 funding of 50% of the contracted \$397,958 Preliminary Design cost for Phase 3B Interconnect. Motion was approved unanimously.

**6. SWFWMD FY 2017 Cooperative Funding Applications Ranking
Presented by Mike Coates, Deputy Director**

Mr. Coates said at the August 5, 2015 meeting the Board adopted the ranking of the projects as shown below for application to SWFWMD for FY 2017 cooperative funding with a provision for re-evaluation of the ranking as more information became available on each project.

1. Phase 3B Interconnect (S.R. 681 to Clark Road)
2. Phase 3D Interconnect (Fruitville Road to Manatee)
3. Phase 4 Interconnect (Burnt Store WTP to Phase 1A)

Mr. Coates said the Phase 3B Interconnect is moving along quickly as previously discussed; the Phase 3D Interconnect is part of the Lorraine Road improvement and the developer is going to start construction in March; and negotiations are ongoing with the developer and the County on the Phase 4 Interconnect. Mr. Coates said based on the information available today staff did not recommend re-ranking and it was the pleasure of the Board if they wished to re-rank.

Commissioner Constance said he brought up the Phase 4 Interconnect in October when originally talking about the ranking and at that time Charlotte County thought the developer would be further along by now. While the developer is going to proceed, Commissioner Constance said he thought at the moment the ranking was appropriate and by looking at the other Board members he recognized their concurrence.

**7. Budget Process for FY 2017
Presented by Patrick Lehman, Executive Director**

Mr. Lehman said the budget abides by the mission of the Authority and the vision of the Authority. Mr. Lehman recognized the Peace Rive Facility as an award winning agency and has been selected to receive the Florida Department of Environmental Protection Plant Operations Excellence Award in recognition of outstanding treatment plant operation, maintenance and compliance for the second year in a row and the Board should be proud of this achievement. He also noted Charlotte County will receive this award in a different size category.

Mr. Lehman said the tentative budget will be presented for adoption at the April 6, 2016 board meeting. There are a number of board meetings, professional staff and administrator meetings throughout the budget review process to provide opportunity for comment prior to presenting the final budget for adoption at the August 3, 2016 meeting. The budget process is a transparent process and the information is posted on the website for public comment as well throughout the review process.

Historically over the last five years the operational budget has been consistent and Mr. Lehman said it is expected to remain steady. There is no scheduled CIP this year but planned CIP for next year. Water deliveries have gradually increased. The contractual delivery is 34.7 MGD.

Commissioner Constance asked Mr. Lehman to briefly explain the bump in operations.

Mr. Lehman said in 2014 the policy on the 15% debt service coverage was implemented. In addition, the bonds were refinanced at a savings.

The budget is prepared in accordance with a number of governing documents and policies including the bond documents. The Authority is in the AA category with all three rating agencies and it is critical the Authority maintain that good standing and build upon that.

Mr. Lehman said the budget must meet certain principles which are summarized below:

- MWSC contractual obligations [based on 34.7 MGD],
- Customer water demand projection for FY 2017,
- Plan for short-term and long-term water demands,
- Invest to maintain infrastructure for future generations,
- Maintain financial stability and bond ratings, and
- Maintain reasonable water rates for the near-term and into the future.

The Authority is an enterprise fund divided into two categories: (1) Administrative Office which is the administrative staff of the Authority and (2) Facilities which includes O&M, Technical Services and Construction Service.

The 34.7 MGD water allocation is contractually divided between the customers as follows:

- Charlotte County 16.1 MGD
- Sarasota County 15.0 MGD
- DeSoto County 0.7 MGD
- City of North Port 2.9 MGD

Mr. Lehman reviewed the budget considerations for 2017 as summarized below:

- Operating Costs
 - ✓ No significant increase identified to-date
- Staffing
 - ✓ Personnel compensation [increase comparable to members]
 - ✓ Evaluating two new staff positions [increase from 45 to 47 budgeted positions]
- Budget Issues for Discussion
 - ✓ Comply with MWSC
 - Exhibit B 'Water Allocation'
 - Exhibit C 'New Water Supply Demands'
 - ✓ Prioritize R&R funding to maintain infrastructure
 - ✓ Provide CIP funding for future projects

Mr. Lehman reviewed the breakdown of the expenditures and revenues. He explained how the water rate is established which consists of a base rate charge [water allocation] plus the water use charge [actual

metered use]. Historically the base rate charge has been fairly constant. The water use charge has remained the same at \$0.74/1,000 gallons for the last five years.

Mr. Lehman reiterated that staff will be meeting with the member utility staffs, administrators, BOCCs, other agencies including SWFWMD and the public culminating with the final budget presented in Public Hearing for Board consideration and adoption at the August 3, 2016.

8. Strategic Plan Implementation Progress Presented by John Shearer, Shearer Consulting

Mr. Shearer said he is facilitating the process to implement the strategic plan the Board adopted. Mr. Shearer said the strategic plan is very aspirational and far reaching and as such there are no specifics in it. There is a vision; a mission; and core values. There are 28 other utilities within the general four-county area and the intent of this process will open up opportunities for them to also participate as well as any other interested parties.

To get the process started, there was a kickoff meeting with the county administrators and professional staffs. Along with the Executive Director as Chair this group will be considered the Oversight Committee. As part of the initial discussion, everybody had the opportunity to vent their concerns and their issues. Some are minor and some are significant and need clarification and it is anticipated this process will do that. Robert Beltran, Executive Director of SWFWMD, also participated in the kick-off meeting and part of the discussion was the differences in the way SWFWMD does water supply projections and the way the Authority does water supply projections. Mr. Shearer showed a chart that listed the projected 2035 water demands in the region taken from the SWFWMD 2015 regional water supply plan that was shared with the group and the Authority projections are higher. Ultimately the intent would be for the projections to become better aligned.

Going forward, the Oversight Committee will create 'core value' teams grouped according to the core values set forth in the strategic plan. Each core value team will be led by a senior Authority staff and comprised of the members. The initial activity of each core value team will be to develop a scope of work to fulfill the core values. Each team will identify options for consideration and review and bring it back through the Oversight Committee and Mr. Lehman prior to presentation to the Board for their comment. All meetings will follow the requirements of the Florida Sunshine.

Mr. Shearer anticipates implementation will be in place by the end of this calendar year. Mr. Shearer said he will spend time with each of the Board members as appropriate and will be updating the Board throughout the process as appropriate. Mr. Shearer said this process has been done around the state and has been successful.

Commissioner Maio said Sarasota County is in a mode where they can't build houses quick enough and hopes we look at varied sources for projections because many times state projections are very conservative.

Mr. Shearer said one of the projections used by SWFWMD is taken from the Bureau of Economic Business Research from the University of Florida. The SWFWMD projections are conservative and lower than the Authority's projections. Although it is a 20 year look ahead they true it up every five years. Mr. Shearer said it is his experience beyond five years it starts to diverge significantly. They say it self-corrects every five years. The more dialogue he has with people who do water supply planning everybody games the system to their advantage and so that is one of the reasons SWFWMD tends to be very conservative. The process needs to be transparent and clear on the projections and open lines of

communication. Mr. Beltran expressed his desire to work with the members and any of the other utilities in this area to better align this process.

Commissioner Constance asked Mr. Lehman if an unlimited supply of water was available at the PRF, what is the limiting step to get the water out to the customers.

Mr. Lehman said the first limiting step is storage.

Commissioner Constance said if you had unlimited storage, what is the next problem.

Mr. Lehman said it would be the treatment component because for transmission you can add re-pumping stations to increase flow capacity.

Commissioner Constance said as far as the pipeline infrastructure, do we have sort of an unlimited capacity to get the water distributed.

Mr. Lehman said he would not say unlimited but we have the ability to increase. For instance, when we constructed the 23-mile pipeline to Sarasota County's Carlton WTP we put tee connections in the midpoint so we could add a re-pump station to increase the delivery at some point in the future.

9. Legislative Update Presented by Patrick Lehman, Executive Director

Mr. Lehman said both the House and the Senate passed the comprehensive water policy legislation and it has been signed by the Governor. This legislation includes provisions to codify the Central Florida Water Initiative, create a springs protection act, set up a pilot program for alternative water supply and establish a new classification for surface waters used for potable water supply. Mr. Lehman said whenever a new statute is created, especially involving the central Florida initiative, that at some point it is going to trickle down to the local level so staff is keeping a vigilant eye on this. Representative Albritton and Senator Detert are sponsoring the Authority's funding request for the three pipeline projects. Mr. Lehman said he and Mr. Manson will be in Tallahassee during Florida Association of Counties and if any Board members would like to meet with Diane Salz to let him know and he will make the arrangements.

GENERAL COUNSEL'S REPORT

1. First Amendment to Water Systems Interconnect and Water Transfer Contract between the Peace River Manasota Regional Water Supply Authority and the City of Punta Gorda

Ms. Donaldson said the Authority and the City entered into the Interlocal Agreement for the Phase 1 Regional Interconnect on December 2, 2015 which provides for a new pipeline project between the parties. Section 10 of the Interlocal Agreement requires the parties amend the Water Systems Interconnect and Water Transfer Contract [effective September 3, 2013] within ninety days to include the Interconnect and Delivery Point. Ms. Donaldson said although the amendment seems to be lengthy bottom line all we are doing is taking the Exhibit 1 from the interlocal agreement and adding it to Exhibit 1 of the prior agreement.

Motion was made by Commissioner Langford, seconded by Commissioner Chappie, to approve 'First Amendment to Water System Interconnect and Water Contract between the Peace River Manasota Regional Water Supply Authority and the City of Punta Gorda. Motion was approved unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Lehman said as he previously mentioned the Florida Department of Environmental Protection is awarding the 2015 Plant Operations Excellence Award to the Peace River Facility. He recognized the operations and maintenance staff for this prestigious accomplishment. He also recognized Charlotte County for winning the award in a different size category.

Mr. Lehman said the SWFWMD Governing Board will meet on February 23 at their Sarasota Service Office.

Lastly, Mr. Lehman discussed the Orange Hammock Ranch which abuts the RV Griffin Reserve. Mr. Lehman said this goes back to the old 'Isles of Athena' and there was a lot of work done in the 2006 timeframe however the developer went bankrupt. Now it is being looked at by the Conservation Foundation of the Gulf Coast for the permanent conservation of the entire acreage. Mr. Lehman said he was meeting with Christine Johnson, who is President of the Foundation. She wants to find out more about the Authority and we have lots of information to share regarding the property from past reports and want to make sure we work together. Mr. Lehman asked Commissioner Maio if he would like to add to the discussion.

Commissioner Maio said this 5,774 acre tract is in Sarasota County and was annexed by the City of North Port. He has been working on this personally for years long before he was elected and has been on the site many times. It completes a link between the Myakka River and the Peace River and has various environmental attributes. The City of North Port voted unanimously to ask SWFWMD and the state and Florida Forever for funds to buy it in combination perhaps with Sarasota County. Both the County and the City commissions voted unanimously to send a letter of support for this project and he hoped the Authority would also support this project.

Motion was made by Commission Chappie, seconded by Commissioner Constance, to send a letter of support. Motion was approved unanimously.

ROUTINE STATUS REPORTS

Routine status reports are provided for informational purposes and no presentation is made.

1. Hydrologic Conditions Report
2. Check Registers for November 2015 and December 2015
3. Peace River Basin Report

Commissioner Constance thanked staff for providing the check register alphabetically and by highest amount to lowest in addition to the traditional chronological order. He brought the Board's attention to the charges from Mr. Manson's firm which when annualized would exceed the contract amount of \$180,000. He said he appreciates Mr. Manson's firm working for the Authority but if he cannot get his charges in line with the agreed upon amount we are going to have to put this out for RFP. He asked Mr. Lehman how is this working.

Mr. Lehman said he has had discussions with Mr. Manson with regards to the contract which provides an annual amount of \$180,000, there is no set monthly amount. Mr. Lehman said there was a lot of work done on the RTD arbitration and that settlement agreement resulted in a cost savings to the Authority. Some of Mr. Manson's costs should come from the construction account and some from liquidated

damages. Mr. Manson also put a lot of time and effort into the SWFWMD funding agreement for the Phase 1 Interconnect. Mr. Manson will come back with those specifics at the next Board meeting if that is appropriate.

Ms. Donaldson said she spoke with Mr. Manson yesterday and he is more than willing to talk to the Board members individually as well.

Commissioner Constance said he will welcome the discussion. He can understand where there might be one month where he might work more but would hope then the next month the bill will be less and not always pushing the top of the range because bottom line we have to watch out for the rate payers.

FACILITY TOUR

Commissioner Constance asked if the Board is doing the facility tour and then coming back and finishing the meeting or finishing the meeting and then going on the tour.

Ms. Donaldson said if the Board is going to ask questions that could reasonably come back in front of the Board for action at some point in the future, she would recommend doing the tour while we are still in the public meeting. If the Board is not going to have any conversations among themselves then we can adjourn the meeting and take the tour. However, she does not want to have a situation where we inadvertently violate the Sunshine based on conversations or questions raised by the Board.

Commissioner Chappie said he would rather play it safe and then come back and adjourn.

Commissioner Constance said at this point [11:12 a.m.] we are going to break from this room; we will stay in the meeting and go on the tour and come back and do Board member and public comment at the end.

The Board returned at 11:45 a.m. from completing the facility tour.

BOARD MEMBER COMMENTS

Commissioner Langford said it was brought to his attention at the last administrators meeting the DeSoto County administrator was the only administrator there. He said although all the four counties were represented by staff if you are going to call it an administrators meeting he felt the administrators need to attend otherwise call it a staff meeting and let the administrators stay home. He said he was not in favor of the administrator meetings to begin with and still is not in favor but if they are going to continue then the administrators should attend.

Commissioner Constance said he will try very hard to make Charlotte County's administrator attend and hopefully the others understand that it is important. It is a high level meeting. It is not a staff meeting. And I get exactly what you are saying. If in a pinch an administrator cannot make it they can at least call in to be present by phone. More importantly, if there is a last minute scheduling issue with several administrators then postpone the meeting until everybody can be there. I think we have a very good understanding. I don't want that to go away but I do understand why Commissioner Langford brought that forward and we will address it.

PUBLIC COMMENTS

There were no public comments.

SCHEDULE OF FUTURE MEETINGS

Commissioner Constance reiterated the special meeting to be scheduled the end of February or early March to act on the Phase 1 Interconnect.

Next Authority Board Meeting

Wednesday, April 6, 2016 @ 9:30 a.m.
Manatee County Administrative Center
Commission Chambers, First Floor
1112 Manatee Avenue West, Bradenton, Florida

Future Authority Board Meetings

June 1, 2016 @ 9:30 a.m. – DeSoto County Administration Building, Arcadia, Florida
August 3, 2016 @ 9:30 a.m. – Charlotte County Administration Center, Port Charlotte, Florida
October 5, 2016 @ 9:30 a.m. – Sarasota County Administration Center, Sarasota, Florida
December 7, 2016 @ 9:30 a.m. – Manatee County Administrative Center, Bradenton, Florida

Adjournment

There being no further business to come before the Board, the meeting adjourned at 11:47 a.m.



Commissioner Christopher G. Constance
Chair

BOARD APPROVED

APR - 6 2016

Peace River Manasota
Regional Water Supply Authority

**PEACE RIVER/MANASOTA REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING
PLEASE SIGN IN**

DATE: January 28, 2016

LOCATION: Peace River Facility

NAME	REPRESENTING
Milce Condrum	GHD
John Shearer	SCF
Fred Bussack	DeSoto County
Joe Welch & Tiffany Mangold	Purvis, Gray & Company
Eddie Miller	DeSoto County
Joan Brown	Charlotte County
Erik Howard	Johnson Engineering
MARK SIMMONSON	MANATEE County
Chris Kuzler	King Engineering
Jennifer Desrosiers	City of North Port
Mike McDee	TKI
Ford Ritz	PRM RWSA
Scott Fegerson	ACIPCO
TERRI HOLCOMB	HDR
Kenn Morris	PRM RWSA
Andrew Coleman	Hazen and Sawyer
ROB OCASIO	MANATEE County
Katie Gilmore	Manatee County
Gary Hubbard	Charlotte County
Bill Texex	Charlotte County
Tava Pouston	SWFWMD
Mandy Hines	DeSoto County
Sybil Sanner	Sarasota County
Geoff MacFarlane	✓
RYAN MESSER	CH2M
Mark McDevitt	Hollos

