

Minutes of Board of Directors Meeting
PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY
Sarasota County Administration Center
Commission Chambers, First Floor
1660 Ringling Boulevard, Sarasota, Florida

August 2, 2017

BOARD APPROVED

Board Members Present:

Commissioner Alan Maio, Sarasota County, Chairman
Commissioner Elton A. Langford, DeSoto County, Vice Chairman
Commissioner Betsy Benac, Manatee County
Commissioner Ken Doherty, Charlotte County

OCT - 4 2017

**Peace River Manasota
Regional Water Supply Authority**

Staff Present:

Patrick Lehman, Executive Director
Doug Manson, General Counsel
Mike Coates, Deputy Director
Ann Lee, Finance Manager
Kevin Morris, Science and Technology Officer
Richard Anderson, System Operations Manager
Rachel Kersten, Agency Clerk

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 Maio recognized City of Northport Commissioner Debbie McDowell, Former Sarasota County Commissioner Nora Patterson and Sarasota County Administrator Tom Harmer in the audience.

CALL TO ORDER

Commissioner Maio called meeting to order.

INVOCATION

Commissioner Langford offered the invocation.

PLEDGE OF ALLEGIANCE

The Board led the Pledge of Allegiance of the Flag of the United States.

HOST COUNTY ADMINISTRATOR REMARK

Tom Harmer, Sarasota County Administrator, provided opening remarks.

PUBLIC COMMENTS

Candy Luther, Sarasota, Florida spoke on the Mosaic Wingate phosphate mining hearing in Manatee County.

RESOLUTIONS/PRESENTATIONS

1. Employee Service Recognition

Commissioner Maio stated that the Resolutions/Presentations Item was being removed from the Agenda as the employee was unable to attend.

PUBLIC HEARING – BUDGET FOR FY 2018

1. Open Public Hearing

2. Commissioner Maio opened the public hearing and introduced Mr. Lehman for the budget presentation.

3. Presentation of Budget for FY 2018

Mr. Lehman presented the proposed final Budget for FY 2018. The final budget includes all anticipated expenditures of the Authority for its projects and activities for the ensuing fiscal year, including, but not limited to, operating and maintenance costs, management and planning costs, and debt service.

The Tentative Budget for FY 2018 was approved by the Board on April 12, 2017 and subsequently posted on the Authority's website along with all supporting data for the public and any interested persons to review. As a result of the discussions during the Authority's June board meeting, a revision was made to the FY 2018 Tentative Budget 5-Year CIP program (page 14) to defer Regional Integrated Loop – Phase 3C to the future. This change did not affect the FY 2018 revenues or expenditures. There have been no other changes to the proposed final budget. The final proposed Budget for FY 2018 is \$49,411,364.

Mr. Lehman gave a budget analysis. The FY 2018 budget contains an increase of roughly \$5.5 million or 2% over last year's budget. Key points from this analysis included:

- Costs consistent with increased water demand that continues to grow monthly.
- Staffing items including:
 - Personnel compensation increase budgeted at 4%
 - Health insurance increase budgeted at 5%
 - One new staff position - a project engineer/manager that will take the Authority from 47 to 48 full time employees.
- FPL's electric rates increase of 13%
- Prioritization of R&R funding to maintain our infrastructure.
- Grant funds for CIP projects for customer savings

Mr. Lehman went over the historical budget comparison for the past 5 years. Operating & Maintenance (O&M) costs have remained constant through the years. The slight up-tick in non O&M costs is related to this year specifically is from the \$1 million transfer into the CIP fund from the general fund for projects. Mr. Lehman reviewed the key aspects of the budget with the breakdown of water allocation, expenditures, and available funds.

Mr. Lehman stated that revenue primarily comes from water sales. The water rate is comprised of two components - the base rate charge [fixed cost based on water allocation] and the water use charge [based on actual delivery of water]. Looking at the base rate charge historically, over the last five years this rate has remained steady with only a 1% increase during this time period. The water use charge will remain at \$0.74 per thousand gallons for the seventh year in a row.

The member fee is for the administration of the Authority and has slightly increased. The member/customer planning assessment remains the same at \$60,000.

Mr. Lehman recommended that the budget of \$49,411,364 for FY 2018 be approved by the board.

Commissioner Maio asked the Board if there were questions.

Commissioner Benac asked Mr. Lehman to explain the member planning assessment cost and how it is assessed.

Mr. Lehman explained that the member planning assessment funds are allocated for future planning and those funds are based on county population.

4. Public Comment

There were no public comments.

5. Close Public Hearing

Commissioner Maio closed the public hearing at 9:51 a.m.

BUDGET FOR FY 2018

1. Adoption of Budget for FY 2018

The proposed Budget for FY 2018 in the amount of \$49,411,364 was presented for Board consideration.

Motion was made by Commissioner Doherty, seconded by Commissioner Langford, to approve the Budget for FY 2018 in the amount of \$49,411,364. Motion was approved unanimously.

2. Resolution 2017-04 'Resolution Setting Forth Rates, Fees and Charges for FY 2018'

Resolution 2017-04 formalizes the Board adoption of the Budget for FY 2018 and establishes the rates, fees and charges by the Authority for FY 2018 in accordance with the 'Second Amended Interlocal Agreement Creating the Peace River Manasota Regional Water Supply Authority' and the 'Master Water Supply Contract'.

Motion was made by Commissioner Langford, seconded by Commissioner Doherty, to approve Resolution 2017-04 'Resolution Setting Forth Rates, Fees and Charges for FY 2018'. Motion was approved unanimously.

CONSENT AGENDA

- 1. Minutes of June 7, 2017 Board of Directors Meeting**
- 2. U.S. Geological Survey Joint Funding Agreement #18000000101**
- 3. Resolution 2017-05 'Florida Water Professionals Month'**
- 4. SWFWMD Funding Agreements**
 - a. Phase 1 Regional Interconnect 'First Amendment' to Agreement No. 15C00000052**
 - b. Regional Interconnected Loop System Phase 3B, Agreement No. 17CF0000379**
- 5. Work Order to Automated Integration for Fiber Optic Loop Installation**

Motion was made by Commissioner Doherty, seconded by Commissioner Benac, to approve the Consent Agenda. Motion was approved unanimously.

Regarding Consent Item 4b, Commissioner Doherty asked the Authority staff for confirmation on the costs for the Phase 3B Interconnect project.

Mike Coates, Water Supply Authority Staff stated the budgetary estimate based on the basic design reports and submitted to the district was about \$27 million dollars and that cost included the pipeline and a pump station.

REGULAR AGENDA

1. Water Supply Conditions – Staff Presentation

Mr. Anderson presented Water Supply Conditions at the Peace River Facility as of July 18, 2017.

- Water Supply Quantity: Excellent
- Treated Water Quality: Excellent

July Water Demand	21.61 MGD
July River Withdrawals	114.94 MGD
<u>Storage Volume:</u>	
Reservoirs	4.86 BG
ASR	<u>5.65 BG</u>
Total	10.51 BG

Mr. Anderson stated that the last couple of months have been a great start to the rainy season. June provided rainfall of over 12 inches and through the end of July we received another 6.5 inches. The region averages about 16 inches during the months of June and July and we reached 18.5 inches this year.

River withdrawals began again on June 19th and by the end of the month we averaged 32 MGD. In the month of July we saw an average of 115 MGD. Mr. Anderson reviewed a historical graph showing the surface water storage volume for the past 5 years. The lowest volume for the year was 2.72 BG when we started the pumps on June 19th. Through July 19th we had reached 4.86 BG and as of today we are at 5.75 BG. In 60 days we replaced approximately 3 BG in the reservoir, with around 800,000 more to go before we reach full.

The ASR system is currently being recharged. As of July 19th ASR we reached 5.65 BG and as of this morning we were right around 5.80 BG. The ASR target volume is 7.0 BG.

Mr. Anderson showed a graphic of current water storage conditions. Both systems measured 10.51 BG as of July 19th. Today’s storage is approximately 11.55 BG and water quality remains good.

Mr. Anderson said the Authority and its customers have about 105 MGD in average day production capacity. In June, 23.4 MGD was delivered by the Authority and 42 MGD was produced by Authority customers for a total regional production of 65.5 MGD. Of that, about 3.5 MGD was delivered by Manatee County to non-Authority customers, making the total water demand for Authority Customers to 62 MGD for the month.

Mr. Anderson reviewed the current demand and supply conditions for each of the members/customers for the month of April including their twelve-month rolling average and historical annual average usage. Authority members continue to account for about 68% of the region's demand.

Mr. Anderson explained the regional demand and water usage.

Commissioner Maio asked for clarification on the ups and downs on the shown graphics – and confirmation that the system works just as planned dry season & wet season.

Mr. Anderson stated that yes; the system is designed to rely on surface water (Peace River). When that surface water is not available we have reservoir storage as well as aquifer storage and recovery to augment supplies during the dry season.

Commissioner Benac stated that the flows on the Peace River are obviously what allow us to withdrawal water off of the river, and asked for confirmation on the current state of the river flow.

Mr. Anderson referred to the River Flows graphic and explained that the red line shows the minimum flow that we can take water, which is 130 CSF in the river. Anything above that amount allows us to withdrawal a certain percentage of that water. As the river flows increase so does the amount of water we are allowed to withdrawal, up to a certain maximum capacity.

2. Peace River Facility WUP Modification - Update

Mr. Coates presented an update on the Peace River Facility's Water Use Permit Modification for the Board's information.

Mr. Coates explained that we are able to withdraw water as outlined on the withdrawal schedule in our Water Use Permit. That schedule is based on the Minimum Flows and Levels that SWFWMD established in 2010 for the Lower Peace River and is very well tuned to the facilities and the contractual water allocations we have today. However, regional demand is projected to grow significantly in the next 30 to 50 years and supply capacity will need to be increased. The expiration for the Peace River Facility's current Water Use Permit is October 2037.

Mr. Coates showed a graphic outlining the proposed changes as directed by the Board in February. He stated that a meeting was had in early May with SWFWMD staff to discuss our intent to renew the WUP and to talk about the permit changes the Authority will be requesting, and receive feedback on the information the District would be expecting to be submitted to support our application.

The estimated project time-line has the permit application documents completed and submitted to SWFWMD in September. The process of application review, request & submittal of additional information and SWFWMD final agency action is expected to require about 6 months. If all goes as planned, we would have a new permit in early calendar year 2018.

Commissioner Maio acknowledged that the Board gave the Authority and the consultant an awfully aggressive schedule for this project, and offered thanks for handling and adhering to this so well

3. Orange Hammock Ranch Conservation- Update

Mr. Lehman presented an update for the Board's information and recognized Christine Johnson of the Conservation Foundation and former Sarasota County Commissioner Nora Patterson in the audience and thanked them for their continued involvement through this process.

The Orange Hammock Property is located in southeastern Sarasota County within the limits of the City of North Port. The property is undeveloped and abuts the western boundary of the RV Griffin Reserve. One of the key considerations for the acquisition of this property is that it provides an environmental buffer to the RV Griffin Reserve and opportunity for restoration and mitigation for water supply expansion on the RV Griffin Reserve. The Authority Board sent a letter of support for the purchase of OHR and adopted a fact-sheet identifying potential water supply and water management benefits for acquisition and preservation of OHR at their meeting on June 1, 2016.

Mr. Lehman stated that SWFWMD, as the lead negotiator, continues to work with Sarasota County and others in collaboration on exploring funding sources and options to acquire the OHR. An offer letter to purchase the property in the amount of \$18M was sent to the OHR owner's and in April, a letter was received from the OHR owners' representative with a counter-offer of a cash purchase in the amount of \$22M with a closing date of September 30, 2017. Negotiations remain on-going for the acquisition of OHR and include discussions on a potential surplus of approximately 875 acres.

Mr. Lehman looked to the Board for discussion & direction to confirm that the Authority staff is speaking on the behalf of the Board in their continued participation in the acquisition of OHR.

Commissioner Doherty stated that the recommended plan of action looks very reasonable and asked if there is conceptual restoration plan prepared for Orange Hammock and if so, has it been reviewed by the SWFWMD.

Mr. Lehman said that this plan has been supplied to the SWFWMD, but there has been no formal review at the Board level. Discussions have been had with the staff surrounding this; the existing R.V. Griffin Reserve management plan works and they are very interested in duplicating this on OHR.

Commissioner Doherty asked if, when looking at the map of OHR, is the plan for these future facilities to be placed south-westerly. Or, will you look at all options for this.

Mr. Lehman responded that we will consider all options and look at the plus & minuses that impede on mitigation. Currently this plan is very high level – is this possible? Then we will move on to the next step.

Commissioner Doherty stated that anything associated with the cost of restorations should be deferred until we start looking at developing the new reservoir, and that these discussions not be included in the scope of what is being drafted at this time.

Commissioner Maio asked Mr. Lehman if the direction from the Board he is looking for is the confirmation of a general consensus that yes, the Authority should continue to move forward with these efforts.

Mr. Lehman confirmed that this was the case, and asked that there be a formal consensus so that staff has firm direction.

General consensus was provided unanimously.

4. SWFWMD Cooperative Funding Initiative Policy Revision

Mr. Coates presented a status update on the SWFWMD Cooperative Funding Initiative Policy Revision efforts for the Board's information.

A PowerPoint presentation outlining revisions to the SWFWMD co-funding policy was shown by Mr. Coates. These revisions were adopted by SWFWMDs governing Board at their meeting in late June.

Commissioner Benac asked if Mr. Coates or Mr. Manson knew how far back the Basin Board was eliminated.

Mr. Manson responded that the Basin Board was eliminated around the year 2010.

5. State Water Project Funding for Partially Treated ASR Project- Discussion

Mr. Coates gave a presentation on the potential State Water Project funding request for the partially treated water ASR project that the Authority is currently pilot testing at the Peace River Facility. Mr. Coates stated that this project was discussed with the Board back in the spring of 2016, and showed presentation slides outlining key points as to provide a background on the project.

The state legislative session starts in January 2018. Senate President Joe Negron has released the senate schedule for interim committee weeks to begin the week of September 11, 2017 and continuing through the week of December 4, 2017. It is also expected that the respective county delegation meetings will be held as early as September.

This project is included in our 5-year CIP at a total cost of a little under \$8M and was submitted last October for SWFWMD FY 2018 co-funding and ranked high. The District is working on a co-funding agreement. Assuming we move forward based on the pilot testing, we expect to be in preliminary design and permitting for most of FY 2018 with final design and construction in FY 2019 through FY 2020.

Mr. Coates stated that given the short period of time before delegation meetings and start of legislative committee meetings, staff requests Board discussion and direction for soliciting legislative sponsors and presenting to the delegations request for funding for the Partially Treated Raw Water ASR Project.

Commissioner Doherty asked if there were any recommendations legality wise from Diane Salz regarding door knocking in Tallahassee.

Commissioner Maio agreed and asked Mr. Coates to possibly provide a one page fact sheet that can be left behind after meetings with all the counties. This will help the Board do whatever it is they can do with State Representatives for the Authority.

Mr. Lehman stated that there was not just one, but three co-sponsors last year and the more legislators that we can solicit the better off we will be.

GENERAL COUNSEL'S REPORT

Mr. Manson had nothing to report.

EXECUTIVE DIRECTOR'S REPORT

Mr. Lehman introduced new Authority employee, Rachel Kersten to the Board. She will be taking over the Board duties and interacting with the Board members and their assistants.

1. Schedule Workshop and Change of Venue for October 4, 2017 Board Meeting

Mr. Lehman presented the recommendation to schedule a workshop in conjunction with the regularly

scheduled Board Meeting for October 4, 2017. The purpose of the workshop is to conduct a 'Water 101' session detailing the Authority's governing document, policies and procedures. Mr. Lehman also recommended that the venue be changed from the Manatee County Commission Chambers to Lakewood Ranch Town Hall located to better facilitate the workshop meeting format.

Commissioner Benac asked if a motion was needed for a request of this nature.

Mr. Lehman stated yes, he would be most comfortable with a motion for this matter.

Motion was made by Commissioner Benac, seconded by Commissioner Doherty, to approve the change of location & addition of the workshop for the October 4th meeting. Motion was approved unanimously.

ROUTINE STATUS REPORTS

1. Hydrologic Conditions Report
2. Check Registers for May and June 2017
3. Regional Integrated Loop System Phase 1 Interconnect Project [U.S. 17 to Punta Gorda]
4. Regional Integrated Loop System Phase 3b Interconnect [S.R. 681 to Clark Road]
5. Partially Treated Water Aquifer Storage & Recovery Pilot Testing
6. Peace River Basin Report

BOARD MEMBER COMMENTS

Commissioner Langford welcomed Commissioner Doherty to the Board on behalf of all members.

PUBLIC COMMENTS

There were no public comments.

ANNOUNCEMENTS

Next Authority Board Meeting and Workshop

October 4, 2017 @ 9:30 a.m.

Lakewood Ranch Town Hall

Town Hall Salon B/C

8175 Lakewood Ranch Blvd., Lakewood Ranch, FL

Future Authority Board Meetings

December 6, 2017 @ 9:30 a.m. – DeSoto County Administration Building, Arcadia, Florida

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 11:01 a.m.



Commissioner Alan Maio
Chairman