

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

May 29, 2019 @ 9:30 a.m.

Board Members Present:

Commissioner Elton Langford, DeSoto County, Chairman
Commissioner Ken Doherty, Charlotte County, Vice Chairman
Commissioner Alan Maio, Sarasota County
Commissioner Priscilla Trace, Manatee County

Staff Present

Patrick Lehman, Executive Director
Doug Manson, General Counsel
Mike Coates, Deputy Director
Ann Lee, Finance & Administration Manager
Richard Anderson, System Operations Manager
Terri Holcomb, Senior Engineer
Rachel Kersten, Agency Clerk

Others Present:

A list of others presents who signed the attendance roster for this meeting is filed with the permanent records of the Authority.

CALL TO ORDER

Commissioner Langford called the meeting to order at 9:30 a.m.

Commissioner Langford recognized Mr. Lehman who eulogized Zach Morris, son of Kevin Morris, who recently died in a tragic vehicle accident.

INVOCATION

Commissioner Langford offered the invocation.

PLEDGE OF ALLEGIANCE

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

WELCOME GUESTS

Welcoming remarks were made by Sarasota County Deputy Administrator, Steve Botelho

PUBLIC COMMENTS

No public comments were made.

RESOLUTIONS/PRESENTATIONS**1. Recognition of Ann Lee designation as Certified Government Finance Officer by the Florida Government Finance Officers Association**

Mr. Lehman recognized Authority Finance & Administration Manager Ann Lee on her successful completion of the requirements to be designated as a 'Certified Government Finance Officer' (CGFO) by the Florida Government Finance Officers Association.

CONSENT AGENDA

Commissioner Doherty requested Consent Item 7 be removed for discussion.

1. **Approve Minutes of April 3, 2019 Board of Directors Meeting.**
2. **Approve Minutes of April 3, 2019 Board Workshop.**
3. **Set a Public Hearing for FY 2020 Budget for July 31, 2019 at 9:30 a.m., DeSoto County Administration Building, Commission Chambers, First Floor, 201 East Oak Street, Arcadia, Florida**
4. **Receive and File Authority Financial Reports:**
 - a. **Mid-Year Financial Report for FY 2019**
 - b. **Semi-Annual Investment Report [March 31, 2019]**
5. **Approve One Year Extension to Agreement for Financial Advisory Services with First Southwest Company, a Division of Hilltop Securities, Inc. through July 31, 2020.**
6. **Approve One Year Extension to Agreement for Investment Banking Services with Citigroup Global Markets, Inc. through July 31, 2020.**

Motion was made by Commissioner Trace, seconded by Commissioner Doherty, to approve the Consent Agenda, with the exception of Item 7. Motion was approved unanimously.

7. Change Order No. 1 for Marine Contracting Group Inc. for 'Phase 2 River Intake Dredge Project'

Commissioner Doherty asked for clarification on the quantities for the additional dredging required and confirmation on the time extension included in this Change Order.

Mr. Coates confirmed that the Change Order being recommended for Board Approval will allow for additional dredging of up to 3,000 cubic yards and does add a time extension of 21 calendar days to the contract. The additional dredging will be paid for from the Owners Allowance so no change in contract price is included in the Change Order.

Motion was made by Commissioner Doherty, seconded by Commissioner Trace to approve Consent Item 7, Change Order No. 1 to the agreement with Marine Contracting Group Inc. for 'Phase 2 River Intake Dredge Project' to add additional time for additional work to be performed. Motion was approved unanimously.

REGULAR AGENDA

1. Water Supply Conditions – Staff Presentation

Richard Anderson presented the Water Supply Conditions at the Peace River Facility as of May 14, 2019.

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

May Water Demand	26.05 MGD
May River Withdrawals	0.00 MGD
<u>Storage Volume:</u>	
Reservoirs	5.78 BG
ASR	<u>7.81 BG</u>
Total	13.59 BG

Mr. Anderson also reviewed the current demand and supply for each of the members/customers for the month of April 2019 and the cumulative historical annual average usage of the region.

2. ‘Integrated Regional Water Supply Plan 2020’ Update – Staff Presentation

Terri Holcomb provided the Board with a status update on the Authority’s Integrated Regional Water Supply Plan 2020 Project.

Commissioner Doherty asked Ms. Holcomb if the existing water supply sources data included in her presentation consisted of current Authority customers and members only.

Ms. Holcomb stated that yes, only current Authority customers and members are included in those numbers.

Commissioner Doherty asked if there had been any follow up on the board workshop discussion that occurred about keeping track of the systems outside of our current customers and members, their capacities, possible future supply needs, and so forth.

Mr. Lehman stated that yes, the Authority is utilizing data from the annual water use and capacities reports that are submitted to SWFWMD. As for our contact with the surrounding primary municipality run facilities - we have had discussions with the City of Venice as of late and they are proposing upgrading their current facility; As you know, we are of course currently working with Punta Gorda and their pipeline is currently under construction; We have not had direct discussions with the City of Bradenton or the City of Sarasota as they are both interconnected through their member host counties; and Englewood does also have an interconnection with Charlotte County.

Commissioner Doherty commented that based on this, he would say that all of the customers in the region are safe from the standpoint that if their individual supplies were to go down, the Authority has the interconnecting capabilities to assist them.

Mr. Lehman replied that yes, but under emergency conditions and not to normal operation conditions.

Ms. Holcomb added that the Authority's Integrated Regional Water Supply Plan does cover those additional entities and their capacities and facilities. And as part of the regional transmission system evaluation, we will look at those interconnections and being able to will water through about 13 different emergency scenarios.

Commissioner Maio commented that, at least in Sarasota County, he knows that there is a potential program that could occur within the next couple of years for converting septic to sewer. Currently there are 40,000 septic tanks still in Sarasota County with a population of almost 130,000 people. It would be likely to presume that when those sewer conversions start happening, water is also going to be put in at the same time. This is not something that is imminent, but then in one case, we have already converted a little over 10,000 septic systems in Phillippe Creek. Commissioner Maio suggested that when reviewing the projection numbers from Sarasota County specifically, Authority staff may want to ask the utilities department if those program projections have been included in there.

3. Adopt 5-Year Capital Improvement Plan (CIP) and 20-Capital Year Needs Assessment (CNA)

Mike Coates delivered the 5-year CIP and 20-year CNA presentation and recommend that the Authority Board adopt the 5-Year Capital Improvement Plan (CIP) and 20-Year Capital Needs Assessment (CNA) as supplemental information important to development of the Fiscal Year 2020 Budget.

Commissioner Doherty referenced the transmission improvements project schedule slide from the presentation and asked Mr. Coates if the T4 Replace Kings Highway 24-inch pipeline due to road widening project had been shifted down on the timeline.

Mr. Coates confirmed that the Kings Highway pipeline replacement project has been moved out in time from the last Capital Improvements Program because the DOT does not have the funds available to expand King's Highway at this time. Mr. Coates stated that any of these projects may shift in time. The 2020 update of the Master Water Supply Plan will update us on the timing for these projects.

Commissioner Maio commented that it is good to know that our staff has followed Board direction in that there has been no slowdown in the progress towards and planning for reservoir number three. Commissioner Maio stated that this was captured perfectly in the presentation and thanked the Authority staff for their work.

Motion was made by Commissioner Doherty, seconded by Commissioner Trace to adopt the 5 Year Capital Improvement Plan (CIP) and 20 Year Capital Needs Assessment (CNA) for the Period 2020 – 2039 for inclusion as supplemental information with the upcoming FY 2020 Budget. Motion was approved unanimously.

4. System-Wide Benefit Projects

Mr. Coates reviewed the proposed definition and funding mechanism for System-Wide Benefit Projects in the Tentative 2020 Budget.

Commissioner Doherty requested clarification on the line included in the proposed definition reading "System-Wide Benefit Projects funding will be project specific as approved by the Board". As he understands it, this will allow each county member the option to take care of their own financing for their contribution on a project by project basis.

Mr. Coates stated that yes, members will have the flexibility to make their financing arrangements on any of the Board approved System-Wide Benefit Projects. It would be preferable to handle this on an annual

basis as the project costs may change with time, and Authority staff will meet with the member county administrators and their budget directors to work out those types of details.

Commissioner Maio commented that while it seems like we went through this very quickly, this item represents an awful lot of hard work between the Authority Staff, our personal County staffs, and it is a real step forward in understanding our member partner in Manatee County. This is designed perfectly and it gives us the flexibility.

Motion was made by Commissioner Maio, seconded by Commissioner Doherty to adopt the new category of ‘System-Wide Benefit Projects’ as part of the Authority’s Capital Improvements Plan and Capital Needs Assessment. Motion was approved unanimously.

5. Legislative Session Wrap-Up

Diane Salz, Governmental Consultant for the Authority provided an update on results of the recently completed 2019 legislative session relative to the items on the Authority Board priorities list.

TENTATIVE BUDGET FOR FY 2020

1. Tentative Budget for FY 2020

In accordance with the ‘Second Amended Interlocal Agreement Creating the Peace River Manasota Regional Water Supply Authority’, Patrick Lehman presented the Authority’s proposed Tentative Budget for FY 2020 in the amount of \$61,859,484.

The Tentative Budget for FY 2020 will be posted on the Authority’s website and distributed for continued review by Authority members, customers and the public. A public hearing will be scheduled at which time the Board will adopt the final budget during a regularly scheduled meeting.

Commissioner Doherty referenced the budget cost analysis chart included in Mr. Lehman’s presentation, and asked for clarification on what is creating the approximate \$250,000 difference between the proposed tentative budget total of \$61,609,484 listed here and the actual proposed tentative budget total of \$61,859,484.

Commissioner Maio asked if he could offer the thought that this is a \$250,000 difference that could very well just be our step up and let’s get going on the third reservoir.

Mr. Lehman stated that there looks to be an error in the on the budget cost analysis presentation slide, but the actual proposed tentative budget total of \$61,859,484 was correct.

Commissioner Maio commented that for those members of the public that watch these meetings, this would be a point where we really need to take notice of our Staffs and acknowledge what they have accomplished for us, not just in this moment, but especially in this moment.

We have always professed that we have ample supplies of award-winning drinking water for 20 years. Now with the 50-year permit and the construction of that third reservoir, we are going to kick this out to 50 years. This is an absolutely amazing accomplishment. Commissioner Maio continued that for those who want to simplistically highlight “they raise the water rates”, he would also like to add that water rates were raised no more than \$0.08 per month for a typical residential customer.

Motion was made by Commissioner Doherty, seconded by Commissioner Trace to approve the Tentative Budget for FY 2020 in the amount of \$61,859,484. Motion was approved unanimously.

2. Resolution 2019-04 ‘Resolution Setting Forth Preliminary Schedules of Rates, Fees and Charges for FY 2020’

Mr. Lehman presented and recommended approval of Resolution 2019-04 which formalizes the Board’s adoption of the Tentative Budget for FY 2020, establishes its intent to set rates, fees and charges based upon the tentative budget.

Motion was made by Commissioner Doherty, seconded by Commissioner Maio to approve Resolution 2019-04 ‘Resolution Setting Forth Preliminary Schedules of Rates, Fees and Charges for FY 2020’. Motion was approved unanimously.

GENERAL COUNSEL’S REPORT

Mr. Manson presented this status report for the Board’s information.

EXECUTIVE DIRECTOR’S REPORT

Mr. Lehman presented this status report for the Board’s information.

ROUTINE STATUS REPORTS

There were no Board comments on routine status reports.

BOARD MEMBER COMMENTS

There were no additional Board member comments.

PUBLIC COMMENTS

There were no additional public comments.

ANNOUNCEMENTS

Chairman Langford announced the following:

Next Authority Board Meeting & Public Hearing for FY 2020 Budget

Wednesday, July 31, 2019 @ 9:30 a.m.
DeSoto County Administration Building
Commission Chambers, First Floor
201 East Oak Street, Arcadia, Florida

Future Authority Board Meeting

October 2, 2019 @ 9:30 a.m. - Charlotte County
December 4, 2019 @ 9:30 a.m. - Manatee County

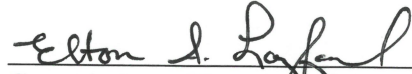
ADJOURNEMENT

There being no further business to come before the Board, the meeting adjourned at 10:58 a.m.

BOARD APPROVED

JUL 31 2019

**Peace River Manasota
Regional Water Supply Authority**



Commissioner Elton A. Langford
Chairman