

Minutes of Board of Directors Meeting
PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY
Desoto County Administrative Building
Commission Chambers, First Floor
201 East Oak Street, Arcadia, Florida

April 12, 2017

Board Members Present:

Commissioner Alan Maio, Sarasota County, Chairman
Commissioner Elton A. Langford, DeSoto County, Vice Chairman
Commissioner Betsy Benac, Manatee County
Commissioner Christopher G. Constance, Charlotte County

Staff Present:

Patrick Lehman, Executive Director
Doug Manson, General Counsel
Kevin Morris, Science and Technology Officer
Richard Anderson, System Operations Manager
Ford Ritz, Project Engineer
Samuel Stone, Land and Environmental Services Manager
Linda Burk, Administrative Secretary
Shalina Odegard, Environmental Specialist
Adam Smart, Water Plant Operator
Jessica Benson, Agency Clerk

BOARD APPROVED

JUN - 7 2017

**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 Maio recognized Charlotte County Commissioner Ken Doherty, North Port Commissioner Debbie McDowell, Charlotte County Assistant Administrator Hector Flores, and Sarasota County Assistant Administrator Jonathan Lewis.

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE

Led by the Board

PUBLIC COMMENTS

There were no public comments.

HOST COUNTY ADMINISTRATOR REMARKS

County Administrator Mandy Hines welcomed guests and provided opening remarks.

RESOLUTIONS/PRESENTATIONS

1. Recognition of Commissioner Constance for his service as Chair for 2016

Commissioner Maio presented Commissioner Constance with a plaque recognizing him for his service as Chairman of the Authority Board of Directors for 2016.

2. Employee Service Recognition

Employees recognized for their service were Shalina Odegard, Linda Burk, and Adam Smart.

3. Video Awards

Mr. Lehman announced that the following awards were received for the video prepared for the silver anniversary celebration last year.

| Organization | Award | Title |
|--|--|--|
| Academy of Interactive Visual Arts | 2016 Davey Award Silver Winner | <i>'Silver Anniversary Video Public Education'</i> |
| Association of Marketing Professionals | 2016 Videographer Awards Award of Distinction | <i>'Silver Anniversary Story'</i> |
| Association of Marketing Professionals | 2016 MarCom Awards Honorable Mention | <i>'Silver Anniversary Communication'</i> |
| Academy of Interactive Visual Arts | 2016 W3 Award Silver Winner | <i>'25th Anniversary Video'</i> |
| Academy of Interactive Visual Arts | 2016 W3 Award Silver Winner | <i>'OurCommunityWater.com'</i> |

TENTATIVE BUDGET FOR FY 2018

1. Tentative Budget for FY 2018

Mr. Lehman presented the proposed tentative budget for FY 2018 in the amount of \$49,411,364. The proposed budget has been discussed with the member/customers' staff and administrators. Mr. Lehman said the tentative budget is available for public review on the Authority's website at www.regionalwater.org along with the supporting documentation. The final budget will be schedule for adoption at a public hearing to be held at the regular scheduled Board Meeting on August 2, 2017.

The budget is prepared in accordance with the Authority governing documents, bond documents, budget policies and strategic plan. The budget upholds the obligatory requirement noted below:

- Meet MWSC obligations [34.7 MGD]
- Meet Customer demands projections [31 MGD]
- Plan long term water demands
- Efficient and effective Operations
- Investment in infrastructure
- Maintain financial stability/bond rating
- Maintain reasonable water rates:
 - ✓ Next fiscal year FY 2018
 - ✓ Near-term [2-5 years]
 - ✓ Long term [5-20 years]

Mr. Lehman went over the factors that will impact the budget preparation which are summarized below:

- Costs consistent with increased water demand
- Staffing
 - ✓ Personnel compensation increase budgeted at 4% [comparable to members]
 - ✓ Health Insurance increase budgeted at 5%
 - ✓ One new staff position [increase from 47 to 48 FTE]
- Project engineer/manager position
- Increase in FPL electric rates (13%)
- Prioritize R&R funding to maintain infrastructure
- Reflects grant funds for CIP projects for Customers savings

Mr. Lehman said the Authority is an enterprise fund based on user pay and is divided into two functional areas: (1) Administrative and (2) Facilities. The proposed budget is an increase of \$ 5.5M from the current FY 2017 budget. Most of the increase will go to CIP for on-going pipeline projects.

Mr. Lehman reviewed the breakdown of water allocation, expenditures, and available funds. He also explained how the water rate was established and its components. He highlighted that the base rate over the past five years had increased only 1%, while the water use charge has stayed the same. Mr. Lehman also reviewed the member fees and customer planning assessment.

Commissioner Constance asked if base rate is based on allocation or usage. Mr. Lehman said the fixed part of it is based on allocation and the debt service included in the base rate is based on the participation by project by each respective customer.

Mr. Lehman said the Authority will continue to review the proposed budget with members, staff, external agencies, and come back with a final budget and public hearing at the August board meeting.

Mr. Lehman went over each member annual base rate. Commissioner Constance asked about decrease from 2014 and 2015 based rate. Mr. Lehman said it was a result of debt restructure.

Commissioner Maio said he co-signed the checks and the FPL check has increase up to \$122,000 a month. Commissioner Maio said that 13% increase is dramatic.

Commissioner Benac asked about how the capital improvement funding works. Mr. Lehman said the 5-year CIP in the budget is a planning tool and allocates money only for FY 2018.

Motion was made by Commissioner Langford, seconded by Commissioner Constance, to approve Tentative Budget for FY 2018 in the amount of \$49,411.364. Motion was approved unanimously.

2. Resolution 2017-01 'Resolution Setting Forth Preliminary Schedules of Rates, Fees, and Changes for FY 2018'

Motion was made by Commissioner Constance, seconded by Commissioner Langford, to approve Resolution 2017-01 'Resolution Setting Forth Preliminary Schedules of Rates, Fees, and Charges for FY 2018'. Motion was approved unanimously.

CONSENT AGENDA

1. Minutes of February 1, 2017 Board of Directors Meeting
2. Resolution 2017-02 'Recognition of the Month of April as Water Conservation Month'
3. Resolution 2017-03 'Recognition of National Drinking Water Week'
4. Award Contracts for Purchase of Water Treatment Chemicals
5. Novation of Contract from MWH Americas, Inc., to Stantec Consulting Services, Inc.
6. Approve Work Order to Janicki Environmental for HBMP 2016 Comprehensive Summary Report
7. Ratify Authorization for Emergency Repair of ASR-To-Raw Water Interconnect Piping
8. Administrative Office Lease [REMOVED FOR DISCUSSION]

Motion was made by Commissioner Langford, seconded by Commissioner Constance, to approve the consent agenda, with the exception of Items 8. Motion was approved unanimously.

Item 8 of the consent agenda was removed for further discussion. Commissioner Constance said the lease went from 5-year to 3-year term with 3-year renewal option. He stated that the lease is to be brought back to the board prior to the lease renewal notification requirement of April 2019 for board consideration.

Motion was made by Commissioner Constance, seconded by Commissioner Benac, to approve and Authorize Executive Director to execute 3-year lease with 3-year renewal option for Administrative office at 9415 Town Center Parkway, Lakewood Ranch, FL and direct staff to bring back to the Board notice to renew or opt out of renewal option no later than February 2019. Motion was approved unanimously.

REGULAR AGENDA

1. Water Supply Conditions – Staff Presentation

Mr. Anderson presented Water Supply Conditions at the Peace River Facility as of March 26, 2017.

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

| | |
|-------------------------|----------------|
| March Water Demand | 29.75 MGD |
| March River Withdrawals | 2.49 MGD |
| <u>Storage Volume:</u> | |
| Reservoirs | 3.89 BG |
| ASR | <u>6.55 BG</u> |
| Total | 10.44 BG |

The region is very dry with below average rainfall for the past ten month. There were no withdrawals in the month of April and half of March. River withdrawal this period was 2.5 MGD in March and 10 MGD in February. Surface water storage is at 3.89 BG and there is 6.55 BG in the ASR system. Water quality and water quantity is excellent.

Commissioner Constance asked how much can be taken form the river per day. Mr. Anderson said 120 MGD. Commissioner Constance asked why in July 2012 the withdrawals were high.

Mr. Anderson said in July 2012, the Authority was withdrawing 100 MGD to refill the reservoir.

For the region, Mr. Anderson said the Authority and its customers maintain 105 MGD of finished water supply capacity. For the month of February, the Authority produced about 29.7 MGD and the member utilities produced 44.3 MGD for a total regional use of 74.0 MGD which is about 71% of the region’s capacity.

Mr. Anderson reviewed the current demand and supply conditions for each of the members/customers for the month of February including their twelve-month rolling average and historical annual average usage. Authority members continue to account for about 75% of the region’s demand.

Mr. Anderson explained the regional demand and water usage.

Commissioner Constance asked if 2015 was the latest report from the region. Mr. Anderson said 2015 is the latest information SWFWMD had.

2. Strategic Plan Implementation Process

John Shearer facilitated the Strategic Plan Implementation Process with the Authority and its members. Mr. Shearer presented the Strategic Plan and draft implementation plan to Authority members’ respective BOCCs for comment.

| County Commission | Date Presented |
|-------------------|-------------------|
| DeSoto County | February 28, 2017 |
| Charlotte County | March 14, 2017 |
| Sarasota County | March 22, 2017 |
| Manatee County | April 4, 2017 |

As a result of feedback from the presentations, a recommended edit is as follows:

Financial Stability, Object 2-5:
 Initiative 2. Establish a CIP reserve fund for non-R&R, ~~“Uniform Rate”~~ CIP Authority projects in 2018.

Commissioner Constance asked if this change was a grammatical change only and asked if CIP reserves funds for non –R&R refers to CIP projects. Mr. Shearer said yes.

Motion was made by Commissioner Constance, seconded by Commissioner Langford, to approve Strategic Plan Implementation Goals and Objectives. Motion was approved unanimously.

3. Alternative Energy Investigation for the Peace River Facility

Mr. Morris presented an alternative energy investigation for the Peace River Facility. He said the top 6 energy consumption activity at the Peace River facility involves pumping and accounts for 82% of the energy budget.

He provided information about large solar energy installation in Florida and explained what the Authority would need to fulfill the energy demand of 2.8 MW. It would require 11.2 MW installed capacity, 56 acres of land, and \$14-\$17 million in capital cost. Mr. Morris pointed out the payback analysis is complex.

Commissioner Benac said she worked on a solar field with Manatee County and said land it was a huge commitment. Commissioner Benac asked that how factor was that calculated on the analysis presented.

Commissioner Constance said 8 years ago a study was done for the Authority which identified areas that can be used for this purpose.

Commissioner Benac said in Manatee County solar power facilities were done in conjunction with power companies existing power plants. She said this was a factor to be considered.

Commissioner Langford said maintenance is a factor to consider and he added technology should get better and the Authority should continue to look into solar power.

Commissioner Benac said there is not such a thing as free solar energy, Manatee County had partnered with FPL in order to install the solar plant.

Commissioner Maio said there was a consensus with the board member to keep investigating and give reports to the board with updates on solar power.

GENERAL COUNSEL'S REPORT

Mr. Manson had nothing to report.

EXECUTIVE DIRECTOR'S REPORT

Mr. Lehman reported that SWFWMD was having their cooperative funding meeting and the Authority had four requests in for pipelines.

At the state level, Mr. Lehman reported that the proposed senate budget included the Authority with \$100,000 for water project funding.

ROUTINE STATUS REPORTS

1. **Hydrologic Conditions Report**
2. **Check Registers for January and February 2017**
3. **Regional Integrated Loop System Phase 1 Interconnect Project [U.S. 17 to Punta Gorda]**
4. **Regional Integrated Loop System Phase 3B Interconnect Project [SR 681 to Clark Road]**
5. **Partially Treated Water Aquifer Storage & Recovery Pilot Testing**
6. **Peace River Facility Water Use Permit Modification/Renewal**
7. **Peace River Basin Report**

BOARD MEMBER COMMENTS

Commissioner Maio said he wanted to be updated on water withdraws.

Commissioner Langford thanked everyone for coming to Desoto County.

PUBLIC COMMENTS

There were not public comments.

ANNOUNCEMENTS

Friends of Peace Water, Inc. Annual BBQ

Friday, May 19, 2017 @ 11:30 - Peace River Facility

Next Authority Board Meeting

Wednesday, June 7, 2017 @ 9:30 a.m.

Charlotte County Administration Center

Port Charlotte, Florida

Future Authority Board Meetings

August 2, 2017 @ 9:30 a.m. – Sarasota County Administration Center, Sarasota, Florida

October 4, 2017 @ 9:30 a.m. – Manatee County Administrative Center, Bradenton, Florida

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 11:17 a.m.



Commissioner Alan Maio

Chairman

BOARD APPROVED

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