

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 (Kings Highway), Arcadia, Florida

February 1, 2017

Board Members Present:

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

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
Ford Ritz, Project Engineer
Jessica Benson, 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 Constance recognized Charlotte County Commissioner Ken Doherty, North Port Commissioner Debbie McDowell, Charlotte County Assistant Administrator Hector Flores, and Sarasota County Assistant Administrator Jonathan Evans.

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE

Led by the Board

Commissioner Constance expressed his appreciation of the recent Water Forum hosted by the Authority and the recognition of the Authority as a leader in the state.

PUBLIC COMMENTS

There were no public comments.

ELECTION OF OFFICERS

Doug Manson, General Counsel, conducted the election of officers and opened the floor for nominations.

Commissioner Langford nominated Commissioner Maio for Chairman. Commissioner Constance seconded the nomination and move to close nominations. Motion was approved unanimously.

Nomination of Commissioner Maio for Chairman was approved unanimously.

Commissioner Constance nominated Commissioner Langford for Vice-Chairman. Commissioner Benac seconded the nomination and move to close nominations. Motion was approved unanimously.

Nomination of Commissioner Langford for Vice-Chairman was approved unanimously.

Commissioner Maio was passed the gavel assumed the Chairman position.

CONSENT AGENDA

- 1. Minutes of December 7, 2016 Board of Directors Meeting**
- 2. Year-End Financial Status and Semi-Annual Investment Reports for FY 2016**
 - a. Receive and File Year-End Financial Status Report for FY 2016**
 - b. Receive and File ‘Semi-Annual Investment Report’ [September 30, 2106]**
- 3. Property Insurance Renewal for Authority Facilities**
- 4. Administrative Office Lease Renewal [REMOVED FOR DISCUSSION]**
- 5. Settlement Agreement and General Release (PRMRWSA and former employee)**
- 6. Letter of Appreciation to Michael Moran for Service on the SWFWMD Governing Board**

Motion was made by Commissioner Langford, seconded by Commissioner Constance, to approve the Consent Agenda, with the exception of Items 4. Motion was approved unanimously.

Commissioner Constance asked to pull Item 4 for further discussion. Commissioner Constance wanted to understand the need for 7,500 sq. ft. of the Authority’s office space. He said most of the space is used for storage and there were office rarely occupied such as the office designated for Legal Counsel.

Mr. Lehman clarified none of the administrative staff is located in the water treatment facilities and added that operations and administration buildings were in different location for all member counties. Mr. Lehman said the Authority downsized the Administrative Office space five years ago. The office is centrally located to the four counties and SWFWMD offices. The need for the space houses ten employees in the administrative office, records retention (per statue requirements), engineering files and work area and conference/meeting rooms.

Commissioner Constance asked how often the Authority accessed the records.

Mr. Lehman said employees could find specific information for future projects any time and he accessed the records to provide the board with this information regarding the lease and office space.

Commissioner Constance said he had an issue with the material presented. The market study only included office comparisons with the same square footage as the current office and there was not an option of a smaller space. He suggested 2,500 sq. ft. office space and store record in another location. Commissioner Constance asked how often legal counsel used the office.

Mr. Mason said his staff went on an average of once a week.

Commissioner Benac asked if the records were being digitized or if there were plans to do so. Commissioner Constance said to lease a smaller office and start digitizing right now. He suggested to

postpone this item to next board meeting and try to get a better look and provide information for a smaller office in the same location.

Mr. Maio asked about going to month by month rent until a decision was made.

Commissioner Langford stated he understood the need of a safe place to keep records and to have access to it right away. He added if it had been working the way it was, there was no need to change. Commissioner Langford was in favor to renew the lease.

Commissioner Constance said he is more interested in digitizing than relocating, expressing that 5 year lease is too long and perhaps a 2 to 3 year lease would be more appropriate.

Commissioner Benac said she didn't have enough information to make a decision and asked if a delay would jeopardize anything.

Ann Lee said the next board meeting was going to be April 12 and the rent would be 50% more in April as per the lease if not renewed. She added the Authority was looking into digitizing in the future. She had to look at the cost of digitizing all the records, cost of the servers, the space, and that process won't be within 1 month. She explained that some files cannot be digitized and it would take couple of years to digitize everything.

Commissioner Maio stated there were unanswered questions and called the question to move the item to the April 12 Board meeting.

Motion was made by Commissioner Constance, seconded by Commissioner Benac, to move Consent Item 4 to next board meeting April 12, 2017. Motion was approved 3 to 1 with Commissioner Langford dissenting.

Commissioner Maio omitted item 6 from the Consent Agenda and asked for a motion.

Motion was made by Commissioner Constance, seconded by Commissioner Langford, to approve Consent Item 6. Motion was approved unanimously.

REGULAR AGENDA

1. Water Supply Conditions – Staff Presentation

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

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

January Water Demand	28.11 MGD
January River Withdrawals	5.51 MGD

<u>Storage Volume:</u>	
Reservoirs	5.36 BG
ASR	<u>6.72 BG</u>
Total	12.08 BG

Rainfall in the Peace River basin has continued to decline since September as well as the river flow. River withdrawal this period was 6.8 MGD in December and 5.5 MGD in January. Surface water storage is at 5.0 BG and there is 6.7 BG in the ASR system. Water quality and water quantity is excellent.

Commissioner Constance asked if the Authority could get the maximum capacity and if there was ever sufficient flow on the river to reach the 120 MGD capacity. Commissioner Constance also asked if the Authority had the pump capacity for that quantity.

Mr. Anderson said the Authority had the capability to reach the maximum capacity if the flows were in the river. In the last couple of years there was not a need to run the pumps to the maximum capacity because the reservoirs were full much of the time and the Authority was able to optimize access to the river flows.

Commissioner Benac asked if the water from ASR system was mixed with the reservoirs to blend and then sent to the treatment plant. She also asked if this process was for quality and quantity purposes.

Mr. Anderson said it was for both purposes the water is blended.

Commissioner Constance asked from an engineered point of view, if it was better to keep the reservoir full all the time.

Mr. Anderson said it was designed to be full for 100 years and there were not going to be any issues if the reservoir was full all the time.

Commissioner Maio pointed out the total storage 11.75 BG was less than last meeting.

For the region, Mr. Anderson said the Authority and its customers maintain close to 105 MGD of finished water. For the month of December, the Authority produced about 28.4 MGD and the member utilities produced 44.7 MGD for a total regional use of 63.5 MGD which is about 66% of the region's capacity.

Mr. Anderson reviewed the current demand and supply conditions for each of the members/customers for the month of October including their twelve-month rolling average and historical annual average usage. Authority members continue to account for about 70% of the region's demand.

Commissioner Benac asked for clarification on deliveries from Manatee County to Sarasota County is shown.

Mr. Anderson pointed out the transfers on the respective slides between the utilities.

2. 'Peace River Manasota Regional Water Supply Authority FY 2016 Financial Statements and Independent Audit Report'

Ms. Ann Lee introduced Tiffany Mangold from the firm of Purvis Gray & Company to go over Authority FY 2016 Financial Statements and Independent Audit Report.

Ms. Mangold said the annual audit of the Authority's financial records for the fiscal was completed for the year ending September 30, 2016. There were no matters involving the internal control over financial reporting or significant deficiencies in operation noted in the audit that would be considered a material weakness. Ms. Mangold explained depreciation to the board which is required to get a better understanding of the financial status and said the Authority is a financially sound organization.

It was recommended to the Board to receive and file the audited financial statements of the Authority for period ending September 30, 2016, pending the changes related to GASB 68.

Motion was made by Commissioner Constance, seconded by Commissioner Langford, to received and file 'Peace River Manasota Regional Water Supply Authority FY 2016 Financial Statement and Independent Audit Report' as submitted by Purvis Gray & Company, pending the changes related to GASB 68. Motion was approved unanimously.

3. Regional Integrated Loop System Phase 1 Interconnect Project [U.S. 17 to Punta Gorda]

- a. Phase 1 Interconnect Project Update**
- b. Basis of Design Report – Receive and File**
- c. Work Order No. 2 'Phase 1 Interconnect Final Design, Permitting and Bid Phase Services' with King Engineering Associates, Inc.**

This item was presented by Ford Ritz. The project consists of installation of approximately 6.3 miles of 24-inch diameter regional transmission main connecting the Authority's DeSoto Regional Transmission pipeline on U.S. 17 near the Walmart Distribution Center, with the City of Punta Gorda Shell Creek Water Treatment Facility in Charlotte County.

Mr. Ritz said King Engineering completed Work Order No. 1 (Preliminary Engineering) for the Phase 1 Interconnect Project and the resulting Basis of Design Report (BODR) was discussed with the Board meeting on December 7, 2016. The BODR included a recommended pipeline route, establishes project requirements (facility capacities, pipe sizes, etc.) and also included the Engineers Opinion of Probable Cost for the project of \$11,960,000 which is in line with the Project budget of \$12,000,000. Estimated Project completion is February 2020.

Mr. Ritz presented Work Order No. 2 for Final Design and Permitting Services for the Phase 1 Project. In conjunction with design and permitting efforts, surveying, corrosion control recommendations, geotechnical work, underground utility coordination, assistance in easement acquisition, and bidding services were also included. Proposed budget for the work is \$1,079,693 which includes \$25,000 owner's allowance for out-of-scope work as authorized by the Executive Director. Mr. Ritz said the timeframe for completion is 23 months.

Commissioner Constance asked where the permits were from.

Mr. Ritz said FDEP for the ERP, USACOE for environmental, State and Local ROW, and FDEP for Potable Water System Construction.

Commissioner Constance asked if this Work Order No. 2 was a not to exceed contract.

Mr. Ritz said it was.

Commissioner Benac asked Mr. Ritz if he knew the latest cost trends for the construction industry.

Mr. Ritz said that the engineers cost estimate for the project had been reviewed with a national contractor who performs this type of utility work and had been verified by the contractor as reasonable.

Motion was made by Commissioner Benac seconded by Commissioner Constance, to receive and file 'Regional Integrated Loop System Phase 1 Basis of Design Report'. Motion was approved unanimously.

Motion was made by Commissioner Benac seconded by Commissioner Langford, to approve and authorize Executive Director to execute Work Order No. 2 'Phase 1 Interconnect Final Design, Permitting and Bid Phase Services' to King Engineering Associates, Inc., for an amount not to exceed \$1,079,693. Motion was approved unanimously.

4. **Regional Integrated Loop System Phase 3B Interconnect Project [SR 681 to Clark Road]**
 - a. **Phase 3B Interconnect Project Update**
 - b. **Basis of Design Report – Receive and File**
 - c. **Work Order No. 2 'Phase 3B Interconnect Final Design, Permitting and Bid Phase Services' with King Engineering Associates, Inc.**

Kevin Morris presented this project which would install approximately 5 miles of 48-inch diameter regional transmission main extending the regional transmission system north from the Preymore Interconnect near the Sarasota County Municipal Solid Waste Facility to SR 72 (Clark Road).

Mr. Morris said King Engineering completed Work Order No. 1 (Preliminary Engineering) for the Phase 3B Interconnect Project and the resulting Basis of Design Report (BODR) for the pipeline portion of the project. The draft BODR recommended a pipeline route and establishes project requirements (facility capacities, pipe sizes, environmental permitting, land requirements, etc.). It also included the Engineers Opinion of Probable Cost for the pipeline portion of the project of \$16.4 million.

King Engineering also recommended including a regional pumping station near the intersection of Fruitville and Lorraine Rd. as part of the project. Mr. Kuzler of King Engineering explained he developed several conceptual plan sites to determine how much land was needed for the pump station. Ten vacant land properties were located in the desired area. He also added, until the pump station site is bought, they could not complete final design.

Commissioner Constance asked if properties were for sale.

Mr. Kuzler said he did not know.

Mr. Morris said this pipeline was funded by Sarasota County through their 'project savings fund', state

funds and SWFWMD grant funds.

Commissioner Benac asked for an explanation on Sarasota project savings funds.

Mr. Lehman said Sarasota saved money from previous projects, funds that there were not utilized. These funds are retained by the Authority and available for this pipeline project.

Work Order No, 2 includes Final Design and Permitting Services for the Phase 3B Pipeline and preliminary engineering for a regional Pump Station near the intersection of Fruitville and Lorraine Roads. In addition, work includes surveying, corrosion control, geotechnical work, utility coordination, and bidding services, and Preliminary Design of a Regional pumping station. The proposed budget is \$1,090,391 and includes \$50,000 Owner's Allowance for any unforeseen out-of-scope work. The timeframe for completion of this work is 23 months.

Commissioner Benac asked Mr. Morris if any kind of coordination was done with the county because Lorain road was under construction.

Mr. Morris said yes.

Commissioner Maio stated his vote would be contingent on the Sarasota BOCC approving the transfer of Project Savings for this work and to incorporate that into the motion. He also suggested looking for the piece of land for the pump station sooner than later.

Commissioner Constance suggested that the process of identifying the piece of property be accelerated in order to purchase it faster.

Motion was made by Commissioner Constance, seconded by Commissioner Langford, to receive and file draft 'Regional Integrated Loop System Phase 3B Interconnect Basis of Design Report'. Motion was approved unanimously

Motion was made by Commissioner Constance, seconded by Commissioner Langford, to approve and authorize Executive Director to execute Work Order No. 2 'Phase 3B Interconnect Final Design, Permitting and Bid Phase Services' to King Engineering Associates, Inc., for an amount not to exceed \$1,090,391 pending approval of Sarasota Project Savings funds. Motion was approved unanimously

Motion was made by Commissioner Constance, seconded by Commissioner Langford, to accelerate the process of land acquisition for the pump station. Motion was approved unanimously

5. Strategic Plan Implementation Process

Mr. Shearer presented the draft strategic plan goals and objectives. Mr. Shearer presented alternate revisions to the Authority's vision based on comment received at the previous Board meeting. The Board opted for Option 1: *'Through cooperation and collaboration the Authority and its members shall create, maintain and expand a sustainable, interconnected regional water supply system.'*

Motion was made by Commissioner Constance, seconded by Commissioner Langford, to approve Option 1. Motion was approved unanimously

Peace River Facility Water Use Permit Modification/Renewal

Mike Coates explained that the conditions and limits that governed withdrawals from the Peace River were established in a Water Use Permit (WUP) issued to the Authority by the Southwest Florida Water Management District. The WUP authorized a “withdrawal schedule” based on flow conditions in the river at three U.S. Geological Survey gauges upstream of the Peace River Facility. When combined flow at the three upstream gages reaches the WUP trigger level the Authority is allowed to begin harvesting water at a specified percentage of the combined flow from the three upstream gauges.

Commissioner Constance asked for an explanation of the capacity shown on the front of the permit vs the facility capacity.

Mr. Coates explained the Authority is limited by the WUP to pulling a maximum of 120 MGD which is shown on the face of the permit from the river depending on flow conditions upstream, and water pumped from the river is sent to the off-stream reservoir system. The 34.8 MGD quantity identified as the annual average day the face of the permit is the average daily amount of finished water that the Peace River Facility is allowed to deliver to its Customers. The Peace River Facility treatment capacity of 51 MGD, which is not shown on the WUP is the maximum amount of water that the plant can produce according to the drinking water facility operating permit the Authority has with the FDEP.

Commissioner Benac asked about the 105 MGD of total regional treatment capacity and who owned that capacity. Mr. Coates said the 105 MGD represents the average day treatment capacity of the Authority and Customers facilities. He stated that the most conservative average day constraint on each facility is summed to get the 105 MGD result – for example the Peace River Facility is rated by the FDEP to produce 51 MGD, but the Water Use Permit constrains average annual deliveries from the Peace River Facility to 34.8 MGD, and so 34.8 MGD is the Peace River Facility component used in the 105 MGD regional capacity number.

Mr. Coates continued explaining while the current WUP withdrawal schedule supports the existing storage and treatment configuration, and delivery of the Customer contracted quantity of 34.7 MGD from the Peace River Facility, but there were multiple future supplies and supply improvements planned at the Peace River Facility site and adjacent RV Griffin Reserve that would rely on an increased harvest of water above currently permitted quantities from the Peace River. He said one example that was included in the Authority’s 2015 water supply master plan was construction of a second 6 BG off-stream reservoir on RV Griffin, a project that would require getting additional water from the river and increasing the WUP withdrawal quantities.

Mr. Coates stated that there is available water within the Minimum Flows and Levels established by SWFWMD for the Lower Peace River to safely harvest the additional quantities needed to support future treatment capacity increase projects at this site.

Mr. Coates said that regional water demand is increasing and that in the next 30-years the demand projections show that between the Authority and its Customers there is a need to develop 43 MGD in additional water supply capacity.

Commissioner Constance asked why the 105 MG regional capacity number included only the four county members and the city of North Port and said all drinking water supplies in the region should be included and be part of the portfolio. He said that all water sources in 4 county region and total drinking water

capacity for the entire region should be considered in case the other cities needed supply.

Mr. Coates said the Authority could provide information on total drinking water supply capacity in the region.

Commissioner Benac asked if the river withdrawal schedule permitted for the Peace River Facility was less than what would be allowed by the MFL for the lower Peace River.

Mr. Coates said yes.

Commissioner Maio said the Authority was being proactive in planning for the next 30 years regarding another reservoir on RV Griffin with potential mitigation for that new reservoir on the adjacent Orange Hammock property. Commissioner Maio reiterated that the Authority was not planning on putting a reservoir on Orange Hammock.

Commissioner Constance said the current water use permit allowed a maximum river withdrawal of 120 MGD. He suggested asking for 30-year WUP extension and 250 MGD withdrawal from the river.

Mr. Manson suggested asking for the maximum amount and duration permitted by law.

Commissioner Benac asked for clarification.

Commissioner Maio said motion did not reflect any minimum amount; it should be only maximum amount.

Motion was made by Commissioner Constance, seconded by Commissioner Langford, to authorize staff to move forward with Application for Modification/Renewal of the Peace River Facility Water Use Permit (20010420) for maximum amount permitted by law and the maximum amount of time. Motion was approved unanimously

7. Budget Process for FY 2018

[Commissioner Benac exited the meeting]

Mr. Lehman presented the budget schedule for FY 2018. All documents are available on the website. Mr. Lehman said there would be an increase in energy rates.

Schedule for FY 2018 Budget	
Date	Event
February 1, 2017	Authority Board Meeting – Budget Process
April 12, 2017	Authority Board Meeting – Adopt FY 2018 Tentative Budget
June 7, 2017	Authority Board Meeting
August 2, 2017	Authority Board Meeting – Public Hearing and adoption of FY 2018 Budget

Commissioner Constance asked about energy and any thought on our own solar facility.

Mr. Lehman said the Authority had an alternative energy study done a few years ago.

Commissioner Constance stated it is time to start looking at solar energy options and requested staff to investigate options and cost effectiveness for the next board meeting.

GENERAL COUNSEL'S REPORT

Nothing to report

EXECUTIVE DIRECTOR'S REPORT

Mr. Lehman asked the Board for a motion to amend the legislative polices to include the following statement: 'to support allocation of state funds to water infrastructure without creating additional bureaucracy by establishing state counsel.

Motion was made by Commissioner Constance, seconded by Commissioner Langford, to authorize the amendment of the legislative policies. Motion was approved 3 to 0, Commissioner Benac left meeting early.

ROUTINE STATUS REPORTS

1. Hydrologic Conditions Report
2. Check Registers for November and December 2016
3. Partially Treated Water Aquifer Storage & Recovery Pilot Testing
4. Peace River Basin Report

FACILITY TOUR

BOARD MEMBER COMMENTS

Commissioner Constance asked if these were the last payments to Ray Pilon and that his contract ends and was not going to be renewed.

Mr. Lehman confirmed Mr. Pilon's contract expired December 31, 2016 and not renewed.

PUBLIC COMMENTS

There were not public comments

ANNOUNCEMENTS

Next Authority Board Meeting
Wednesday, April 12, 2017 @ 9:30 a.m.
DeSoto county Administration Building
Commission Chambers, First Floor
201 East Oak Street, Arcadia, Florida

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 12:15 p.m.



Commissioner Alan Maio
Chairman

BOARD APPROVED

APR 12 2017

Peace River Manasota
Regional Water Supply Authority