

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

February 2, 2018

***Board Members Present:***

Commissioner Alan Maio, Sarasota County, Chairman  
Commissioner Elton A. Langford, DeSoto County, Vice Chairman  
Commissioner Ken Doherty, Charlotte 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  
Kevin Morris, Engineering and Projects Manager  
Richard Anderson, System Operations Manager  
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 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 Sates.

**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.

**Motion was made by Commissioner Langford to nominate Commissioner Maio as Chairman. Mr. Manson received the motion and moved to close nominations. Motion was approved unanimously.**

**Nomination of Commissioner Maio for Chairman was approved unanimously.**

Motion was made by Commissioner Doherty to nominate Commissioner Langford as Vice-Chairman. Mr. Manson received the motion and moved to close nominations. Motion was approved unanimously.

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

## **RESOLUTIONS/PRESENTATIONS**

### **1. Employee Service Recognition - Gary Molnar Retirement**

Mr. Lehman recognized Authority staff Gary Molnar, Operations Specialist, for his 26 years of dedicated service to the agency upon his upcoming retirement this March.

### **2. '2017 Drinking Water Plant Operations Excellence Award' presented by Florida DEP**

The Florida Department of Environmental Protection (DEP) recently recognized the Peace River Facility with their '2017 Drinking Water Plant Operations Excellence Award' in recognition of outstanding treatment plant operation, maintenance and compliance. Terry Cerullo, Ombudsman for the DEP South District, presented the award to Authority staff Richard Anderson, System Operations Manager, on behalf of the Authority.

## **CONSENT AGENDA**

- 1. Minutes of December 6, 2017 Board of Directors Meeting**
- 2. Year-End Financial Status and Semi-Annual Investment Reports for FY 2017**
- 3. Receive and File Year-End Financial Status Report for FY 2017**
- 4. Receive and File 'Semi-Annual Investment Report' [September 30, 2107]**
- 5. Transfer Funds from General Fund to Utility Reserve Fund in the amount of \$1,000,000**
- 6. Property Insurance Renewal for Authority Facilities**
- 7. Resolution 2018-01 'Resolution Establishing Per Diem and Travel Expenses'**
- 8. 'Peace River Manasota Regional Water Supply Authority Statement of Organization and Operation'**
- 9. Regional Integrated Loop System Phase 1 Interconnect [U.S. 17 to Punta Gorda] Purchase and Sale Agreement for Permanent and Temporary Easements with B. Smith**
- 10. Cooperative Funding Agreement 18CF0000854 for Partially Treated Water Aquifer Storage and Recovery Project at the Peace River Facility**

Motion was made by Commissioner Langford, seconded by Commissioner Doherty, to approve the Consent Agenda. 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, 2018.

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

January Water Demand	26.77 MGD
January River Withdrawals	29.98 MGD
<u>Storage Volume:</u>	
Reservoirs	6.81 BG
ASR	6.92 BG
Total	13.73 BG

Mr. Anderson stated that rainfall in the Peace River basin has been about 1-inch per month so far this year, which is below average. Despite low rainfall, river flow as of today is at 450 CFS and we still have water available to harvest. River withdrawal in December and January averaged about 30 MGD and allowed the reservoir system to maintain a full storage condition. Surface water storage is currently 6.8 BG, which is 1.7 BG more than this time last year. ASR storage thru the end of January was 6.92 BG. The ASR system is currently in “storage mode”, meaning we are not recharging or recovering from the system.

Mr. Anderson reviewed the current demand and supply conditions for each of the members/customers for the month of December 2017 including their twelve-month rolling average and historical annual average usage. The Authority, members and customers usage in December 2017 totaled approximately 82.4 MGD for the period, which accounts for just under 79% of the region’s demand.

Commissioner Langford asked if the partially treated water ASR project was still happening and what if there was a current status update on the project.

Mike Coates explained that yes we are proceeding with the partially treated water ASR project – which is taking water directly from the reservoir, running it through a filtration system, and putting it directly into the ASR system. The pilot testing for the project was finished in January and the data from the test are being evaluated. In the meantime, the Authority is applying to renew the Operating permit for the ASR system – which expires in late April 2018. Mr. Coates stated that he expects to be able to present the full data and recommended next steps for partially treated water ASR to the Board within the next 4 – 5 months.

Commissioner Doherty asked if we should expect river withdrawals to continue this season given the current flow rates.

Mr. Anderson confirmed that yes; he fully expects to continue taking water off the river into the month of March.

**2. Peace River Manasota Regional Water Supply Authority FY 2017 Financial Statements and Independent Audit Report'- Presentation**

Ann Lee, Authority Staff, introduced Tiffany Mangold, lead auditor with Purvis Gray & Company, who completed the annual audit of the Authority's financial records for the fiscal year ending September 30, 2017. Ms. Mangold gave an overview of the audit report and relayed that 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. It is the recommendation of the staff that the Board 'receive and file' the audited financial statements of the Authority for period ending September 30, 2017, pending the changes related to GASB 68.

**Motion was made by Commissioner Doherty, seconded by Commissioner Langford, to 'receive and file' the audited financial statements of the Authority for period ending September 30, 2017 as recommended by staff. Motion was approved unanimously.**

**3. Peace River Facility Water Use Permit Modification/Renewal – Update**

Mike Coates provided an update to the ongoing WUP modification/Renewal of the Peace River Facility Water Use Permit. The new permit request is to increase the maximum allowed withdrawal quantity from 120 MGD to 258 MGD, issue the permit for a 50-year duration, and remove the delivery quantity limitations in the current permit.

He stated that the renewal application was submitted in early October 2017. SWFWMD requested additional information and the Authority formally submitted that information mid-January 2018. Per Mr. Coates conversation with SWFWMD this week, the application is technically complete and they are currently writing the draft permit. Authority staff will continue to work with SWFWMD to complete this draft and will bring another update to the board in April, with the expectation that the district will issue the permit in May 2018.

Commissioner Maio stated that he believes that applying for and receiving for this WUP permit modification/renewal is critical to our future supplies in the region and absolutely something that everyone in our four counties should be proud of.

**4. Budget Process for FY 2018**

Mr. Lehman reviewed the process and schedule for the preparation of the budget for FY 2019 for Board consideration and direction:

<b>Schedule for FY 2019 Budget</b>	
<b>Date</b>	<b>Event</b>
February 2, 2018	Authority Board Meeting – Budget Process
April 4, 2018	Authority Board Meeting – Adopt FY 2019 Tentative Budget
May 30, 2018	Authority Board Meeting
July 25, 2018	Authority Board Meeting – Public Hearing and adoption of FY 2019 Budget

The budget principles of the Authority include making sure we meet MWSC obligations [34.7 MGD]; meeting the Customer water demand projections for FY 2019 and planning for long term water demands; investing to maintain infrastructure; maintain financial stability/bond ratings; and maintaining reasonable water rates.

Mr. Lehman discussed the items considered during the budget preparation for FY 2019. This includes: operating costs (FPL potential Hurricane Irma surcharge, water treatment chemical cost increase); staffing (personnel compensation increase comparable to members, evaluating staffing needs); budget priorities (comply with Master Water Supply Contract, prioritize R&R funding to maintain infrastructure, provide CIP funding for future projects, Strategic Plan implementation) and new budget initiatives (adopt CIP as separate document for FY 2019, identify CIP funding source)..

#### **5. 5-Year Capital Improvements Program and 20-Year Capital Needs Assessment – Update**

Kevin Morris provided an update to the board on the projects that comprise the Authority’s 5 year CIP as well as those on the 6 -20 year horizon that fall under the framework of a Capital Needs Assessment.

Mr. Morris explained that maintaining and expanding the regional water supply system to meet current and future needs in the Authority’s 4-county service area will require a significant investment in water infrastructure over the next 20 years. The Authority’s Strategic Plan recognizes that need and recommended development of a formal capital projects planning program. He stated that the 5-Year CIP and 20-Year Needs Assessment are proposed to be included with the Authority’s future budgets, beginning in FY 2019 and will also support efforts to obtain cooperative funding from SWFWMD and the State for regional projects. Mr. Morris reviewed the current planning projections beginning with Fiscal Year 2019 with the board as follows:

- 5 Year CIP – (FY 2019 – FY 2023)
  - Total Projects: \$94.8 Million
  - Projected Grants: \$50.1 Million
  - Breakdown by Type of Project
    - 76% Transmission Projects
    - 23% Source Water Projects
    - 1% Other Projects
  
- 20 Year Needs Assessment (FY 2019 – FY 2038) *note: inclusive of 5 Year CIP*
  - Total Projects: \$523 Million
  - Projected Grants: \$251 Million
  - Breakdown by Type of Project
    - 47% Transmission Projects
    - 53% Source Water Projects

Mr. Morris explained that as the Authority moves through the FY 2019 budgeting process, these plans will be refined.

Commissioner Doherty stated that on the Capital Needs Assessment specifically, there has been a request from his Board that the Authority look at and consider solar power. He acknowledged that he is aware that this has been discussed in the past, but he would like to see it added to the Capital Needs Assessment list.

Mr. Lehman stated that Kevin has been working with the consultant Black & Veatch, and they have been in talks with FPL regarding solar power for over a year now. The bottom line is that FPL is overloaded with solar power projects currently. So, while FPL has identified the acreage needed and the Authority has identified the land to make it happen, we were informed that we are somewhere near the bottom of their list of 25+ solar project candidates. Mr. Lehman said that the staff and Black & Veatch will evaluate ways to move an Authority solar project up that list.

Commissioner Doherty stated that he would like the solar power topic added to the workshop agenda so that the discussion can be furthered and the board can see if there is anything they can do to assist.

Commissioner Maio agreed that this is a great topic for the workshop given the large amount of money paid monthly to FPL. He stated that if a group of county commissioners can do anything to assist with moving it up the FPL list, he knows they will be happy to do so.

Commissioner Maio thanked Mr. Morris, and all of the staff for the outstanding quality of presentations the board consistently receives. Specifically, the way Mr. Morris superimposed the proposed Orange Hammock Project. Commissioner Maio stated that this is a presentation that he would like to get in front of other people as it truly shows how important this particular project is, and it reinforces that the intention is not to build a third reservoir on Orange Hammock.

#### **6. Interlocal Agreements for FY 2019 Co-Funding Projects – Staff Presentation**

Mike Coates gave a presentation reviewing the Southwest Florida Water Management District's Cooperative Funding Policy and the requirements involved with the co-funding application process. Mr. Coates explained that of significant importance is the need to demonstrate local funding match to receive the consideration for SWFWMD co-funding on water supply and pipeline projects. For the Authority's projects, that match can be from Authority CIP funds, or from contributions by one or more of the Authority's Customers or Partners. The demonstration of that local funding match – if provided by an Authority Customer/Partner is through inclusion of the project(s) in the Authority's CIP for the funding year, and execution of an Interlocal Agreement between the Authority and the Customers/Partners that commits an appropriate level of Customer/Partner funding (usually 50% of the estimated project cost).

Mr. Coates stated that there were three projects submitted by the Authority for SWFWMD FY 2019 co-funding that will require a local match from Charlotte County: (1) Regional Integrated Loop System Phase 4 – Segment 1, (2) Regional Integrated Loop System Phase 2B Interconnect, and (3) Bachman Regional Pumping and Storage Facility. The interlocal agreements for these projects are in development now and are required to be executed and submitted to SWFWMD in early April (2018) in order for the projects to be considered for funding in FY 2019.

Commissioner Doherty expressed his thanks for the attention given to these three projects and all the work that has gone into getting them on the SWFWMD list. However, there have been major changes ongoing within Charlotte County Utilities Director position, and any funding match will most likely be pushed back a year to allowing more discussion on the projects. There are some fairly significant questions within Charlotte County as to whether or not there is truly a need to push ahead on these projects as quickly as originally presented. Commissioner Doherty stated that Charlotte County has a workshop in February and it's logically to wait for them to weigh-in on these items. It is very possible that come the Authority Board Meeting in April, it will be reported that we are not proceeding with the request for these 3 projects in FY 2019.

Mr. Coates stated that there was one additional item he wished to discuss relative to SWFWMD co-funding projects and that was the Authority's 2020 Master Plan. He stated that the SWFWMD Board approved out of cycle funding up to \$225,000 – half of the estimated project costs - for the Authority's 2020 Master Plan in September 2017, and those funds would be available in FY 2018. Considering that SWFWMD funding for this project is available in FY 2018 Mr. Coates said that SWFWMD has requested that the Authority withdraw our FY 2019 Cooperative Initiative Funding application for the Master Plan which was submitted to the District in October 2017. Mr. Coates requested Board authorization to withdrawal the Authority's FY 2019 co-funding application for the Integrated Regional Water Supply Plan 2020 project.

**Motion was made by Commissioner Doherty, seconded by Commissioner Langford, to approve authorize the withdrawal of previous application submitted to SWFWMD. Motion was approved unanimously.**

## **7. Regional Integrated Loop System Phase 1 Interconnect [U.S. 17 to Punta Gorda] – Staff Presentation**

Ford Ritz, Authority Staff provided the board with an update on the Phase 1 Interconnect Project Update. This project will interconnect the Regional system along U.S 17 in DeSoto County with the City of Punta Gorda's Shell Creek Water Treatment Plant.

As part of this update Mr. Ritz also requested board approval of two resolutions:

Resolution 2018-02; A Resolution Determining the Necessity to Construct a Transmission Pipeline and Appurtenant Facilities Connecting The Terminus of the Peace River Manasota Regional Water Supply Authority Delivery System, On U.S. 17, Near the DeSoto/Charlotte County Line To The City of Punta Gorda Shell Creek Water Treatment Plant On South Washington Loop Road In Charlotte County ("Regional Integrated Loop System, Phase 1")

**Motion was made by Commissioner Doherty, seconded by Commissioner Tract, to approve Resolution 2018-02. Motion was approved unanimously.**

Resolution 2018-03; A Resolution Authorizing the Acquisition of Certain Real Property Located Within Charlotte and DeSoto Counties, Florida, To Be Used For The Public Purpose Of Constructing, Operating, and Maintaining the Transmission Pipeline And Appurtenant Facilities On U.S. 17 Near the DeSoto County/Charlotte County Line, To The City of Punta Gorda Shell Creek Water Treatment Plant On South Washington Loop Road In Charlotte County ("Regional Integrated Loop System, Phase 1"). These resolutions require no budget action. The project is funded by State and SWFWMD grants and City of Punta Gorda funds.

**Motion was made by Commissioner Doherty, seconded by Commissioner Langford, to approve Resolution 2018-03. Motion was approved unanimously.**

## **GENERAL COUNSEL'S REPORT**

Mr. Manson presented the plan for a draft revision to the Conservation Rate methodology to the Board. The Board gave consensus for Mr. Manson to proceed with drafting a resolution for presentation at the April Board meeting.

Commissioner Doherty thanked Mr. Manson for the drafting of this resolution, the concept seems logical, and he is looking forward to seeing it in its entirety before the next Board meeting in April.

## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Lehman announced that our request for \$1M in state funding for the Partially Treated Water ASR Project has been approved by the House Agriculture & Natural Resources Appropriations Subcommittee chaired by Representative Ben Albritton. Representative Michael Grant sponsored this bill in the House. Mr. Lehman expressed his gratitude to both Representatives Grant and Albritton for recognizing the statewide importance of this project and providing their support.

The SWFWMD Governing Board meeting will be taking place in the SWFWMD Sarasota office on February 27<sup>th</sup>. The Authority has requested and received a slot on the meeting agenda to make a presentation to the board. Mr. Lehman stated that he realizes that the date of this meeting coincides with the Sarasota County Commission meeting, and hopes that Commissioner Maio will be granted the ability to attend and address the SWFWMD Board as Chairman of the Authority.

**ROUTINE STATUS REPORTS**

1. Hydrologic Conditions Report
2. Check Registers for November and December 2017
3. Regional Integrated Loop System Phase 3B Interconnect [S.R. 681 to Clark Road]
4. Partially Treated Water Aquifer Storage & Recovery Project
5. ASR Operating Permit Renewal
6. Peace River Basin Report

**BOARD MEMBER COMMENTS**

Commissioner Doherty welcomed Commissioner Trace from Manatee County to the Board and stated that he is looking forward to the workshop in April.

Commissioner Langford extended congratulations to Commissioner Maio on his re-election as Board chair, and also extended a welcome to Commissioner Trace.

Commissioner Maio welcomed Commissioner Trace and asked that upon her return to Manatee County she present Commissioner Benac with a token of recognition on our behalf for her service on the Authority’s Board of Directors.

**PUBLIC COMMENTS**

There were no public comments.

**ANNOUNCEMENTS**

Next Authority Board Meeting  
 Wednesday, April 4, 2018 @ 9:30a.m.  
 Charlotte County Administration Center  
 Commission Chambers, Room 119  
 18500 Murdock Circle, Port Charlotte, Florida

Authority Board Workshop  
 Wednesday, April 4, 2018 @ 10:30a.m.  
 Charlotte County Administration Center  
 Building B, Room #106-B  
 18500 Murdock Circle, Port Charlotte, Florida

Future Authority Board Meetings  
 May 30, 2018 @ 9:30 a.m. - Manatee County Administrative Center, Bradenton, Florida  
 July 25, 2018 @ 9:30 a.m. - Sarasota County Administration Center, Sarasota, Florida

**ADJOURNMENT**

There being no further business to come before the Board, the meeting adjourned at 11:24 a.m.

**BOARD APPROVED**

**APR - 4 2018**

**Peace River Manasota  
Regional Water Supply Authority**




---

Commissioner Alan Maio  
Chairman