

APPROVED

Minutes of Board of Directors Meeting
PEACE RIVER/MANASOTA REGIONAL WATER SUPPLY AUTHORITY
DeSoto County Administrative Building
201 East Oak Street, Arcadia, Florida

January 17, 2007

Board Members Present:

Commissioner Shannon Staub, Sarasota County, Chair
Commissioner Adam Cummings, Charlotte County, Vice Chair
Commissioner Jane von Hahmann, Manatee County
Commissioner Jerry Hill, DeSoto County

Staff Present:

Patrick J. Lehman, Executive Director
Douglas Manson, General Counsel
Kevin Morris, Facilities Division Director
Mike Coates, Water Resource Division Director
Ed Yates, Finance/Administration Division Director
Ray Pilon, Government/Community Affairs Director
Susan Hochuli, Water Resource Planner
Sam Stone, Environmental Affairs Coordinator
Linda Stewart, Secretary

Others Present:

A list of others present that signed the attendance roster for this meeting is filed with the permanent records of the Authority. Chairman Hill recognized the elected officials present in the audience who included DeSoto County Commissioner Delma Allen; Sarasota County Commissioner Jon Thaxton; City of North Port Commissioner Barbara Gross; and, Ken Harrison, Peace River Basin Board member.

Call To Order:

Chairman Hill called the meeting to order at 10:00 a.m.

Item 1. Election of Authority Board Officers for 2007

Nomination was made by Commissioner von Hahmann, seconded by Commissioner Cummings, to elect Commissioner Staub as Chair. Nomination was approved unanimously.

Nomination was made by Commissioner von Hahmann, seconded by Commissioner Staub, to elect Commissioner Cummings as Vice Chair. Nomination was approved unanimously.

Following the election of officers, Chair Staub presented Commissioner Hill with a plaque in recognition of his accomplishments as Chairman for the year 2006.

Chair Staub said Commissioner von Hahmann had been appointed permanently to represent Manatee County on the Board of Directors and welcomed her to the Board.

Chair Staub said the upcoming year promises a heavy workload for staff and the Board in light of the strategic

plan and the integrated regional water supply master plan. Chair Staub felt more effort should be given to communication for the upcoming year and to that end she said she hoped the Board would support her in the areas as listed below:

- Be more attentive and aggressive with the media.
- Communicate more with the members and the City of North Port inclusive of all the elected officials.
- Develop a stronger relationship with Tampa Bay Water.
- Strengthen relationship with the Southwest Florida Water Management District.
- Post the agenda information on the website.
- Communicate more with the City of North Port.

Chair Staub suggested the City serve in an ex-officio (non-voting) capacity on the Authority Board. To that end, she asked if the Board would take the action to have the City join the Board in an ex-officio capacity at the next Board meeting. Commissioner von Hahmann made the respective motion and Commissioner Cummings seconded the motion. In discussion, Commissioner Hill said he felt the individual County Commissions should have input before Board action was taken. Commissioner Cummings said Commissioner Hill’s request was prudent and supported his request. Chair Staub therefore tabled the motion and asked Mr. Lehman to add the motion to the agenda for the February 21 meeting.

Referencing posting the agenda information on the Authority’s website, Commissioner Cummings said it is possible on Charlotte County’s website to access the background material regarding any agenda item and watch the live streaming video for just that item. Commissioner Cummings said it is a nice tool to have. It was noted both Sarasota and Manatee counties also have that capability on their websites. Chair Staub requested staff look into posting the agenda packet as well as the live streaming capability.

CONSENT AGENDA:

- Item 2. Authority Board Meeting Minutes of December 6, 2006*
- Item 3. Acceptance of Check Register for Month of November 2006 for Further Audit*
- Item 4. Acceptance of Check Register for Month of December 2006 for Further Audit*
- Item 5. Authority Board Meeting Schedule Amendments*
 - *Special Board meeting/workshop on February 21, 2007*
 - *Reschedule Board Meeting from March 7 to March 9, 2007*
- Item 6. Purchase of Ford Escape and Ford F250 (or equivalent)*
- Item 7. Authorize Earth Balance to perform annual maintenance for restored wetlands along 42-inch regional transmission pipeline for an amount not-to-exceed \$17,900*
- Item 8. Agreement with Integrated Water Solutions for water resources issues on an as-needed basis*

Chair Staub requested Item No. 8 be removed from the consent agenda for further discussion.

Motion was made by Commissioner Hill, seconded by Commissioner von Hahmann, to approve the consent agenda with the exception of Item 8 for January 17, 2007. Motion was approved unanimously.

Chair Staub asked if there was a maximum amount in the Agreement with Integrated Water Solutions when a scope of services would need to come before the Board for approval.

Mr. Lehman said an amount over \$25,000 would require Board approval.

Chair Staub asked if there was a not-to-exceed total on the contract amount.

Mr. Lehman said there is not a total. The funds are provided for through the budget process in the line items.

On a related matter, Chair Staub said she and Mr. Lehman had discussed looking into continuing contract services. As a course of practice, Sarasota County will approve three or four consulting firms, contractors, etc. and establish a maximum limit and staff can call upon those specified firms up to a maximum amount. Anything over the maximum must be brought to the Commission for approval. It saves a lot of time. She said it would be worthwhile for the Authority to consider.

Commissioner Cummings added there are certain things Charlotte County does by library.

Chair Staub requested Mr. Lehman review what the process could be and where it could be used for the Authority and make a recommendation to the Board.

Commissioner Cummings said he would want his administrative staff to review the recommended action before it is presented to the Board.

Mr. Manson added that his staff was re-writing the Authority's Procurement Policy that would dovetail into the idea of creating a library of consultants. The Authority is currently abiding by Florida Statute 120 and as the Authority is between a county and a state agency, the statutes don't all specifically apply. Mr. Manson's staff will be reviewing the bid procedures of each of the member counties and Tampa Bay Water, in addition to other entities, and he will present some options to the Board for consideration later in the year.

Motion was made by Commissioner von Hahmann, seconded by Commissioner Cummings, to approve Agreement for Water Resources Consultant with Integrated Water Solutions. Motion was approved unanimously.

REGULAR AGENDA:

***Item 9. 2006 In Retrospect – Accomplishment and Challenges
Presented by Patrick Lehman, Executive Director***

Mr. Lehman presented a review of how the Authority has progressed since its formation in 1982; current activities and what lies ahead.

Chair Staub complimented Mr. Lehman on a great presentation and requested the PowerPoint be sent to all of the Board members so it could be used for reference for speeches, etc. and also to share with their Commissions.

***Item 10. Authority Financial Statements for FY06
Presented by Ed Yates, Finance/Administration Division Director and Ed
Leonard, Christopher, Smith, Leonard, Bristow, Stanell & Wells, P.A.***

Ed Leonard of Christopher, Smith, Leonard, Bristow, Stanell & Wells, P.A. presented the audit findings of the Authority's financial records for fiscal year 2006. Mr. Leonard first reviewed the required audit communications with regard to responsibilities. The audit was conducted in accordance with auditing

standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The audit went well and Mr. Leonard was able to express a clean unqualified audit report on the Authority's financial statements which is the highest level of opinion a CPA firm can place on a set of financial statements. The audit showed no matters involving the internal control over financial reporting and its operation that were considered to be material weaknesses and the audit tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. Additionally, no deficiencies were noted in the Management Letter.

Chair Staub asked what the debt service coverage is.

Mr. Leonard responded the Authority is required to have 1.15.

Referring to the section on long-term debt on Page 27, Chair Staub asked what a 'compensated absence' was on the bonds payable.

Mr. Leonard said compensated absences are vacation and sick time that is not going to be paid in the near term so they are a long-term debt but they are not a bonded debt.

Motion was made by Commissioner von Hahmann, seconded by Commissioner Hill to accept the Authority Financial Statement for FY 06 as submitted by Christopher, Smith, Leonard, Bristow, Stanell & Wells. Motion was approved unanimously.

*Item 11. Dry Season Planning for Water Supply and Water Quality Status Report
Presented by Mike Coates, Water Resources Division Director*

Mr. Coates provided an overview of the current water supply conditions in the region and the ongoing planning and preparation for the dry season. Mr. Coates said although the rainfall for December was approximately one inch above normal, the rainfall over the last twelve months remains substantially below average. As discussed last month, the lack of rain translates into significantly lower than average river flows. As of the end of December, water stored at the Peace River Facility totaled approximately 2.0 billion gallons. The current storage represents approximately 126 days of supply at an average demand of 16.5 mgd. Mr. Coates said it was possible to harvest water from the river at approximately 10 mgd since December 1, which reduced the amount of water needed to be withdrawn from the storage system. That along with other pro-active measures implemented by the member governments and by the Authority helped to keep the water in storage stay in storage.

As discussed last month, Authority, member and customer staffs met to discuss water supply and water quality issues and actions necessary to prepare for the upcoming dry season, as well as preparations for the next two to three years while the Regional Expansion Program is being completed. Mr. Coates updated the Board on those efforts including:

- Peace River Permit Modification to Accommodate a Low-Flow Test Plan – On December 1, 2006, the District granted the Authority a temporary permit to withdraw water from the Peace River to a flow cutoff of 90 cfs at the Arcadia gage station instead of the permitted 130 cfs cutoff.
- Conjunctive Water Use Permit (Gap Permit) – The permit would enable additional water from Sarasota County's T. Mabry Carlton Jr. Wellfield and the City of Punta Gorda to support the region. It is anticipated the District will favorably act on this permit at their January Governing Board

meeting.

- Conservation Messaging – The member governments have stepped up their conservation measures. In addition, the District declared a water shortage on January 9.
- Evaluation of Water Exchanges and Opportunities at Existing Interconnects – Existing connections between Authority members and customers and non-members are being evaluated for delivery opportunities.
- Peace River Facility Up-Rating – Permit information is being prepared in support of up-rating the Peace River Facility by up to 3 mgd.
- Reverse Osmosis for ASR – The Authority’s consultant evaluated the use of reverse osmosis to reduce Total Dissolved Solids (TDS) concentrations in water pulled from the ASR system. Results of the evaluation indicate that issues of concentrate disposal, lack of RO equipment availability and high costs render this infeasible in the near term.
- Storm Water Capture from New Reservoir Site – Capturing water from the new reservoir is being taken into consideration in the reservoir design.

Mr. Coates said the Authority and member and customer staffs would continue to coordinate on drought preparedness and opportunities to insure a stable supply.

Commissioner Cummings asked if the full 18 mgd on the ASRs was still permitted.

Mr. Manson said yes.

Commissioner Cummings said much was touted about how much science went behind the 130 cfs cutoff and the environmental protections, etc. His impression is 90 cfs is close to where the salt water meets the intake structure so it is a mechanical limitation more than an environmental limitation. He asked what the status was on the ASR permits as far as their likelihood for continuation. Commissioner Cummings said if RO is not a possibility for the ASR concerns that is a problem that needs to be addressed.

Mr. Lehman said ASR and their permit ability due to the recent changes in regulations is high on the radar screen of the District, DEP and the Authority. There are also other actions ongoing to resolve the regulatory issue such as the City of Bradenton ASR Degasification Pilot Project. As discussed last month, staff is in discussion with the City regarding this research project. In addition, the Authority is conducting their own research on migration.

Commissioner von Hahmann stated at present the request to go to 90 cfs needs to be approved by the District each month. She understood Commissioner Cummings to say he thought the affect is really more from a mechanical standpoint than environmental but she did not glean that from the last meeting.

Commissioner Cummings said what he meant to say is the reason why 90 cfs was selected rather than another number is because it is usually around 80 cfs at Arcadia when the salinity wedge meets the intake structure.

Mr. Coates said the reason why 90 cfs was selected is as Commissioner Cummings indicated.

Commissioner von Hahmann said the District bases their decision on the testing that happens at the intake each month. She asked if Mr. Coates thought that is what they will base their decision on as to whether the 90 cfs is working.

Mr. Coates said what the District will base their decision on the basis that the 90 cfs is working.

Chair Staub said she has concerns about water quality. The Authority's mission is to have high quality. Chair Staub would like to re-visit this later in the year and discuss what the Authority's standard is for quality and how can it maintained throughout the year--particularly drought periods as this cyclical. She feels the member counties and North Port need to increase enforcement of watering regulations. As far as conservation, she would like to see if there are any policies that as a Board they should be setting or at least exploring.

Chair Staub then asked for more information regarding the storm water capture and how much water it is estimated that will supply.

Mr. Morris responded there is approximately a 700 acre site where there is the opportunity to capture storm water. Looking at typical rainfall that is approximately one billion gallons per year, which is about 15% of the Authority's total annual need. It is an opportunity to not only harvest a potential source but also a way to eliminate off-site discharge that could be extremely damaging to the environment. Mr. Morris said that concept and philosophy is built into the reservoir environmental resource permit application.

Chair Staub requested water quality in general be a discussion item in the future.

***Item 12. Regional Integrated Loop System Feasibility/Routing Study
Presented by Susan Hochuli, Water Resource Planner and Pete Putman, PBS&J***

As previously discussed, the Regional Integrated Loop System is a transmission pipeline project developed to implement a regional water transfer and delivery system throughout the Authority's four-county area. The Feasibility/Routing Study identifies the preferred loop pipeline routing, connection points, preliminary pipe sizing, and prioritization of loop segments and phasing of construction. The *draft* Feasibility/Routing Study was distributed to the member staffs for review and workshops were held to discuss comments, and the study is now finalized. Ms. Hochuli invited Mr. Putman to present an overview of the study to the Board.

Mr. Putman said one of the first things as part of the study was to meet with all of the members of the Alliance to determine their interest in participating and where in their system would be the optimal place for making connections. Mr. Putman reviewed the benefits of an integrated loop system, the connection points identified to date and the preliminary implementation schedules. Mr. Putman said Phase 1, which is the connection from the Walmart Distribution Facility to Punta Gorda, is already underway and is on schedule. The next two phases being recommended to the Board to move forward with are Phase 2, which is the connection from the PRF to the North Port WTP and Phase 3A, which is the connection from the Carlton Plant to Preymore.

Commissioner von Hahmann asked where the dollars for these projects would come from?

Mr. Lehman said the overall project is a twenty-year vision for the Authority to do the 'plumbing' throughout the region. The Authority cannot proceed until there is a true need and the money is encumbered by contract. What is being requested today is to begin consultant selection for Phase 2 and 3A so the actual feasibility of those segments can be done to determine exactly what the pipe sizes would be based on who wants what, routing and costs. Following the feasibility, it then can be determined if the Authority proceeds or not.

Chair Staub said for the workshop it seems to her the recommended loop routes need to be overlaid with the new source development identified in the master plan so the Board can determine what the primary focus should be. She asked what the business plan is and how will the rates for affected.

Mr. Lehman said that process will be addressed at the workshop. Burton and Associates was retained as the Authority's rate consultant and will be at the workshop to present the next steps--how does it shake down to those that use the water and build the pipelines and then how does that relate to the end user. In addition, the rate consultant will work with the counties' rate consultants so there is a mesh.

Chair Staub said she would support moving ahead with the consultant selection for Phase 2 and 3A but would prefer not to accept the preliminary implementation schedule until after the workshop so the Board can see everything at one time--the pipe routing overlaid with the sources. The board members were in agreement. Chair Staub requested a motion to authorize staff to begin consultant selection for Phase 2 and 3A of the regional integrated loop system and requested Mr. Lehman add approval of the Regional Integrated Loop System Feasibility/Routing Study to the Board meeting on February 21.

Motion was made by Commissioner von Hahmann, second by Commissioner Cummings, to authorize staff to begin consultation selection for Phase 2 and Phase 3A of the Regional Integrated Loop System. Motion was approved unanimously.

*Item 13. Regional Integrated Loop System - Phase 1 Interconnect
Presented by Ray Pilon, Government/Community Affairs Director and
Doug Manson, Legal Counsel*

- a. SWFWMD Funding Agreement for Regional Integrated Loop system Phase 1 Interconnect*
- b. Water Supply Contract and Operational Agreement between the City of Punta Gorda and the Authority*
- c. Project Status Report*

Mr. Pilon said the District approved funding for the Regional Integrated Loop System Phase 1 Interconnect in their budget for FY2007. The funding amounts total an estimated cost of \$10,500,000. The total funding provided through the District, including SB444, is \$5,281,000. The District executive and legal staff is reviewing the documents and will forward to the Authority upon their completed review. The agreement will reflect the scope, schedule and cost of the project.

Referring to the water supply contract and operational agreement between the City of Punta Gorda and the Authority, Commissioner Cummings said as he understands it, the additional water is above and beyond any allocated capacity.

Mr. Lehman said yes.

Commissioner Cummings asked if the cost is covered if nobody chooses to buy the water.

Mr. Lehman said there is water allocated beyond the Peace River supply and referred to Exhibit 'C' of the Master Water Supply Contract (MWSC). In the early years, North Port and DeSoto County, and around 2011 Charlotte County has asked for additional water.

Chair Staub said what she gleans from the proposed agreement with Punta Gorda is that the Authority is paying \$10M for 1 mgd for six years.

Mr. Manson said actually the Authority can buy more than 1 mgd. The contract is fashioned so the Authority can buy water from the City if it is available and the City has to provide the water if it is available. The amount is limited by whatever the City has extra. The City can also buy water from the Authority. The issue is if the City has the water. Their historical data shows the City has had more and will have more than 2 mgd available for perhaps more than even six years.

Chair Staub said she was not as concerned about the money issue as about the water issue and how much the Authority is counting on that water in the overall picture when it is not a guaranteed amount. She asked how you can plug something that is uncertain into a certain demand picture.

Mr. Manson responded that is the beauty of the conjunctive water use permit. The idea is as the Authority requires more water supply, they will be able to pull a larger volume of surface water and let groundwater wells rest. Then during the dry periods they will be able to rely more on groundwater and less on surface water. The calculations add up to a reliability percentage that actually shows more water will be available. By having the two different sources, two plus two can actually equal five. This source in isolation does not solve the problem.

Chair Staub said we are counting on all of these things to happen and if one of them does not happen where do we go.

Mr. Manson said we still get water. The question may be when do we get the water and how much. That is what will be discussed at the workshop. There is a good prediction on the amount of water and the costs. It will be a decision for the Board to make.

Chair Staub asked if it was anticipated the Board would approve the contract on February 21 after they have more information.

Mr. Lehman said that is correct. The intent today was to obtain comments. The City plans on addressing the agreement at their February 7 city council meeting.

Mr. Manson added that the agreement is somewhat unique as it is with a non-member but in the future there may be others. With non-members, more flexibility needs to be built into the contracts in order to entice people to want to contract with the Authority to sell or buy water. So, that is part of what is going on. The City is not a member. The City is not getting a guaranteed water supply and vice versus.

In conclusion, Ms. Hochuli reported the project is on time and on budget.

Motion was made by Commissioner Cummings, second by Commissioner von Hahmann, to approve and authorize Executive Director to sign SWFWMD funding agreement for Regional Loop System Phase 1 Interconnect. Motion was approved unanimously.

***Item 14. Integrated Regional Water Supply Master Plan/Regional System Reliability Model
Presented by Mike Coates, Water Resources Division Director and Ed Copeland, HDR***

As previously discussed, Chair Staub said there will be a workshop on February 21 to discuss in depth the Integrated Regional Water Supply Master Plan (IRWSMP). Today the Board should focus on those major issues they want to address at the workshop.

Mr. Coates introduced Ed Copeland to present an overview of the *draft* IRWSMP. Mr. Coates said Mr. Copeland is a veteran of a number of master water plans including Tampa Bay Water (TBW) that really launched TBW in the mid to late 1980's.

Before Mr. Copeland began his presentation, Commissioner Cummings asked where the 22.5 mgd for the Peace River Facility referenced in the IRWSMP was derived noting there is a system capacity of 18 mgd and a treatment plant capacity of 24 mgd.

Mr. Morris replied the gross raw water treatment permitted capacity of the PRF is 24 mgd but approximately 6% is lost to recycle flows. Therefore the net sustained productive capacity of the 24 mgd plant is truly about 22.5 mgd.

Commissioner Cummings asked if that same adjustment was made to all of the projects within the IRWSMP.

Mr. Copeland said he would address Commissioner Cummings' question during his presentation. Mr. Copeland said the IRWSMP had been distributed to the members, customers, and interested stakeholders for comment and is also available on the Authority's website. It is a large document with ten sections. He noted Section 6 "Regional System Interconnects" and Section 10 "Water Supply Master Plan Implementation" are the sections the Board will want to focus on at the workshop. The IRWSMP includes a CIP and the next step to the IRWSMP is to conduct feasibility studies on the sources to take the broad numbers used for planning purposes and tie them down as to whether a source is 19 mgd or 20 mgd or 21.5 mgd etc. as Commissioner Cummings asked. All that is dependent on permit conditions, environmental conditions, treatment capacities, treatment issues, etc. that may come up as part of that particular source of supply. After the feasibility studies, there is a good idea of what can be permitted and those projects will be advanced and others will go into an inventory category for consideration in the future when there is a need or another project did not pan out. Mr. Copeland said the planning process is always a continuous process.

As discussed, Mr. Copeland said the workshop is scheduled on February 21. It is an important step to share the comments from the member staffs with the Board. The key workshop discussion items will be 1) regional system reliability target, 2) water supply development schedule and 3) regional connectivity. From there, the IRWSMP will be revised accordingly and it is anticipated the IRWSMP will be presented to the Board for consideration and acceptance in the March/April timeframe. In conclusion, Mr. Copeland said all of the technical questions the Board may have will be addressed at the workshop on February 21.

Commissioner Cummings requested a briefing for he and his staff before the workshop so they have a clear understanding of the IRWSMP and then a presentation for his Board. Commissioner Cummings said this is setting the direction for the future and wants to make sure he understands the implications to the IRWSMP before he makes any recommendations to his Board.

Chair Staub said she thought the purpose of the workshop was to explain all the technical details to the Board members and then presentations would be made to the individual county commissions.

Commissioner Cummings said if action is not being taken at the workshop then the presentation to his Board would not be necessary at this time, however, he would still like the meeting for himself and his staff. Commissioner Cummings said he did have some questions regarding the IRWSMP. He said he was not expecting answers today but wanted staff to be aware of his questions (Commissioner Cummings submitted written notes into the record).

Commissioner von Hahmann said Manatee County has a question of reliability and the extension of pipelines in as much as they are not currently a purchaser of water. The interconnectivity, which is how Manatee County is going to be a player, is to increase the reliability of their system. Their system works on an annual reliability basis. She said that is a discussion that needs to happen at the workshop. Commissioner von Hahmann said earlier there was a comment regarding a common rate and feels more discussion needs to be had on how that common rate can be reached. She said the capital improvements plan is very aggressive; the funding sources and how that is going to be are Manatee County's key issues.

In conclusion, Chair Staub said the key workshop discussion points would be as Mr. Copeland said reliability, water supply development schedule and regional connectivity and added the capital improvement program and financial planning.

**Item 15. *Strategic Plan for 2025*
*Presented by Patrick Lehman, Executive Director and Dr. Lance deHaven-Smith***

The final draft of the Strategic Plan for 2025 prepared by Dr. Lance deHaven-Smith has been circulated. Discussion was deferred to the March 9, 2006 Board meeting due to time constraints.

Before moving on, Commissioner Cummings said he wanted to reinforce one comment regarding the strategic plan and that is Charlotte County is not prepared to commit to the idea of the hybrid unitary system yet.

Chair Staub and Commissioner von Hahmann both said their boards were not there yet either.

**Item 16. *Consultant Short-List and Ranking for 'Financial Analysis and Economic Evaluation of Regional Integration of Water Facilities'*
*Presented by Patrick Lehman, Executive Director***

Mr. Lehman the selection committee consisting of the administrator (or designee) and the Authority's executive director met on January 5 to review and rank in order of preference the top three firms whose proposals are deemed most qualified for submittal to the Board. There were five proposals submitted. The selection committee selected the following short-list of three firms in ranked order of preference:

1. Raftelis Financial Consultants, Inc.
2. Black & Veatch
3. R W Beck

Mr. Lehman said the Board is being requested to approve the ranking. Staff would then proceed with development of a base contract and then a scope of services that would identify the fee. That process would be completed conjunctively with the Authority, members and customers.

Commissioner von Hahmann asked what the timing is for the financial analysis.

Mr. Lehman said an exact timeframe has not been identified however do need to establish what we think the ultimate phases are and a potential cost. We do not want to waste time nor money looking at everything in-depth. We want to look at the various options and determine the best path to follow.

Motion was made by Commissioner Cummings, seconded by Commissioner Hill, to approve consultant short-list and ranking for 'Financial Analysis and Economic Evaluation of Regional Integration of Water Facilities'. Motion was approved unanimously.

*Item 17. Regional Reservoir Expansion – Status Report
Presented by Kevin Morris, Facilities Division Director and
Greg Tate, Project Manager for MWH*

Mr. Morris said it is anticipated the reservoir construction permit will be received shortly although many of the staff at DEP have changed since the permit application process began and it has become prudent to employ Mr. Manson to assist in that effort. The reservoir project is currently out to bid to the three pre-qualified reservoir contractors. It is anticipated the bids will be received and available at the March board meeting. That process may be delayed should it be realized the permit will not be approved at that point.

Mr. Morris said the ERP permit for the mitigation project has been received. Bids were received on January 5 for Contract 5 'RV Griffin Reserve Mitigation'. This is a landmark environmental restoration project of over 1000 acres being restored. Mr. Morris said there was a significant gap of \$300,000 from the low bid to the next bid and invited Mr. Ross to discuss the low bidder's qualifications.

Mr. Ross said it is always disconcerting to everyone involved when there is a significant gap between the low bid and the next low bid. To analyze the risk of this bid, the bid winner was requested to review his calculations, check with his surety and basically was given every opportunity to withdraw his bid. The bidder said he was happy with his numbers and his surety company was on board which means the bidder will be bonded as required. His references were checked and a particularly pertinent reference was received from Tampa Bay Water. Everyone was complimentary on the timing, the quality of the work and the general dedication of this contractor for the job. Mr. Ross said he was confident this is a good bid and it is especially good given how much money will be saved.

Motion was made by Commissioner Hill, seconded by Commissioner von Hahmann to award 'Contract 5 – RV Griffin Reserve Mitigation' to Turnbull Environmental, Inc. in the amount of \$578,500 and authorize the Executive Director to approve additional work on behalf of the Authority, as may be needed, up to \$50,000. Motion was approved unanimously.

Mr. Morris said the purpose of Work Order No. 8 is to provide contract management services, on-site supervisory services and testing services for Contract 5. Field services are on a time and materials basis to account for actual hours in the field.

Motion was made by Commissioner von Hahmann, seconded by Commissioner Hill, to authorize Work Order No. 8 'RV Griffin Reserve Mitigation Construction Oversight' for the Regional Reservoir Expansion to Agreement for Professional and Technical Consultant Services between the Authority and MWH Americas, Inc. for an amount not-to-exceed \$275,700 and authorize the Executive Director to approve additional work on behalf of the Authority, as may be needed, up to \$20,000. Motion was approved unanimously.

Item 18. *Peace River Facility Expansion – Status Report*
Presented by Kevin Morris, Facilities Division Director and
Doug Eckmann, Project Manager for Boyle Engineering

Mr. Morris said the contractor, E.T. MacKenzie, is making great progress on Contract 1 (site preparation) and the project is approximately six weeks ahead of schedule. The construction permit has been received from DEP for Contract 2 (WTP expansion). The project was advertised and a pre-bid meeting was held on January 10. There were five prime contractors in attendance. The bid opening is scheduled for February 9 and it is anticipated the low bid will be brought to the Board on February 21.

Item 19. *Government/Community Affairs - Staff Report*
Presented by Ray Pilon, Government/Community Affairs Director

Mr. Pilon discussed four suggested legislative priorities for 2007 for which he requested Board consensus and direction on these priorities.

1. Support Southwest Florida Water Management District's Community Budget Issue Request (CBIRS) for a legislative appropriation of \$10,000,000 for the Central West Coast Surface Water Enhancement Initiative, in behalf of the Peace River/Manasota Regional Water Supply Authority. Mr. Pilon pointed out that if this effort is successful, this will be an ongoing budget request to supplement those budgets particularly earmarked toward the environmental side of those projects.
2. Support the continued and enhanced funding of the Water and Protection and Sustainability Trust Fund (SB444) for construction of alternative water source infrastructure.
3. Support continued improvement to the growth management act as it relates to land use and water resource linkage.
4. Support the implementation HB293 which mandates the Florida Department of Environmental Protection implement a state-wide comprehensive 'goal based' water conservation program; and state water law that recognizes that local and regional public water utilities have the responsibility and right to establish rates and rate structures for their services.

Motion was made by Commissioner von Hahmann, seconded by Commissioner Cummings, to approve legislative agenda for 2007. Motion water approved unanimously.

Item 20. *Routine Status Reports*

- a. Hydrologic/Water Supply Conditions***
- b. Horse Creek Stewardship Program***
- c. 'GAP' Plan Conjunctive Water Use Permitting***

These reports are presented for the Board's information.

Item 21. *General Counsel's Report*

Mr. Manson said there had be no activity on phosphate matters and had nothing further to report.

Item 22. Executive Director's Report

Mr. Lehman said at the last board meeting he reported on the financial engine presentation from the District which the Governing Board approved as their guiding document at their December board meeting. The Authority plays an important role as a cooperative funder as does Tampa Bay Water (TBW). As Chair Staub said at the beginning of the meeting, one of the Authority's missions this year is to be better coordinated with TBW and the District. As a result of the financial engine document, TBW has requested a meeting with the District Governing Board. Mr. Lehman suggested Mr. David Moore be contacted and request that the Authority attend that meeting or schedule another meeting with the Governing Board so they can express their views.

Chair Staub felt the Authority should attend the same meeting as TBW. To have a separate meeting then the Authority would not know what was discussed with TBW. She felt the request should be at the Governing Board level.

Motion was made by Commissioner von Hahmann, seconded by Commissioner Cummings, to draft a letter of formal request to the Chair of the Governing Board of the Southwest Florida Water Management District requesting a joint meeting with Tampa Bay Water and the Governing Board. Motion was approved unanimously.

Mr. Lehman noted the Authority will be moving their administrative office on January 23 and the workshop on February 21 will be at the new office location.

MEMBER COMMENTS

Commissioner Cummings said he received an email from Mr. Lehman in response to his request to investigate the excavation of the island in the old reservoir saying the excavation would be evaluated after the new reservoir is completed. He said he would be somewhat pro-active in that effort and expressed again he hoped in hindsight the Authority does not miss an opportunity to have a substantial part of the cost of the new reservoir offset by selling the fill. He said he has talked to some folks that are considering doing a reservoir and selling fill out of it and they feel they can make a lot of money on it especially with the cost of fill in southwest Florida and actually think it won't cost them very much to build the reservoir at all. Regarding the IRWSMP, he said one of the reasons he is concerned and trying to be very careful on how the Authority proceeds is because his community was very concerned when the Peace River Facility went from 12 mgd to 18 mgd so he is trying to make sure he understands where the Authority is going and what they are doing because it appears 74% to 84% of the regional water supply issues are getting addressed through Charlotte Harbor fresh water surface inflows.

Chair Staub said she would like to receive the PowerPoint presentations from today's meeting as did the other board members. Secondly she said to her knowledge discussions have not begun with Sarasota County on the Carlton gap contract. Mr. Lehman responded that a meeting was scheduled for the following week.

PUBLIC COMMENTS

None.

FUTURE MEETINGS:

Authority Board Meeting/Workshop:

10:00 a.m., Wednesday, February 21, 2007

Authority Administrative Office

6311 Atrium Drive, Suite 100, Bradenton (Lakewood Ranch), Florida

Authority Board Meeting:

10:00 a.m., Friday, March 9, 2007

Commission Chambers, First Floor

Manatee County Administrative Center

1112 Manatee Avenue West, Bradenton, Florida

Adjournment

There being no further business to come before the Board, the meeting adjourned at 12:35 p.m.

The Honorable Shannon Staub, Chair