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Minutes of Board of Directors Meeting
PEACE RIVER/MANASOTA REGIONAL WATER SUPPLY AUTHORITY
Sarasota County Administration Center
1660 Ringling Boulevard, Sarasota, Florida

July 19, 2006

Board Members Present:

Commissioner Jerry Hill, DeSoto County, Chairman
Commissioner Shannon Staub, Sarasota County, Vice Chairman
Commissioner Adam Cummings, Charlotte County
Commissioner Patricia Glass, Manatee County

Staff Present:

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

Others Present:

A list of others present who 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 Commissioner Tom Moore, Charlotte County; Commissioner Delma Allen, DeSoto County; Commissioner Jon Thaxton, Sarasota County; and Commissioners Rue Berryman, Fred Tower and Barbara Gross, City of North Port. Chairman Hill also recognized Tom Dabney, SWFWMD Governing Board member.

Call To Order:

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

RECOGNITIONS/RESOLUTIONS:

Item 1. Remembrance of Ed Chance

Special tribute was given in remembrance of Ed Chance, a Founding Director of the Authority, who died on June 26, 2006.

Item 2. Employee Service Recognition

Mr. Lehman said the Authority had reached a new milestone. Fifteen years ago in June 1991, the Peace River Facility was acquired from General Development. Mr. Lehman noted six of the original staff are still employed with the Authority. Mr. Lehman recognized those staff members with fifteen years of service and presented them with a service award.

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Item 3. Resolution 2006-06 'Florida Water, Wastewater and Systems Operators Week'

Mr. Pilon presented Resolution 2006-06 recognizing August 7-11, 2006 as 'Florida Water, Wastewater and Systems Operators Week'.

Motion was made by Commissioner Cummings, seconded by Commissioner Staub, to approve Resolution 2006-06 'Florida Water, Wastewater and Systems Operators Week'. Motion was approved unanimously.

CONSENT AGENDA:

Item 4. Authority Board Meeting and Workshop Minutes of May 19, 2006

Item 5. Authority Board Meeting Minutes of June 7, 2006

Item 6. Check Register for Month of May 2006 (acceptance for further audit)

Item 7. Work Order No. 11 'Peace River Facility WTP Rerating Study – Phase I' to Agreement for Professional and Technical Consultant Services between the Authority and HDR Engineering, Inc. for a lump sum amount of \$17,912

Motion was made by Commissioner Staub, seconded by Commissioner Cummings, to approve the consent agenda for July 19, 2006. Motion was approved unanimously.

PUBLIC HEARING:

Item 8. Budget for FY07

- a. Open Public Hearing*
- b. Presentation of Budget for FY 07 by Patrick Lehman, Executive Director*
- c. Public Comment*
- d. Close Public Hearing*

Chairman Hill opened the Public Hearing for the FY07 Budget presentation.

Mr. Lehman said the tentative Budget was approved by the Board on May 3, 2006 and subsequently distributed to the member governments and the City of North Port for review and comment. Throughout the review process, there were no changes made to the Budget. Presentation of the Budget was made to each of the member-county Commissions. The City of North Port did not request a presentation. As process of the public hearing, Mr. Lehman presented a summary of the final Budget for FY07.

Commissioner Staub noted that Sarasota County has been working toward increasing the County's reserves to be better prepared in the event of a disaster, such as a hurricane, and is looking into developing a reserve policy. Commissioner Staub suggested the Authority may also want to consider a reserve policy for future planning for disastrous events.

There were no public comments.

Chairman Hill closed the public hearing.

Motion was made by Commissioner Staub, seconded by Commissioner Cummings, to close the Public Hearing for the Budget for FY07. Motion was approved unanimously.

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REGULAR AGENDA:

Item 9. Adoption of Budget for FY07

There was no further discussion regarding the Budget for FY07.

Motion was made by Commissioner Staub, seconded by Commissioner Glass to approve the Budget for FY07 in the amount of \$91,442,442. Motion was approved unanimously.

Item 10. Resolution 2006-07 'Resolution Setting Forth Schedules Establishing Rates, Fees and Charges for FY07'

Mr. Lehman said Resolution 2006-07 formalizes the Board's adoption of the Budget for FY07 and establishes the rates, fees and charges by the Authority for FY07 in accordance with the 'Second Amended Interlocal Agreement Creating the Peace River/Manasota Regional Water Supply Authority'.

Motion was made by Commissioner Cummings, seconded by Commissioner Glass to approve Resolution 2006-07 'Resolution Setting Forth Schedules Establishing Rates, Fees and Charges for FY07'. Motion was approved unanimously.

**Item 11. Hydrologic Conditions/Water Supply Conditions Report
Presented by Sam Stone, Environmental Affairs Coordinator**

Mr. Stone reported on the data for the month of June followed by the data for July 1-17, 2006. The average rainfall for the month of June in the Peace River Basin was 6.2 inches. The average river flow for June recorded at the Arcadia gage station was 92 cubic feet per second (cfs). As of the end of June, the reservoir was at 66% capacity and the reserves in the wellfield system totaled approximately 1.9 billion gallons (or 25% of the wellfield system capacity). Combined reserves totaled 2.2 billion gallons which based on current demand is equivalent to approximately 130 days of supply. Customer average demand for June was 17.0 mgd. The 12-month moving average demand was 16.9 mgd.

The average rainfall for July 1 through July 17 in the Peace River Basin was 5.0 inches. The average river flow recorded at the Arcadia gage station for the same period was 218 cubic feet per second (cfs). As of July 17, the reservoir was at 78% capacity and the reserves in the wellfield system totaled approximately 1.9 billion gallons (or 25% of the wellfield system capacity). Combined reserves totaled 2.2 billion gallons which based on current demand is equivalent to approximately 130 days of supply.

The Climate Prediction Center predicts 10% above-normal rainfall over the next three months.

Following Mr. Stone's report, Chairman Hill moved forward to agenda Item No. 17 and thereafter returned to the regular order of the agenda items.

Item 17. Regional Integrated Loop System – Phase I Interconnect

- a. Interlocal Agreement between City of Punta Gorda and Peace River/Manasota Regional Water Supply for Water Interconnects
Presented by Doug Manson, General Counsel**

In review, Mr. Manson said the Authority, by way of the Master Water Supply Contract (MWSC), must

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provide written notice to member governments when a facility is going to be constructed within their jurisdiction. By letter dated February 13, 2006, the Authority advised Charlotte County of its intent to construct an Authority/Punta Gorda transmission pipeline within the County. On April 6, 2006 the Authority received the County's letter denying consent. The County's letter triggered the 45-day mediation process. Mr. Manson said within the 45-day requirement, the Authority and the County met to attempt to reach agreement and the discussions have since been ongoing.

Mr. Manson said the negotiation process is now taking a new direction. Rather than one three-party agreement as originally proposed, discussions are toward two agreements—one between the Authority and the City and the second between the County and the City. How the two agreements interrelate is set out in the Authority's agreement with two conditions precedent to the Authority's agreement becoming effective with the City. First, the County's agreement must be effective with the City and second a letter must be received by the Authority from the County changing their denial to an approval. At this time, Mr. Manson said his understanding is the City has met with the County to review their draft agreement. Authority staff has also sent their draft agreement to the City for review. Both the Authority and the County are awaiting a response from the City.

On a parallel path, Mr. Manson said the mediation process set forth in the MWSC says once the mediator is agreed upon, mediation is to take place within fourteen days. As previously reported, the County and the Authority agreed on George Nickerson as the mediator. Unfortunately, a mutually agreed upon date for all the parties was not possible within the fourteen-day timeframe. At this time, the parties are working toward a mediation date. However, if everything goes well with negotiating the two agreements, Mr. Manson said the mediation will not be necessary. The difficulty is that time is running out because the District's budget cycle is coming to an end and District staff has made it clear the District will only fund projects that are set to go to construction. Therefore, the funding for not only the Authority/Punta Gorda interconnect, but also for the Punta Gorda WTP upgrade and the interconnect between the County and the City may be in jeopardy unless Charlotte County approves the Authority's project. The District's Governing Board will be reviewing the funding applications on July 31.

Mr. Manson then explained the fundamentals of both agreements. Mr. Manson said the Authority's agreement with the City says the Authority will move forward with the interconnect and purchase up to 2 mgd. The term of duration is five years or until the Authority enters into a water supply contract with the City.

Mr. Manson said this agreement is a way to resolve the Authority's issue with the County and a way to make sure the City wants to sell water to the Authority before entering into a contract to build the pipeline. The County's agreement with the City says the Authority's 2 mgd is exempt to a fixed date. Right now the date is 2010, however, Mr. Manson said he feels the date needs to be extended to June 2011. In the County's agreement, with the exception of the Authority's GAP contract, effective immediately the City would have to obtain written permission from the County in order to sell water beyond their service boundary to anyone, including the Authority. There is a notice provision that says by February 1 of every year the City must inform the County of the amount of available water for sale. The County will then have 30 days to respond. The City can only charge the County the lowest price they are charging any other bulk customer. Mr. Manson said how that affects the Authority is that, with some clarification of the language, it would allow the Authority to go forward with the City and contract for the GAP period proposed to be through June 2011. After that period, any amount of future sales by the City to the Authority would be regulated through the County acting as the gatekeeper for the City. Mr. Manson was clear to say the City has yet to comment on these agreements.

Commissioner Staub said she does not see this interconnect as being as urgent as initially anticipated. There are other projects that would not be as complex to complete that could also resolve the GAP issue. The

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agreement with the County and the City will be precedent setting for future projects and she is not convinced what is being discussed is consistent with the MWSC language. She asked Mr. Manson to insure all the member-county legal staffs and the City of North Port have an opportunity to review the language in whatever agreement(s) goes forward.

Mr. Manson affirmed he would be in contact with all of the legal staffs. In addition, Mr. Manson said another party not yet involved in these discussions is the District, specifically to say whether or not this arrangement will meet the District's criteria for regional projects. Mr. Manson said the negotiations have not been to the point where something could be presented to the District.

On that note, Chairman Hill asked Mr. Tom Dabney, SWFWMD Governing Board member, to address the Board.

Mr. Dabney said because of the economies of scale and the environmental benefits that result from alternative sources, the Governing Board has always encouraged formation of water supply authorities and a regional approach to supply the water. Regarding the three projects in question—the Authority to Punta Gorda pipeline, the Punta Gorda WTP upgrade to 10 mgd and the Charlotte to Punta Gorda pipeline—the District has been considering funding for these projects for the past year with the understanding they are supported by the Authority and are a part of the regional system. The District's budget cycle is now coming to an end. The District expected the interlocal agreement would be in place between the Authority, the City and the County. The District supported the Authority to Punta Gorda pipeline and the upgrade of the Punta Gorda WTP because they are important components of the GAP plan and because they allow the conjunctive use of surface water sources within SWUCA. The District also supported the Charlotte County to Punta Gorda pipeline as an emergency interconnect provided it made hydraulic sense and was supported by the Authority. The District cannot support Charlotte County's demand for approval rights beyond 2010 because it is contrary to the Authority's ability to act as a true regional water supplier and opposes the direction the Governing Board chose regarding the funding of regional water resource projects. When the Governing Board meets on July 31, Mr. Dabney said he would not support funding for these three projects without the interlocal agreement having been reached between the Authority, the City and the County. While substantial progress has been made, Mr. Dabney said July 31 is the last meeting/workshop for the Governing Board until September 26 when the budget is approved. Since the Charlotte County to Punta Gorda pipeline will only have basin board funding at that point, the District staff will recommend to the basin boards not to fund these projects as well.

Commissioner Staub asked if everything works out, what the District's funding would amount to.

Mr. Lehman said it is a 50/50 split with the District which amounts to approximately \$5M for the Authority's interconnect. The City of Punta Gorda is requesting \$1.5M for the WTP upgrade and the County is requesting \$2-2.5M for a total in excess of \$8.5M from the District for the three projects.

Further, Mr. Dabney said there is competition for those dollars noting Tampa Bay Water, as well as others, as having projects that are ready to go and there is no reason for the Governing Board or basin boards not to fund other qualified projects where construction can begin immediately.

Commissioner Staub said she totally agreed. Commissioner Staub asked Mr. Lehman if everything were to work out, when the water would be flowing from Punta Gorda.

Mr. Lehman said substantial completion is anticipated to be early 2008.

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Commissioner Staub asked when it is anticipated water will flow from the regional expansion program.

Mr. Lehman said late 2008.

To that, Commissioner Staub said *so the GAP is six months*.

Mr. Lehman said that is correct if all plans go according to schedule.

Commissioner Staub said her understanding regarding the Carlton WTP project is that the last of the information the District has requested will be provided shortly; and if approved, would be ready within 12 months at the most. In addition, the City of North Port's request for an increase in their water use permit is close to being approved. If those two projects come to fruition in 2007, Commissioner Staub asked would not the GAP be filled without the pipeline to Punta Gorda.

Mr. Lehman said the GAP is filled through 2007. According to the projections provided to the Authority, the quandary comes in 2008. The question then becomes how true the projections are and the Authority needs to insure water will be available to meet the demands.

Commissioner Staub said if the Punta Gorda interconnect does not come together, she wants to know what the Authority is going to do.

Commissioner Glass said the District has come with a clear recommendation to the Authority Board. In keeping with the policies of the District, it would appear the Authority, as a regional water supply authority, should also make a clear recommendation as to what will work best for the Authority because it was agreed among the counties to come together as a regional entity. If issues need to be resolved between the Authority with a municipality and/or a member county before the Authority can move forward, then they need the clear recommendation that Mr. Dabney has made and a clear recommendation from the Authority Board, i.e. this is what comprises a regional system and this is what is going to be necessary for the Authority to move forward; or from what Commissioner Glass hears Commissioner Staub is saying, to abandon this project.

As clarification, Commissioner Staub said not abandon this project but not be the number one priority.

Commissioner Glass said she does not feel the Authority has the luxury of saying they may do this project in the future and will be back for the District's funding consideration. She asked Mr. Manson and Mr. Lehman to point out to the Board what the Authority agreed to when they said they wanted to do the loop system. That would be a policy statement by the Board as to how the Authority would deal with a situation like this. Otherwise, these issues will happen every time the Authority moves forward with what Commissioner Glass feels are what they all want and that is 'regionalism'.

Mr. Manson said Commissioner Glass is right. We tried to overcome this hurdle while negotiating the MWSC by adding the mediation process in the event of a veto. But there is no set policy as to what conditions may or may not be acceptable by the Board. What has been evident in the negotiations with the County is what their staff is representing would be acceptable to the County's Commission.

To that, Commissioner Glass said you mean a veto on conditions, i.e. if you meet these conditions, we won't veto.

Mr. Manson said yes. Technically all that is necessary for the Authority to go forward would be a letter from Charlotte County approving the project. To get there, what counsel has been doing is trying to meet Charlotte

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County's conditions because from a negotiation posture, the mediation process is not a litigation process. So when going to mediation, the standpoint has been what is the best deal that could be presented to the Authority Board to get this project built and then the Board would have to make a decision at that point. Or, the Board can make a decision now to go forward under these terms or say no to continue the negotiations and direct staff to work on the other GAP projects.

Commissioner Cummings said Charlotte County had a referendum on this pipeline in 2002 and has been trying to get this pipeline built since then. The Authority Board has pretty consistently supported the pipeline between Punta Gorda and Charlotte County but through multiple bureaucratic machinations that effort has been torpedoed each year. Initially Commissioner Cummings did not have a majority vote to build the pipeline between Punta Gorda and the Authority so tried to find a compromise that a majority of the Charlotte County Commission would support. The Commission said if there are some long term assurances they would support this interconnect but it must be consistent with the idea of pursuing both interconnects. Then the District came in with a new set of rules regarding funding and the Authority, in turn, did what the District required and became a co-applicant. Finally there is a compromise that allows these projects to be built and now the rules change again. Commissioner Cummings said if staff was aggressively pursuing what the voted position of the Board has been, the pipeline would already be built. What the discussions have been, Commissioner Cummings said he does not view as being different from when the Authority talked about buying a finite amount of water from Sarasota for a finite period of time. It depends on what you want to consider the source to be from. What the Board expressed was that they had concerns the language was inconsistent with the MWSC. He did not agree with that interpretation but accepted the Board's position and worked with Mr. Manson and found a way that there is a contract that does not conflict with the MWSC. It is a clean contract that says finite amount of water for a finite amount of time and Punta Gorda is free to enter into whatever other obligations they choose to. Where the Authority is talking about going, being a regional entity, strong arming members and taking their tax money out of their district and refusing to allow it to go back is not a way to get to cooperative regionalism. If we want to talk about a unitary water supply system then everyone puts in everything or the Authority presents the best projects for the least amount of money and the most reliable supply and customers take advantage of that just like a business. You don't have true cooperation until you make it in everyone's best interest to participate. Charlotte County was just handed an ultimatum. It was not stated as we are going to talk about this or see if there is another way to meet these conditions. If the District is determined to blow up the compromise to do regional interconnects that is their prerogative. Commissioner Cummings said he would take this issue to the Charlotte County Commission but does not know how they may respond.

Commissioner Staub asked if the MWSC (signed by all the members) does not say the Authority will provide the amount of water that each member or customer puts into their demand projections.

Mr. Manson affirmed that is what the contract states. Mr. Manson said Charlotte County is looking to have the most assurances they can have.

Further, Commissioner Cummings said it is a stated priority of the Authority to promote interconnects amongst the members. It is not just an issue of whether you can connect to the Peace River Facility. As far as the seven year guarantee, those legal guarantees are in place. Previous, Charlotte County had a legal contract saying they were required to be provided 10.75 mgd and ran out at 8 mgd. If that were to happen again, does Charlotte County sue the Authority? Commissioner Cummings said 'we' are the Authority. There is no recourse to speak of. In light of their past experience, Commissioner Cummings said Charlotte County would like to have the ability to pursue sources that help meet regional needs. And if Charlotte County is meeting it through some other avenue, then that is that much less of a drain on the Authority. If what we (the Authority) are saying is every time we build a pipeline, we are only going to do it if it is a permanent source of water; we

are not going to build many pipelines. The cities of Sarasota and Bradenton were talking about finite amounts of water for finite periods of time. But when it is Punta Gorda or Charlotte County, the Authority objects unless it is permanent. Commissioner Cummings said he would be astonished if Punta Gorda agreed to saying they will make the water available to the Authority forever. In his conversations with the Punta Gorda City Council they had always viewed this as a temporary source of water and he has tried to tell them that the Authority views it as a permanent source of water. Commissioner Cummings suspects what is going to happen if this goes through is the likelihood that Punta Gorda will have grown into the 2 mgd five years from now.

Commissioner Staub asked if Punta Gorda was not planning on expanding another 2 mgd to a total of 12 mgd.

Commissioner Cummings said the City wants to but none of that is certain. Even so, he seriously questions whether there is sufficient water in Shell Creek to meet more than the needs of south Charlotte County. When Commissioner Cummings was working on these interconnects, his goal was to bring the resource into Punta Gorda because he did not think they had enough water over the long term. Nobody was more surprised than he when the City decided to flip it around because previous what he was trying to overcome with the City Council was they did not want to sell it to the region. Most of these things we are talking about are things that are not outright owned by the Authority and are going to be temporary in nature. As you do incremental expansions, the idea is to round robin the excess capacity so no one has to carry so much excess capacity. It is not going to be a permanent system.

To that, Commissioner Staub said there could be a permanent plan; for example, that would say 2 mgd until 2011 and then drop back to 1 mgd. What she does not want to see is the Authority having a pipeline and it being a dry pipeline so there has to be some assurance for the Authority that after spending the money, at the end of June 30, 2011 the spigot is not going to cut off.

Commissioner Cummings said Punta Gorda has been sold this on the one condition they are in the driver's seat wherein they determine whether or not they are going to sell water. I would think that when you approach the other cities in the region, they are going to insist on the same. They are not going to promise to sell a certain volume of water forever.

Commissioner Staub countered with you do it in a contract. It's the overall big picture so that we stay regional by saying these things will happen. We are looking at one piece of the puzzle when we should be looking at the whole picture. Assuming no action was needed by the Board regarding the interlocal agreement; getting back to the business at hand, Commissioner Staub then asked how do we move forward to the next agenda item (referring to the Design-Build Agreement for the Punta Gorda pipeline) when there is a veto in place.

b. Design-Build Agreement for Regional Integrated Loop System – Phase 1 with Westra Construction Company

Commissioner Cummings said this seems premature and should be tabled until it is determined if the interconnect goes forward.

Mr. Manson said there are a couple of options. One is to table this item. However, because the next Board meeting is not until September 6, another option would be that the Board approve the contract and authorize the executive director to proceed with having the contract executed contingent on receiving approval from Charlotte County to proceed with the project.

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Commissioner Cummings made such a motion and Commissioner Glass seconded the motion.

Commissioner Staub asked if the motion included Amendment No. 1 to Work Order No. 7 for the Design-Build Owner's Representative Services with HDR Engineering in the amount of \$128,000 along with the Design-Build Agreement with Westra Construction Company in the amount of \$1,314,408.

Mr. Lehman said the motion goes to only the Design-Build Agreement with Westra Construction Company. Further, Mr. Lehman said the final negotiation with Westra Construction Corporation was completed after printing the Board agenda book. The final contract price has been negotiated to \$1,184,408 which is a reduction from the contract price of \$1,314,408 shown in the Board agenda book

Commissioner Staub asked for a review of how the design-build contract for this project is going to proceed. She said when the design-build concept was presented to the Board; it was put forth it would put the Authority in the driver's seat for negotiation and for the contractor to be held liable until water was delivered and even subsequent to that.

In response, Mr. Lehman asked Mr. Condran to proceed with his presentation.

Mr. Condran said he believed Commissioner Staub was referring to the single source responsibility which is one of the benefits of the design-build delivery approach. The design-build contract provides for engineering design services, to be followed at 60% design with the development of a guaranteed maximum price (GMP) for construction. The notice to proceed for this work would be given to the contractor on whatever day the contract is executed. With regard to the single source responsibility, what is being negotiated at that time is a firm price to the end of the job. In keeping with this schedule, completion is estimated to be June 30, 2008.

Commissioner Staub said by separating this, she feels like we are reverting to what we usually do (meaning the conventional Design-Bid-Build approach).

Mr. Condran said the GMP would be an amendment to the original contract. What is being approved now is the design-phase. The construction phase would be executed with the contractor with the GMP.

Commissioner Staub asked what the slippage has been on this project.

Mr. Condran said when the Board approved the design-build approach in December 2005, it was anticipated the design-build contract would be approved at the June 2006 board meeting. At the June 2006 board meeting, because the interlocal agreement had not been reached, approval of the contract was deferred to today's board meeting. So there has been a slippage of six weeks to-date. Mr. Condran said if the Board moves forward quickly, the slippage will be nominal.

Motion was made by Commissioner Cummings, seconded by Commissioner Glass, to approve the Design-Build Agreement between the Authority and Westra Construction Corporation for 'Regional Integrated Loop System Phase 1 Interconnect Project' for the contract price in the amount of \$1,184,408 and authorize the Executive Director to have the contract executed contingent on Charlotte County granting approval. Motion was approved unanimously.

Following this vote, Commissioner Cummings said he had another commitment and asked Commissioner Moore to take his place at the dais.

- c. *Amendment No. 1 to Work Order No. 7 'Regional Integrated Loop System- Phase 1*

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Interconnect Design-Build Owner's Representative Service' to Agreement for Professional and Technical Consultant Services between the Authority and HDR Engineering, Inc.

Ms. Hochuli said Work Order No. 7 is the owner's representative service for HDR to act as the Authority's representative in the design-build project.

Motion was made by Commissioner Staub, seconded by Commissioner Glass, to approve Amendment No. 1 to Work Order No. 7 'Regional Integrated Loop System – Phase 1 Interconnect Design-Build Owner's Representative Services' to Agreement for Professional and Technical Consultant Services between the Authority and HDR Engineering, Inc. for an amount not-to-exceed \$128,000. Motion was approved unanimously.

Item 12. Integrated Regional Water Supply Master Plan/Regional System Reliability Model Presented by Susan Hochuli, Water Resource Planner and Terri Holcomb, HDR Engineering, Inc.

Ms. Holcomb briefed the Board on the status of HDR's work effort. In review, the six approved water supply sources that are included in the master plan and being evaluated as part of the regional system reliability model include:

- 1) Flatford Swamp System B new water source
- 2) Dona Bay System B new water source
- 3) Carlton Wellfield B optimize withdrawal
- 4) Myakkahatchee Creek/Cocoplum Waterway System B optimize withdrawal
- 5) Peace River System B optimize withdrawal
- 6) Shell Creek/Long Island Marsh/Tippen Bay System) B optimize withdrawal

Ms. Holcomb said development of the regional system reliability model is ongoing. The first of two workshops was held on June 30 for the member staffs to preview the model and provide their comments. Each of the member governments was represented as well as the cities of North Port and Punta Gorda and the District. The workshop was very technical in nature and a lot of good feedback was received. The second workshop will be held in October for the group to review the changes made to the model. Work on developing draft sections of the integrated regional water supply master plan is continuing including analyzing and integrating the regional water demand data, identifying preliminary water supply and treatment options that will be used in the regional system and developing the budgetary component cost for those treatment options. Ms. Holcomb said HDR is on schedule for staff review of the draft master plan in November, presentation to the Board in December and final approval by the Board in January 2007.

Item 13. Regional Reservoir Expansion - Status Report Presented by Kevin Morris, Facilities Division Director and Greg Tate, Project Manager for MWH

Mr. Tate presented the highlights of MWH's work efforts over the last month. Of major significance was the submittal of the application for the Environmental Resource Permit. Mr. Tate reported that nothing has delayed the critical path of the project.

In addition, Mr. Morris said the process of pre-qualifying the contractors has begun. It is anticipated to present a short list of pre-qualified contractors for Board approval at the September Board meeting.

Item 14. *Peace River Facility Expansion - Status Report*
Presented by Kevin Morris, Facilities Division Director and
Doug Eckmann, Project Manager for Boyle Engineering

Mr. Eckmann presented the highlights of Boyle Engineering's work efforts for the last month. Work on the Peace River Facility expansion is organized into three separate construction contracts. The engineering work for Contract 1 is complete; the permit has been approved; and the project is ready for bid. Contract 2 is on track for 90% complete plans in September. Work on Contract 3, which is the operations center, will not start until early 2007. Mr. Eckmann reported that nothing has delayed the critical path of the project.

Item 15. *Regional Water Supply Opportunities and Strategies*
Presented by Susan Hochuli, Water Resource Planner

a. *>GAP= Plan Conjunctive Water Use Permitting*

As previously reported, the application for the conjunctive Water Use Permit was submitted to the District on February 1, 2006 and subsequently a Request for Additional Information (RAI) was received from the District. Ms. Hochuli said the WUP co-applicants continue the process of preparing the necessary information to respond to the District's RAI.

Item 16. *Regional Integrated Loop System Feasibility/Routing Study*
Presented by Susan Hochuli, Water Resource Planner

Ms. Hochuli said PBS&J has completed the draft Regional Integrated Loop System Feasibility/Routing Study. In the interest of time, presentation of their findings was deferred to the September meeting. In the interim, Ms. Hochuli said the draft study will be distributed to the Board members, the Alliance members and staff for review.

Item 18. *Authority Strategic Planning and Governance*
Presented by Patrick Lehman, Executive Director

Mr. Lehman said Dr. deHaven-Smith facilitated a strategic planning meeting on June 23. Along with the Authority staff, the administrative staff of the member counties and cities of North Port and Punta Gorda were in attendance. Dr. deHaven-Smith previously distributed a summary of the meeting to the Board in which he discusses the administrators' desire to hire a financial analyst to assist in assessing potential options for expanding the regional water supply system. Mr. Lehman said he would like to get Board direction that the Board either agrees with what the administrators are suggesting for the strategic planning process or whether changes should be made in the process so everyone has clear direction for proceeding. The next meeting of the administrators is scheduled for August 11.

Commissioner Staub said she liked what she read in the meeting summary and what she has heard from the County staff. She said she wants to stay on track time wise and wanted to move forward with the financial analyst.

Chairman Hill asked how this person would be compensated.

Mr. Lehman said this would be a consulting arrangement and there are monies in the budget for the strategic planning process.

Motion was made by Commissioner Staub, seconded by Commissioner Moore, to authorize the Executive Director and the administrators to move forward with selecting a financial analyst and making a recommendation to the Board. Motion was approved unanimously.

*Item 19. Request for Peace River Basin Area-Wide EIS on Phosphate Mining=s Cumulative Impact
Presented by Patrick Lehman, Executive Director*

At the May meeting, the Board requested that SWFWMD and its consultants conducting the Peace River Cumulative Impact Assessment be requested to make a presentation at today's Board meeting. Mr. Lehman said the SWFWMD project team is continuing public workshops throughout the Peace River basin through August. In addition, in conflict with today's meeting, the Florida Chamber was conducting its annual environmental permitting summer school. Mr. Lehman said the Manatee BOCC has scheduled a workshop on August 24 and Sarasota County has allocated time on September 12 to discuss this matter. Mr. Lehman suggested an Authority sponsored workshop be scheduled to bring together all of the appropriate players which would include not only SWFWMD and DEP but also the Ona project has an EIS that will be issued soon and Mosaic would like to present their findings. Mr. Lehman said the workshop could be inclusive of all the Water Planning Alliance elected officials.

Motion was made by Commissioner Staub, seconded by Commissioner Moore, to schedule a workshop that would include the Water Planning Alliance elected officials that would involve DEP, SWFWMD, Mosaic and other stakeholders regarding an area-wide EIS and the DEP Cumulative Impact Assessment in process. Motion was approved unanimously.

*Item 20. Government/Community Affairs Staff Report
Presented by Ray Pilon, Government/Community Affairs Coordinator*

Mr. Pilon said staff is exploring all possible funding options for state and federal funding. A meeting is scheduled in August with District staff in order to come to a balance for a non-competing funding scenario. There are others in the state that will be competing for the dollars and the Authority does not want to be in conflict with the District, with Tampa Bay Water, with Polk County or anyone else. Mr. Pilon said he will present a report at the September Board meeting on the progress of the August meeting.

Item 21. Routine Status Reports

a. Horse Creek Stewardship Program

This report is presented for the Board=s information.

Item 22. General Counsel=s Report

On phosphate matters, the Army Corps of Engineers (ACOE) issued a notice of proposed agency action to issue the section 404 wetlands permit for the entire Ona mine on March 27, 2006. After requests were filed by a number of parties including the Authority, Charlotte and Sarasota Counties and the Sierra Club, the ACOE granted an extension of the Public Comment period. Mr. Manson said the Authority filed its comments on June 26, 2006. In addition, prior to any mining being allowed, the ACOE should conduct a cumulative impact assessment. If the ACOE determines to issue the permit, the Authority requested that the

permit limit the mining to uplands. If mining is not limited to uplands, then Mosaic should only be allowed to mine within any aquatic system that Mosaic can demonstrate the ability to restore. The ACOE has not made a determination regarding whether to hold a public hearing as of yet even though several agencies have submitted requests for a hearing to be held.

Mr. Manson=s written report on phosphate matters is filed with the permanent records of the Authority.

Item 23. *Executive Director=s Report*

Mr. Lehman said the 31st Annual Conference on Water Management, sponsored by the Florida Department of Environmental Protection and the five water management districts, is scheduled for September 6-8, 2006 in Tarpon Springs. A conference brochure was provided to the Board members. Mr. Lehman said both he and Mr. Pilon have been invited to participate in various conference sessions. In addition, the Authority will have an exhibit space and distribute information.

Mr. Lehman introduced Brenda Crouthamel, the Authority’s new financial assistant.

Mr. Lehman said Ross Morton is the new Director of the SWFWMD Sarasota Service Office. Mr. Morton was in the audience previously but had left.

MEMBER COMMENTS

None.

PUBLIC COMMENTS

None.

FUTURE MEETINGS:

Next Authority Board Meeting:
10:00 a.m., Wednesday, September 6, 2006
Board of County Commission Chambers
DeSoto County Administration Building
201 East Oak Street, Arcadia, Florida

31st Annual Conference on Water
September 6-8, 2006
Innisbrook Resort
Tarpon Springs, Florida

Adjournment

There being no further business to come before the Board, the meeting adjourned at 12:10 p.m.

The Honorable Jerry G. Hill, Chairman