

APPROVED

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

January 5, 2005

Board Members Present:

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

Staff Present:

Patrick J. Lehman, Executive Director
Douglas Manson, General Counsel
Kevin Morris, Chief Engineer
Susan Hochuli, Water Resource Planner
Ray Pilon, Governmental Affairs Coordinator
Edward Yates, Fiscal Manager
Linda Stewart, Executive 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 Glass recognized Commissioners Neads and Welles, DeSoto County; Commissioner Thaxton, Sarasota County; Commissioners Berryman, Gross and Tower, City of North Port; and Patsy Symons, SWFWMD Governing Board.

Call To Order:

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

RECOGNITION OF SERVICE:

Commissioner Terry Welles, DeSoto County, was recognized for his service as a member of the Authority Board of Directors for 2004 and Commissioner Adam Cummings, Charlotte County, was recognized for his service as Chairman of the Authority Board of Directors for 2004.

CONSENT AGENDA:

- Item 1. Meeting Minutes of December 1, 2004***
Item 2. Check Register for Month of November 2004 (acceptance for further audit)
Item 3. Purchases and Transfer of Funds from R&R Reserve Account as listed:
a. Silmar Electronics, Inc. for security cameras in the amount of \$13,500±
b. HACH Company for turbidimeters in the amount of \$20,000±

- c. Florida Aluminum & Steel for hand railing in the amount of \$40,000±*
- Item 4.** *License Agreement Renewal for Ingress/Egress to RV Griffin Reserve with Southwest Sand & Fill, Inc.*
- Item 5.** *Roberts Communications and Marketing, Inc. for Comprehensive Region-wide Survey and Umbrella Communications Plan for an amount not-to-exceed \$30,000*

Motion was made by Commissioner Hill, seconded by Commissioner Staub, to approve the consent agenda for January 5, 2005. Motion was approved unanimously.

REGULAR AGENDA:

- Item 6.** *Hydrologic Conditions/Water Supply Conditions Report - Kevin Morris, Chief Engineer*

Mr. Morris reported the average rainfall for the month of December in the Peace River Basin was 2.3 inches and the average river flow recorded at the Arcadia gage station was 413 cubic feet per second (cfs). As of the end of December, reserves in the wellfield system total approximately 2.3 billion gallons or 31% of the wellfield system capacity and the reservoir is full. Combined reserves total 2.9 billion gallon which based on current demands is equivalent to approximately 167 days of supply. Customer average demand for November was 17.4 mgd. The 12-month moving average water demand was 16.2 mgd.

- Item 7.** *Hurricane Recovery Update - Ed Yates, Fiscal Manager*

Mr. Yates said a settlement check in the amount of \$95,526 has been received from the Authority's insurance carrier. The loss summary and the request for reimbursement has been filed with FEMA.

Following Mr. Yates report, Mr. Morris showed pictures of some of the damaged areas at the Peace River Facility and the repairs that have been undertaken.

- Item 8.** *Water Planning Alliance "Regional System Planning and Engineering Study" Status Report - Susan Hochuli, Water Resource Planner (Consultant -Greeley and Hansen LLC) (Facilitator - Analytica)*

Before Ms. Hochuli gave her report, Mr. Lehman said the next agenda items relate to the Administrators' Consensus Statement which was accepted by the Board on July 7, 2004. Mr. Lehman said he felt this would be an opportune time to reflect on these items and keep them in mind as the Authority moves forward.

Following are Mr. Lehman's remarks item by item:

1. *The expansion of the Authority's water resources will be undertaken on an incremental basis*

Beginning in late 2001 the various consultants were selected for the expansion project. The preliminary engineering costs were estimated to be between \$110-115 million. At a board workshop in June 2003, the costs of the project were presented to the Board with the option to buildout in one phase or incremental phases. Upon further review of that information, the Board agreed the expansion should be incremental in order to provide rate stability to the customers.

2. *During the phased expansion process, Authority staff will conduct frequent meetings on an*

established basis with the administrators ...

The administrators have been meeting on a monthly basis and continue to meet. In addition to those meetings, there has always been a liaison staff meeting the Friday preceding each board meeting for the utility directors and/or their designee so they are kept up to date monthly. Further, workshops are held at critical times.

3. *As a short-term solution, the Authority will undertake an initial 10 to 12 mgd expansion of its reservoir and plant with a jointly developed financial plan.*

There will be a status report later in the meeting on the expansion, but the expansion needs to be aligned to meet the customer demands by the 2008 timeframe. The second expansion would follow to meet the needs in the 2012 timeframe. It is understood there is greater future demand than what the Peace River Facility can supply.

The Authority will proceed in the context of the Water Alliance plan.

The Authority has been the administrative home of the Water Planning Alliance and the Authority has been working hand-in-hand with the Alliance.

4. *The Authority would be advised to aggressively plan for demands beyond 2016 ...*

Again, the Authority is working hand-in-hand with the Water Planning Alliance.

5. *The Authority will consider broadening its water resources ...*

Again, the Authority is working hand-in-hand with the Water Planning Alliance.

6. *The Authority will consider pursuing a more robust approach to water system interconnects.*

The Authority has obtained SWFWMD funding for the Regional Loop System project which will provide a more robust interconnect system between the major suppliers and users within the region. The Board has also approved, and a funding application has been submitted to SWFWMD, for an interconnect with Punta Gorda. Further, other interconnects will be pursued as identified by the Water Planning Alliance.

7. *The Authority will consider adopting the role of “guarantor” of water supply ...*

The Board needs to continue the discussion on the future goals of the Authority.

8. *If a regional supply system is established over time, the Authority will consider proceeding towards a blended water rate ...*

This discussion needs to take place by the Board.

9. *Following the completion of the Water Planning Alliance’s work which was scheduled to be December 2004 ...*

The technical staff has completed their work. Again hand-in-hand with the Water Planning Alliance, the

Authority has budgeted for a Regional Integrated Water Master Plan.

Ms. Hochuli then proceeded with her status report on the Water Planning Alliance. She said the technical portion of the *Regional System Planning and Engineering Study* is coming to an end. Ms. Hochuli reviewed the supply and demand figures for the thirteen-member region. Ms. Hochuli showed a graph of that information which demonstrates the 2016 timeframe is when the current available supplies do not meet the projected water demands of the thirteen members. Through the planning period of 2023, on an annual average basis the collective demand of the Alliance members totals approximately 145 mgd and the current existing supplies available to meet that demand is 125 mgd.

Ms. Hochuli said in November 2004, the TAC was presented with the technical evaluation results of the short list of projects that had been approved by the Alliance Board in late summer 2004. The short list of projects is a mixture of groundwater, surface water, desalination and piping interconnects.

Commissioner Staub asked Ms. Hochuli if there was still the opportunity for projects not already on the short list to be considered.

Ms. Hochuli said there is always an opportunity to provide more ideas and it would be remiss not to include updated information.

Commissioner Staub requested the thirteen member jurisdictions be advised they may submit those projects that were not on the short list just for informational purposes at the next Alliance Board meeting.

Chairman Glass said that is the perfect time to bring a project forward and requested everyone be informed in preparation of the next Alliance Board meeting.

Referring to the November TAC meeting, Ms. Hochuli said the presentation of technical evaluations led the TAC members into discussions regarding governance, implementation and other policy issues. It was realized by the TAC there needed to be further discussion on those issues by the administrators before a presentation was made to the Alliance Board in order to be able to present them with a way of implementation along with the technical possibilities. Those discussion are underway with the administrators.

Commissioner Staub asked when the Alliance Board members would have an idea of the length of time each of the projects might take and a projected cost.

Ms. Hochuli said the technical evaluation by the consultant includes an estimated cost and timing for implementation of each project.

Commissioner Staub asked if that information could be included on the chart of the projects.

Ms. Hochuli said yes.

Chairman Glass said there is a presumption that every one of the projects is going to be entertained. The harder part will be what kind of cooperation needs to be worked out if a project is acceptable to the entities involved to move a project forward. Only then are you in a good position to give a more accurate assessment of what it will take from start to finish for any project.

Ms. Hochuli said the partnership, cooperation and administrative part of each project must be taken into

consideration. The evaluation has only been the technical perspective of what it would take to bring a project to life.

Chairman Glass said one of the strengths of the Alliance is that it may provide the impetus for any organization to pursue a project.

Commissioner Staub asked if there was a list of the interconnect projects and if they had been prioritized by the TAC so the thirteen members might begin to make decisions on those projects.

Ms. Hochuli said there is a list which is included in the board package. They were not, however, prioritized by the TAC. Ms. Hochuli said many of the interconnects are already in process and briefly reviewed the status of each of the projects.

Commissioner Staub said she sensed there was frustration that the Alliance process has been taking too long. She said the Authority's role seems to be facilitator and not a leadership role. There is a sense of urgency by many jurisdictions because they feel they are pushed against the wall with looking at where they are going to get their water in the next few years. Considerable progress has been made having thirteen jurisdictions at the table this long and getting a list of potential projects and water supply sources. Everyone Commissioner Staub has talked to has expressed they really want the regional aspect to work and they want the Authority to be a part of that. Commissioner Staub said the Alliance is at a crossroads and if they don't start moving ahead, there is the potential some entities may feel they have to move forward on their own. As one Authority member, Commissioner Staub gave her total support for the Alliance to aggressively move forward into the implementation stage and hoped the rest of the Board would support her.

Chairman Glass said you want people to get on board and say they like the regional water supply authority. She does not feel it would take much discussion to proceed with the idea that the Alliance really becomes the Authority. It might as well be put on the table. But then there is the question of membership. When you want to present something new in terms of governance and working together, it's better when everybody is at the table. A lot of work has been done and the Authority is positioned to make that decision.

Commissioner Cummings said when the Alliance was established, he assumed the Authority was going to take all of those ideas and move forward with them. When he considers the consensus statement and the points listed, he thought the Authority was getting together ideas and putting together a capital improvements program. The strength of the Authority is not only creating a more regional and a more coordinated approach, but also the political aspects. The Authority is clearly better at obtaining grant money and also has a better success record of getting projects permitted. That is the strength of the Authority and that is why he thought when looking at these projects, even within a given community, they would be done under the auspices of the Authority and then tied together through regional interconnects.

Chairman Glass said to her way of thinking what Commissioner Cummings just outlined is the most ideal way and he is correct about the power and the ability of the Authority. The Authority opened the door in Washington DC for water for Florida. So, right now this is the most auspicious time for the Authority to move forward. Chairman Glass said this should be put on the agenda for the next meeting so the Board can have a fruitful discussion on how the Authority should proceed.

Commissioner Staub suggested the administrators and the technical representatives be at the table and a part of the February 2 workshop discussion. She requested the elected officials for the Water Planning Alliance meet before the Authority's next board meeting so the Alliance Board can be provided with the short list of projects.

Motion was made by Commissioner Staub, seconded by Commissioner Cummings, to schedule an Alliance Board meeting before the February Authority Board meeting. Motion was approved unanimously

Item 9. Myakka River Watershed Workshop - Susan Hochuli, Water Resource Planner

Ms. Hochuli said Authority staff has been coordinating with the member's water resources personnel, SWFWMD, DEP, Charlotte Harbor NEP, Myakka River Management Coordinating Council and others to develop a day-long Myakka River Watershed Workshop dedicated to the development of a common understanding of the Myakka River's history and hydrologic alterations. The workshop is scheduled for February 14 as a part of the Charlotte Harbor Watershed Summit and will be held in Punta Gorda. The concept for this workshop evolved from discussions by these groups through the Water Planning Alliance.

Some of the topics that will be discussed include land use changes within the Myakka River watershed, hydrologic water quantity, quality and biological changes as well as some of the plans that have been prepared related to how to manage the Myakka River watershed.

Item 10. Regional Integrated Loop System - Susan Hochuli, Water Resource Planner

Ms. Hochuli said the Request for Statement of Qualifications for the Regional Integrated Loop System Feasibility/Routing Study was advertised mid-December 2004. The submittals are due on January 13, 2005. It is anticipated a short list of engineering firms for ranking by the Board will be presented at the March meeting. Concurrently, staff is working with SWFWMD on the funding agreement which will provide 50% of the funding for this phase of the project.

Item 11. Peace River Allocation Agreement Status Report - Patrick Lehman, Executive Director and Douglas Manson, General Counsel

Mr. Lehman said the City of North Port Commission rejected being a party to the Allocation Agreement at their meeting on December 13. Because of the uncertainty as to whether the City would agree to the Allocation Agreement, at the December 1 Authority meeting, the Board approved a three-party Allocation Agreement which would leave the City's allocation on the table. The three-party Allocation Agreement has been approved by the Authority Board and DeSoto and Sarasota counties and just yesterday, the Charlotte County Commission also approved the agreement. The agreement is being circulated for signature.

Item 12. City of North Presentation - John Jenkins, Counsel and Cindi Mick, Utilities Director

The City of North Port's Commission rejected being a party to the Allocation Agreement at their meeting on December 13. The City submitted correspondence to the Authority requesting additional water allocation. Further, the City requested an opportunity to make a presentation to the Board regarding this issue.

John Jenkins, Special Counsel to the City of North Port, and Cindi Mick, Utilities Director, presented the City's position in this matter.

Ms. Mick said the results of their recently completed utility master plan indicates the City's demand has increased significantly. The City is committed to stopping the proliferation of wells and septic tanks throughout the City in order to protect the environment of the region and will aggressively pursue the extension of utility services and to do so will need increased allocation for drinking water. Their plan to meet their demands is a mix of supplies which include increasing the City's allocation from the Authority, increase the Consumption Use Permit for the Myakkahatchee Creek and Cocoplum Waterway, begin pursuit of a reverse osmosis plant on the Thomas Ranch property and the Panacea property, various interconnects and water conservation.

Mr. Jenkins said the City, pursuant to their contract with the Authority, has requested additional capacity and has been advised the Authority would be glad to accommodate the City out of future projects but not out of the 14 mgd expansion. After conversations with Authority staff, the City has two concerns regarding future supply. 1) It seems the future projects are uncertain, long term in nature and rely on other local governments to take the initiative. 2) According to the Allocation Agreement, the Authority has approximately 4.7 mgd out of the 14 mgd expansion that will not be allocated until the 2013 timeframe. If the Authority had a high degree of confidence that the future water sources would be on line by then, then the 4.7 mgd could be allocated now. If the Authority does not have a level of confidence that other projects will be on line by then, it is difficult for the City to have a level of confidence not to pursue the additional allocation at this time.

Chairman Glass asked Mr. Jenkins what he meant by a level of confidence.

Mr. Jenkins responded the City is suggesting that if the Authority had a higher level of confidence these other projects would be available by 2013, then the 4.7 mgd could be allocated now. If the total 14 mgd is made available sooner to the City and to other members that gives the Authority approximately eight years to develop and bring on other water supplies. It may be necessary to move the plant construction ahead and be in a position to provide that service and at the same time undertake an aggressive approach to new water supply projects. The Authority has an obligation under the contract with North Port to take what action is needed to be in a position to provide the additional allocation especially if the only thing preventing that is the Authority's desire to keep costs down and phase the plant. North Port will need to pay for that capacity. The City also looks to the Authority to assist them, if possible, in brokering a short term water supply agreement whether it is with Sarasota County or another member. The City feels if the Authority would do that, they will have met the reasonable needs of their customers, at least through the 2013 period.

Mr. Manson said originally the expansion was going to be built in one phase and there would not be the eight year delay. There was a request however by the members for financial reasons to phase the expansion. If there were a common rate going forward, it would make no difference for new supplies because everyone would have the same rate. However, if there is a cost center based rate, there is the potential and the uncertainty as to what the new project would cost and therefore a risk factor for whoever is waiting for a new supply. The Authority is obligated to supply water when requested and the commitment is made for payment of the water. Mr. Manson said it is the Board's prerogative to reconsider accelerating the expansion in one phase.

Chairman Glass said this bears more discussion than the Board can give it at this time. She said this train

has not been running on a smooth track. Progress is made and then regresses because there are many entities with various special interests that have to be accommodated. That is one of the challenges facing regional water supply authorities. That we are all going to cooperate and try to bring this forward to satisfy everyone's needs the best we can is the assurance of a regional water supply authority. Everyone has to come on board with their local government's comprehensive plans because water concurrency is coming if not already here. Chairman Glass said the Authority takes very seriously the City's recommendations and they will be considered as the Authority moves forward.

Commissioner Cummings said originally he was not a proponent of building the expansion in one phase, however, after hearing North Port's presentation to the Charlotte County BOCC, felt the idea of changing the timeline commensurate with the needs provides an elegant answer and allows the Authority to meet its mission of supplying the water that is requested.

Commissioner Staub following a disclaimer said the threat of a lawsuit is not a happy state any elected official relishes. She said the only thing she is open to at this point is to take the time before the next Authority Board meeting for the Authority staff, member administrators and technical staffs and the City to discuss this issue. She felt the City's comment about their projections in 1994 when the Water Use Permit was obtained is valid. However, she said the City has been a part of the ongoing expansion discussions and now to request the extra need is disheartening. Both Charlotte and DeSoto counties said they needed extra capacity but yet agreed to the Allocation Agreement as a step toward the Water Supply Contract. Everyone of the members has agreed to stay with the same allocation at this time knowing as the Authority moves forward they are all in this together. We all know the Peace River is not the only source of water. When the Board considered expanding in one phase it was going to be a real hit on the rate payers and we just did not see how that would work. At this point, doing the expansion in one phase is not right. That is what started the impetus for phasing. She felt this issue needs very prudent study before the Board takes any alternate action. We are a region and you talk about a marriage between land use and water use, it should be a marriage between the thirteen jurisdictions of the Water Planning Alliance. Commissioner Staub made a motion that during the time before the February Board meeting the Authority staff and member administrators and technical representatives review this issue with the City and bring forward a recommendation.

Chairman Glass said the Authority is duty bound to answer the questions put forth. Timing is very important in those discussions as well as governance. It should give everyone a level of comfort that the Authority fully intends to pursue those projects they can accomplish first.

Motion was made by Commissioner Staub, seconded by Chairman Glass, to direct staff to meet with the member administrators and technical representatives and the City of North Port to review this issue and bring forward a recommendation at the February Authority Board Meeting. Motion was approved unanimously.

- Item 13. Regional Expansion Program: Regional Reservoir Expansion - Kevin Morris, Chief Engineer*
- a. Recommendation of Phase I expansion to include 6 BG reservoir*
 - b. Approval of Regional Reservoir Expansion Work Order No. 5 - Reservoir 30% Design to MWH Americas, Inc.*
 - c. Status Report*

Mr. Morris said staff recommends the six billion gallon reservoir option because it will support the

eventual buildout of the PRF to the 32.7 mgd total allocation in the most cost effective manner and will not require the Authority to construct additional ASR wells to meet this objective. To avoid a regional shortfall of water, the reservoir needs to be online by summer 2008 to hopefully capture some of the wet season river flow for the upcoming season. That allows 46 months from today to design, permit, bid and construct the new reservoir. Mr. Morris said any further delays will affect the construction schedule and may cause costs to escalate.

Commissioner Staub said at the Charlotte County meeting, it was stated the reservoir schedule has already slipped by three months which actually equates to one year because of the time of the year the reservoir is scheduled to be built. Commissioner Staub asked if that was a correct statement.

Mr. Morris said he disagreed with that statement. With the slippage of three months, it should still be possible to take advantage of the rainy season, but ultimately it really depends on the weather conditions.

Again referring to the Charlotte County meeting, Commissioner Staub said the amount of \$1.7 million was discussed for the work order and \$1,938,600 is being requested.

Mr. Morris said staff has been working with MWH Americas since October to negotiate the scope and fee for the 30% design effort. The \$1.7 million value was the initial effort. There were several changes in the scope which ultimately reflect the \$1,938,600.

Commissioner Staub said she was uncomfortable with the timing issue especially with the threat of a lawsuit from North Port because that may delay the project even longer. She requested a timeline be added to the work order as to when deliverables would be due so that if there is slippage, it is evident.

Mr. Morris said he would have MWH prepare a gant chart with milestones. He pointed out the schedule allows for the work order to be fully complete in six months with the final design beginning before this work order is completed.

Commissioner Cummings said he hoped the increase in the work order was an indicator of making an investment upfront to insure things do not get out of hand further down the line rather than an indicator that the price is going to continually change as the project moves forward. He also expressed an interest in the gant chart. Regarding to the potential lawsuit, Commissioner Cummings said if the Authority addresses all of the issues then the lawsuit goes away.

Motion was made Commissioner Cummings, seconded by Commissioner Staub, to direct staff to proceed with Phase I expansion to include a 6 BG reservoir and 12 mgd treatment expansion. Motion was approved unanimously.

Motion was made by Commissioner Cummings, seconded by Commissioner Staub, to approve Work Order No. 5 - 'Reservoir 30% Design' to Agreement for Professional and Technical Consultant Services between the Authority and MWH Americas, Inc. for the Regional Reservoir Expansion for an amount not-to-exceed \$1,938,600 and authorize the Executive Director to approve additional work on behalf of the Authority, as may be needed, up to \$25,000. Motion was approved unanimously.

*Item 14. Regional Expansion Program: DeSoto County Regional Pipeline Extension
(Consultant - PBS&J - Kevin Morris, Chief Engineer)*

Mr. Morris said the contractor is making very good progress. Over one-half of the pipe is delivered and one-fourth of the job is already underground. Mr. Morris showed some aerial photographs of the pipe being laid. It is anticipated the main river crossing will be complete in another couple of weeks. There are 111 days remaining to substantial completion.

Mr. Morris advised the Board of a situation that has arisen in connection with DeSoto County's water and wastewater expansion. The County's expansion has been ongoing for the last two years and within the last six months several of the county's new water and wastewater lines were re-located. Unfortunately, in at least one location and possibly up to three more locations, the county's lines are in conflict with the Authority's water main. Authority staff is working with the County staff to resolve these issues to avoid any potential delay or an increase in cost. Mr. Morris said the contractor is not scheduled to get to the first of the conflict locations for approximately another month, so there is time to resolve this matter.

Commissioner Hill said his staff has assured him these issues will be resolved so there will not be a delay.

Item 15. Regional Expansion Program: Peace River Facility Expansion (Consultant - Boyle Engineering Corporation) - Kevin Morris, Chief Engineer

Mr. Morris said Boyle Engineering is currently working on Work Order No. 3 which is the site master plan and survey services. All of the aerial photography has been completed. It is anticipated a master planning site meeting will be held at the PRF within the next few weeks. Staff is working with Boyle to negotiate Work Order No. 4 which is the Basis of Design Report. It was anticipated Work Order No. 4 would be presented at the next board meeting, however, in keeping with the Board discussion today, that work order will be postponed until the Board is firm on the size of the expansion.

Item 16. Regional Expansion Program: ASR Wellfield Expansion (Consultant - CH2M Hill) - Kevin Morris, Chief Engineer

Mr. Morris said this item has routinely been included because an expansion to the ASR wellfield was originally a component of the planned expansion. Although, additional ASR is now not being planned, CH2M Hill continues to assist the Authority in the areas of permit renewal and providing hydro geological guidance and advice on the existing ASR system.

On a related matter, Mr. Morris said the District has been considering aquifer storage and recovery as a key component to help achieve recovery of minimum flows and levels. Regulatory concerns, however, have raised a red flag and many utilities, including the Authority, are not considering new ASR at this time. In this regard in an effort to gather more data, District staff have consulted with the Authority and will be recommending to the Governing Board to fund a research project at the PRF to install ten additional Suwannee zone ASR wells for monitoring. The Authority would be asked to support that effort and provide the manpower to collect samples and download data. As part of the DEP construction permit renewal, the Authority was required to install three new monitoring wells which would then make a total of 13 new monitoring wells. To get the work done as quickly as possible, the District is interested in channeling funds through the Authority for this work using CH2M Hill, as the Authority's ASR consultant. The Authority would either contract directly or as a sub-contractor to CH2M Hill. This will be discussed at the Governing Board at their January meeting.

Item 17. Report on Administrators' Meeting - Patrick Lehman, Executive Director

Mr. Lehman said he needed a motion to officially schedule a workshop.

Commissioner Staub reiterated her request that the administrators and the technical representatives be at the table with the Board.

Mr. Lehman confirmed.

Commissioner Staub said two assistant county administrators were in the audience referring to Mr. Baltz, Charlotte County, and Mr. Bullock, Sarasota County. She asked if either would like to come forward with comments for the Board.

Mr. Bullock said the county administrators have been meeting routinely for some time. They are just now zeroing in on what they believe to be the most important policy issues which need to be agreed to regarding the water supply contract. In an attempt to identify those primary policy issues, Mr. Bullock said he volunteered and that information has been distributed for comment to each of the county administrators, or other key staff, and the authority staff along with a schedule that would allow us to get to financing or at least the decision on financing by the Board in June. It is a very large task and involves policy, financial and some operational considerations. Mr. Bullock said as a group they are aware of the evolving role of the Authority. It is a changing role as a more strategic coordinator facilitator around water issues perhaps touching more jurisdictions, and even the ones you are now working with, in a different way. Mr. Bullock distributed the list of issues to the Board.

Mr. Lehman said he received Mr. Bullock's information and he and Mr. Manson are in the process of preparing an all inclusive list for consideration.

Noting the blended rate issue is cause for much discussion, Commissioner Cummings said he supported a blended rate as a concept of one of the things he would like to see accomplished. But, the members need to be prepared to step up and make a contribution for it. Commissioner Cummings said he feels Charlotte County is not being met half way. With each of the decisions and each of the sacrifices that are being expected as the Authority goes to a blended rate, it is Charlotte County that has to step up pretty much on every issue. There is an understanding the rates over time are going to go up, but when Charlotte County is expected to pay higher financing costs and pay for newer water supplies when they had already bought the older and lesser expensive water supplies and still carry excess capacity, Charlotte County is wanting to be met at least half way where they are held harmless at the starting gate. Somehow make those dollars balance out. Commissioner Cummings said this is not an issue to be resolved today but he wanted to get it on the table.

Chairman Glass said before the Board even tries to analyze the issue, they will need a full presentation about all of the impacts.

Commissioner Staub requested the agenda items for discussion at the workshop be given to the Board in advance of the workshop so the Board members can educate themselves and be better prepared to discuss these issues.

Motion was made by Commissioner Cummings, seconded by Commissioner Staub to schedule a Board Workshop for February 2, 2005. Motion was approved unanimously.

Item 18. Authorize Staff to Negotiate Contract with HDR Engineering, Inc. For General Engineering Services - Kevin Morris, Chief Engineer

Mr. Morris said since entering into the contract with CDM for general engineering services, CDM has closed their local office in Sarasota and the key personnel assigned to the Authority are no longer employees of CDM. This change has impacted the level of service provided to the Authority. Staff recommends leaving the option of continuing to work with CDM in the future but negotiate a contract with the second ranked firm of HDR Engineering, Inc. for general engineering services.

Motion was made by Commissioner Staub, seconded by Commissioner Hill, to authorize staff to enter into contract negotiations for General Engineering Services with HDR Engineering, Inc. Motion was approved unanimously.

Item 19. Water CHAMPS Program and Funding - Ray Pilon, Governmental Affairs Coordinator

Mr. Pilon said the Water Conservation Hotel and Motel Program (Water CHAMP) is a pilot program that the SWFWMD began in 2002 in Pinellas County and later in Hillsborough County. Water CHAMP educates hoteliers and their guests on ways to conserve water. The Manasota Basin Board has allocated funds to administer the expansion of the program into Manatee and Sarasota counties. The District is seeking partners to fund the costs of educational materials including towel reuse cards, table brochures, environmental self-audits and training videotapes. Staff recommends funding in the amount of \$2,500.

Motion was made by Commissioner Staub, seconded by Commissioner Hill, to approve Authority participation in the SWFWMD Water CHAMP Program. Motion was approved unanimously.

Item 20. Governmental Affairs Coordinator Report - Ray Pilon, Governmental Affairs Coordinator

a. Legislative issues

Mr. Pilon said next week begins committee week and will have a better feeling next month regarding the legislative issues as those committees move forward.

b. SWFWMD issues

Mr. Pilon said a final meeting for the SWUCA work group is scheduled to review the draft language for the recovery and regulation portions of SWUCA. In addition to that meeting, there is a series of very important meetings upcoming dealing with population projections. Mr. Pilon encouraged the members to direct their staffs to attend these meetings.

c. Outreach

Mr. Pilon had nothing further to report on outreach.

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

Mr. Manson said it may be several months before the Recommended Order on the Ona Mine case is received rather than a matter of weeks as he had reported last month.

Earlier this month, eight residents of DeSoto County filed a multi-million dollar lawsuit against CSX Transportation due to an alleged exposure to creosote, arsenic and other toxic substances at a former creosote wood treatment facility. Mr. Manson said this facility known as the Nocatee-Hull Creosote Site and is on property within the 100-year flood plain of the Peace River and approximately five miles upstream from the PRF. Between 1913 and 1952, the prior owner of the site used the site to treat railroad ties and timber with creosote. The Florida Department of Health and the Federal Environmental Protection Agency have been aware of the existence of this site for several years and have conducted a remedial investigation and risk assessments. These agencies, along with FDEP have been periodically monitoring the groundwater in several private wells and streams, including the Peace River. They report no contaminants have been found in the Peace River. EPA is currently formulating a plan to clean up the site. Counsel will continue to monitor the litigation and status of the cleanup.

On other phosphate matters, Mr. Manson said there has been little activity over the last month.

Mr. Manson's written status report is filed with the permanent records of the Authority.

Item 23. Executive Director's Report

Mr. Lehman had nothing further to report

MEMBER COMMENTS

Commissioner Cummings said as part of the Peace River Option settlement Charlotte County had a contract with the Authority that says there will not be another expansion of the PRF until such time as MFLs are set. Commissioner Cummings said he would like to reopen those discussions to try to limit additional withdrawals from the river and pursue water reservations or some type of basin-wide regulation to get additional protections for the Peace River and Charlotte Harbor above and beyond just mfls along with some guarantee the Authority is going to develop alternative sources.

Motion was made by Commissioner Staub, seconded by Commissioner Cummings, to have a future agenda item to discuss this issue. Motion was approved unanimously.

PUBLIC COMMENTS

None

ANNOUNCEMENTS

Next Authority Meeting:

10:00 a.m., Wednesday, February 2, 2005
Commission Chambers, First Floor
Manatee County Administration Center
1112 Manatee Avenue West, Bradenton, Florida

Adjournment

There being no further business to come before the Board, the meeting adjourned at 12:20 p.m.

The Honorable Patricia M. Glass, Chairman