



MINUTES
POLK REGIONAL WATER COOPERATIVE

October 19, 2016 - 2:00 p.m.
Lake Myrtle Sports Complex
2701 Lake Myrtle Park Road
Auburndale, FL 33823

Member Governments in Attendance:

City of Auburndale Mayor Tim Pospichal (Vice Chair), Primary
City of Bartow Commissioner William Simpson, Primary
City of Davenport Commissioner Tom Fellows (Secretary/Treasurer), Primary
Town of Dundee Vice Mayor Bertram Goddard, Primary
City of Eagle Lake..... Commissioner Suzy Wilson, Primary
City of Fort Meade Commissioner Jim Watts, Primary
City of Frostproof Mayor Rodney Cannon, Primary
City of Haines City Commissioner Kenneth Kipp, Primary
City of Lake Alfred Mayor Charles Lake, Primary
Town of Lake Hamilton Council Vice Mayor Mike Kehoe, Alternate
City of Lake Wales Mayor Eugene Fultz, Primary
City of Lakeland Mayor R. Howard Wiggs, Primary
City of Mulberry Commissioner Rick Stradtman
City of Polk City Mayor Joe LaCascia, Primary
Polk County Commissioner George Lindsey III (Chair), Primary
City of Winter Haven Commissioner Nathaniel Birdsong, Primary

Member Governments in Absence:

None, All Present

1. Call to Order

Meeting called to order at 2:00 PM

2. Recognition of new primary/alternate appointees of members

Rick Stradtman – new City Commission member from Mulberry

3. Agenda Revisions

Chairman Lindsey called for any needed revisions to the posted agenda. No revisions were requested.

4. Public Comments (Will be limited to 3 minutes per person or group)

Chairman Lindsey invited comments from the public. No public comments presented.

5. Consent Items:

- a. Approval of 8/15/2016 Board Meeting Minutes.
- b. Funding application submitted to CFWI Steering Committee (See Attachment A)
- c. Funding application submitted to SWFWMD (See Attachment B)

Motion to approve Consent Items was made by Mr. Lake from Lake Alfred and seconded by Mr. LaCascia from Polk City. Motion approved unanimously

DISCUSSION ITEMS:

6. Project negotiation member information tools (1 hour 30 minutes) Mary Thomas, Jason Mickel, Katie Gierok, Ed de la Parte

A series of questions to answer were presented to provide the specificity needed to move forward with implementation agreements.

- a. Why do I need additional water? (Mary Thomas)

Ms. Mary Thomas described the methodology used to determine the projected water supply deficits and described areas susceptible to environmental harm due to excessive groundwater withdrawals.

- b. How much do I need? (Mary Thomas)

Ms. Thomas described the deficits of each member government.

Chairman Lindsey asked if someone is collectively tracking these projections regularly to determine if the deficits are growing or changing with time.

Ms. Thomas stated that the Phase 1 Technical Team determinations have yet to be revisited to remain consistent with the Central Florida Water Initiative (CFWI) numbers.

Chairman Lindsey asked when scorecard will be updated to see if we are ahead or behind the projected schedule.

Ms. Thomas stated that the member governments can revisit their pumpage quantities at any time, but the CFWI will be updating every 5 years and the numbers will likely be looked at again shortly.

Chairman Lindsey stated a quarterly review would be more appropriate than every five years.

Mr. Gene Heath, PRWC Coordinator, stated the numbers could be reevaluated each year based on the annual reports by the utilities submitted to the Water Management District (WMD).

Chairman Lindsey stated he is sure each utility tracks the information and it would be informative for the cooperative to collect.

Mr. Wiggs asked if the CFWI is collaborative with the utilities in determining the deficits or if the CFWI has its own process.

Ms. Thomas stated the initial CFWI technical phase was a collaborative process as well as the ongoing solutions phase. A number of PRWC member government utilities are members of the CFWI technical and regulatory teams and reviewed the data.

Chairman Lindsey asked if the CFWI utility lead has begun collecting this information so we can determine if we are ahead or behind schedule.

Ms. Thomas asked if Chairman Lindsey was referring to the CFWI process as a whole or county pumpages.

Chairman Lindsey stated collecting information regarding million gallons a day of pumping per utility.

Mr. Birdsong asked if the 2035 deficit numbers are based off the assumption of using permitted withdrawals or reduced permitting.

Ms. Thomas stated the deficits assumes a very broad assumption of a sustainable yield of groundwater of 6% above existing pumping and does not take into account the actual permitted allocation.

Mr. Birdsong stated that during the formation process, a discussion was had regarding retaining the existing permitted values.

Chairman Lindsey stated that it is correct that discussion was had, but what we are permitted to pump collectively is oversubscribed as a whole for the permitted values. The additional groundwater available was calculated assuming 6% over what is currently being pumped as the benchmark for moving forward.

Mr. Wiggs stated that is absolutely not what we talked about during formation. The City of Lakeland is currently pumping 22 mgd, 6% on top of that is 23.3 mgd, while the City is permitted for 32 mgd by a court decided decision, it was not what SWFWMD wanted but was won by litigation.

Chairman Lindsey stated that what we are entitled to and what is available are two different things and we are here to avoid that crunch point down the road. The reality is that the SWFWMD has stated we are permitted beyond the capacity sustainable by the aquifer.

Mr. Ed de la Parte, PRWC legal counsel, stated that what was agreed upon was the group, to the greatest extent possible, will defend the existing permitted allocation, but you may not be successful. For planning purposes, the technical team has evaluated what could potentially be withdrawn without causing large impacts. This process is to get ahead of the curve as Commissioner Lindsey stated to avoid what happened in the Tampa Bay Area and the scramble to find sources at great expense in terms of monetary and human resources.

Chairman Lindsey stated that it is within all member government interest to defend permits but we need to be aware of the reality.

Mr LaCascia stated that we need to be aware of reality sooner than later, so we can make sure the criteria is as close to reality as we can be.

Chairman Lindsey stated that as staff gives us more real time info we can see if we are behind the eight ball or if we have a little more cushion to buy us time.

Mr. LaCascia stated that Mr. Heath did say that an annual report is submitted to the WMD.

Mr. Heath stated that the data is collected quarterly, but an annual report is submitted to the WMD.

Mr. LaCascia stated that criteria would meet the needs as stated by Chairman Lindsey.

Chairman Lindsey stated he did not want it based on individual utilities but would like it collectively to see how the PRWC stands as a whole.

Mr. Wiggs stated that we have had a leap frog look at permit withdrawals, and wanted it on the table that Lakeland states the 6% will be sufficient based on previous work; and unlike the County, the City of Lakeland spent a lot of time and money in court to obtain their permitted quantity.

Chairman Lindsey stated that the County is in the same boat and does not want to lose the 20% of capacity previously permitted. One of the driving forces that brought the member governments together was dialogue with the SWFWMD that suggested permitted quantities may be reduced.

Mr. Heath stated that what is happening today is moving forward on projects, but we can always slow down and not implement the PRWC projects as fast if you find you have more supply than originally anticipated. But the other side is to be ready to move forward with the projects in case severe environmental harm is projected.

Chairman Lindsey stated that was what precipitated his question "Where are we really?" What accelerates the process is the carrot of funding assistance and we must stay on track to get the appropriation and spend it as circumstances dictate.

Mr LaCascia asked what baseline data would we like to begin at to know where we are moving from.

Mr. Goddard asked if we would have an annual report and quarterly follow up.

Chairman Lindsey stated yes.

- c. When do I need additional water? (Mary Thomas)

Ms. Thomas provided an overall timeline of water need and stated most utilities will need the water by 2018.

- d. What are my options? (Mary Thomas, Jason Mickel, Katie Gierok)

Ms. Thomas provided options available to meet the projected deficit demand.

Mr. Jason Mickel (SWFWMD) provided an update on the water conservation process.

Chairman Lindsey requested part of the Conservation Plan process include auditing to determine if results are actually being achieved or exceeded.

Mr. Mickel said post assessments are included in the funding agreements.

Mr. Goddard requested an update on the current schedule.

Mr. Mickel anticipated contracts being signed in March and projects beginning in April.

Mr. Heath stated we have two years to spend the money.

Ms. Katie Gierok reviewed the three candidate projects (Southeast Wellfield, Peace Creek Integrated Water Supply, and West Polk Lower Floridan Aquifer Deep Wells).

Mr. LaCascia stated he was trying to understand the deep wells and asked where the wells go?

Ms. Gierok stated that the wells go through the upper Floridan aquifer (UFA) through a confining layer to the lower Floridan aquifer (LFA).

Mr. LaCascia stated that we are contemplating piping that will go from southeast part of the County all the way to the other end of the County at water treatment plants and the water would be of a different quality.

Ms. Gierok stated that they are different quality, but not necessarily one better than another.

Mr. LaCascia wanted to know if there are precautions that would need to be taken to make sure the existing water quality is not negatively affected by the incoming water.

Ms. Gierok stated that in a reverse osmosis system a lot of the constituents are pulled out, and when placed back in the system could affect the existing piping system because of some corrosiveness.

Mr. LaCascia stated a concern of the costs for additional needed treatment at the individual utility plants.

Ms. Gierok stated that the water quality will not be extremely different.

Mr. LaCascia stated that he has had conversations with constituents regarding concern for water quality.

Chairman Lindsey stated Mayor LaCascia is correct that the water quality will need to be evaluated, and treatment will occur at the source and additional treatment will be needed at the individual water production facilities (WPF).

Mr. Heath stated that will be evaluated in Phase 1

Mr. Lake questioned if the water will degrade as it moves through the pipe.

Chairman Lindsey stated it will depend on flow and the discussion may be getting into the weeds.

Mr. Birdsong asked if the transmission lines shown on the map and the specific location of the West Lower Floridan Aquifer project will be determined in Phase 1. In looking at what was reported previously to today, we were looking at deficits county wide. Will all of these projects have connections so the water could be distributed throughout the county?

Ms. Gierok stated that there is an interconnect shown between the west and east, but the water quality will need to be evaluated.

e. Which project is best for me? (Katie Gierok)

Ms. Gierok described the potential members identified for each project

Chairman Lindsey stated that the answer to the question is up to the municipality and their level of participation.

f. How does Implementation Agreement Phase I for the project(s) work? (Katie Gierok)

Ms. Gierok described the proposed work being outlined for the initial phase of each Candidate Project.

Mr. Heath pointed out that pilot testing in Phase 1 would be performed to assist with water quality questions.

Mr. LaCascia stated he had previously asked where the estimated Phase 1 cost come from, and stated that all of the actual cost would be refined via the bid system and there may be a chance for savings moving forward.

Chairman Lindsey stated the work that has been done by the consultants so far is part of the existing cooperative funding. The items contained in the consent agenda included requests for funding for the projects moving forward.

Mr. Heath stated that if something comes up that is unexpected; it will be up to the project board to decide if they would like to proceed with the project or not move forward.

Mr. LaCascia asked what the consequences are at that point to opt out.

Mr. Heath stated it would be the costs accrued to that point.

Ms. Gierok stated that the costs are real world estimates based on historic costs of similar work.

g. What about funding? (Katie Gierok)

Ms. Gierok described existing and additional potential funding sources and stressed action that needs to be taken to ensure deadlines are being met.

Mr. Birdsong asked if the projected \$23 million cost for Phase 1 could be covered completely by the \$40 million allocated by the SWFWMD.

Ms. Gierok stated that the SWFWMD matches funding (meaning that 50% of the \$23 million could be covered by SWFWMD funding), the additional funding will be available for Phase 2.

Mr. Mickel spoke to ensure the PRWC Board of Directors that the SWFWMD is committed to the effort and reviewed what is necessary moving forward to ensure the funding is available through the SWFWMD 50/50 reimbursement project. Mr. Mickel stated that additional grant money from other agencies would be taken off the top and reduces equally the SWFWMD and PRWC cost of the project. The projects will be presented at the February and March meetings and be brought for approval to the Governing Board at the April meeting.

Mr. Heath stated that the PRWC will need funds to front end some of these costs prior to reimbursement and will need to find a solution through bridge funding.

Question from the audience asked if loan funding including State Revolving Fund would be taken off the reimbursement available from the SWFWMD.

Mr. Mickel stated that loans would not reduce the SWFWMD funding.

h. What's Next?

A tentative meeting of the City and County Managers is scheduled for Nov. 9th to discuss conservation and project implementation plans.

Motion to direct staff to initiate groups to determine project participants and commence agreement negotiations was made by Mr. Birdson from Winter Haven and seconded by Mr. Lake from Lake Alfred. Motion approved unanimously.

7. Heartland Funding Legislative Effort (10 minutes) Pepper Uchino

Mr. Pepper Uchino provided an update of the legislative effort. The draft legislation is complete and Mr. Uchino's firm will be providing an updated draft for members to review by the next meeting. Mr. Uchino stated that Representative Albritton has agreed to be the Florida House of Representatives sponsor and will assist in finding a Florida Senate sponsor.

8. Open Discussion

Mr. Heath stated that the \$640M is a big number and that means there will be great interest from consulting firms. The PRWC will not be in the mode of selecting consultants till next spring and Mr. Heath suggested deferring inquiries to a later time.

Vice Chairman Pospichal thanked Mary Thomas for coming to an Auburndale Commission meeting and presenting the PRWC process.

Chairman Lindsey stated that education will be an ongoing process as elected officials change.

Secretary Fellows stated that coming from a small town he is a little overwhelmed with the numbers, and needs real numbers to report back to his commission. Mr. Fellows asked when those numbers of real quantity and real cost will be available.

Chairman Lindsey stated that before commitments are made, the proportionate share will be made clear to the representatives.

Mr. Heath stated the \$23 million represents the best numbers that will be available for a while until the proposals for Phase 1 are obtained. To complete Phase 1 on each of these projects will take approximately three years. During the Phase 1 process the cost and scope of the project will be firmed up.

Chairman Lindsey stated that if a member government is bumping against their permitted capacity today, the member government needs to start evaluating interim solutions.

Mr. Heath stated that the interlocal agreement states the cooperative would be an advocate for the members and the SWFWMD has agreed to assist with solutions knowing that project water will not be available till 2023.

Mr. LaCascia stated that he suggests using the consultants to bring commissioners and council members not involved up to speed prior to bringing up the finances.

Secretary Fellows stated the April 2017 deadline is fast approaching.

Mr. Kipp asked if advocating for the protection of existing permit capacity is contingent on project participation.

Chairman Lindsey said no, advocating for protection of permit capacity is not contingent on participation

Mr. Bobby Green, City Manager from Auburndale, stated the managers are ready to move forward with implementation agreements, and proposed the idea of having another water summit with all of the elected officials to bring all elected officials up to speed. This would fit well right before Polk County days in Tallahassee in March to advocate for future money beyond the \$40 million dollars from the SWFWMD.

9. Adjournment

Meeting adjourned at 3:36 PM