



AGENDA
POLK REGIONAL WATER COOPERATIVE
Board of Directors

January 24, 2017 - 4:00 p.m.
County Commission Boardroom, 1st Floor
Neil Combee Administration Building
330 West Church St., Bartow

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 Mayor Marlene Wagner, Primary
City of Lake Wales Mayor Eugene Fultz, Primary
City of Lakeland Mayor R. Howard Wiggs, Primary
City of Polk City Mayor Joe LaCascia, Primary
Polk County Commissioner George Lindsey III (Chair), Primary
City of Winter Haven Mayor Nathaniel Birdsong, Primary

Member Governments in Absence:

City of Mulberry

1. Call to Order

Meeting called to order at 4:00 p.m. with pledge of allegiance.

2. Recognition of new primary/alternate appointees of members

Due to large audience, all present representatives sitting on the Board of Directors for the PRWC introduced themselves.

3. Agenda Revisions

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

Motion made, seconded to approve agenda as presented. Motion approved unanimously.

4. Public Comments (Limited to 3 minutes per person or group)

Chairman Lindsey invited comments from the public.

Mr. David Gore from City of Haines City spoke regarding Central Florida Water Initiative (CFWI) meetings. Mr. Gore expressed concern in CFWI Water Supply Plan and feelings of being ignored at CFWI meetings. Chairman Lindsey agreed to meet with Mr. Gore and a time to be determined.

5. Consent Items:

- a. Approval of 10/19/2016 Board Meeting Minutes.

Motion made and seconded to approve 10/19/2016 meeting minutes as presented. Motion approved unanimously.

- b. Approval of 2017 Board of Director meeting dates.

Board of Director meeting dates presented:

<u>Date</u>	<u>Time</u>	<u>Location</u>
Tuesday, 01/24/2017	4:00 p.m. ...	County Commission Board Room, Bartow
Thursday, 03/16/2017	2:00 p.m. ...	To be determined (TBD)
Wednesday, 05/17/2017	2:00 p.m. ...	Lake Myrtle Sports Complex, Auburndale
Wednesday, 07/19/2017	2:00 p.m. ...	Lake Myrtle Sports Complex, Auburndale
Wednesday, 09/20/2017	2:00 p.m. ...	Lake Myrtle Sports Complex, Auburndale
Wednesday, 11/15/2017	2:00 p.m. ...	Lake Myrtle Sports Complex, Auburndale

Motion made and seconded to approve 2017 Board of Director meeting dates. Motion approved unanimously.

DISCUSSION ITEMS:

6. PRWC/Member Agreements - Ed de la Parte

- a. Combined Projects Implementation Agreement

Mr. de la Parte presented the Combined Projects Implementation Agreement to the Board.

Chairman Lindsey stated that the provided cost allocation table is hypothetical based on everyone participating without obligation to participate.

Mr. de la Parte confirmed that the cost table is an allocation based on all members participating.

Mayor Wiggs stated that it was his understanding that Phase 1 assumes that all members sign up and only becomes optional under Phase 2.

Mr. de la Parte stated that the cost breakdown assumes all the members sign the agreement.

Mayor Wiggs stated that the expectation is everyone will sign up for Phase 1.

Mr. de la Parte stated that the expectation is that all members will sign up for Phase 1.

Mayor LaCascia asked if everyone does not sign up for Phase 1, are there consequences for those whom do not sign the agreement.

Mr. de la Parte stated that members deciding not to participate in Phase 1 but wanted to participate in Phase 2 would have to contribute to the costs that were incurred in Phase 1.

Mayor Wagner asked if a member opted out of Phase 1, would the costs that would have been allocated to that member be split amongst the other participants.

Mr. de la Parte stated that if a member decides to opt out of Phase 1 once they have signed the agreement, they will still be required to pay their share of the Phase 1 cost.

Mayor Cannon stated that if a member opted out before signing the agreement, the costs would be spread among the remaining participants. The cost allocations presented which assume 100% participation are the lowest that a participating government will incur.

Mr. de la Parte stated that is correct.

Mayor Wiggs asked what type of commitment we have from the water management district or legislators to extend cooperative funding if the timing window is extended beyond the 10 year window in the agreement. Would the funding agencies be able to pull funding if the PRWC goes beyond the 10 year window?

Mr. de la Parte stated that the agreement will go before the Southwest Florida Water Management District Governing Board in April. Upon approval by the Governing Board, funds will be made available for release for Phase 1. The concept is that a funding agreement will be entered into for Phase 1. Part of Phase 1 will be to determine the amount of cooperative funding that will be obtained for Phase 2 and funding agreements will need to be entered into for Phase 2.

Chairman Lindsey asked if the funding agreements will provide the opportunity to extend the time given specific circumstances.

Mr. de la Parte confirmed Chairman Lindsey's statement.

Chairman Lindsey stated that the PRWC would not move forward with Phase 2 without a joint funding agreement that included flexibility.

Mr. de la Parte stated he would not recommend moving into Phase 2 without entering funding agreements.

Mayor LaCascia, in response to Mr. Gore's comments, asked for clarification regarding the water source for the Southeast Wellfield and West Polk Deep Well projects.

Mr. de la Parte stated that the traditional water source for Polk County is the upper Floridan aquifer, the portion of the aquifer that is being impacted. The idea for the projects is to withdraw water from a deeper portion of the aquifer below a semi-confining unit from the traditional source to relieve pressure on minimum flow and levels of the surface water bodies.

Mayor LaCascia stated that it has been explained to him that we are drawing from a deeper source from a different aquifer. As we go deeper we will get more brackish water. There will be a need to treat the brackish water and improve the quality. All of these factors impact the cost.

Mr. Heath stated there is a limitation to the quantity of the new source. The project participants will have to prove that water withdrawals from the new source will not harm the environment as was done with the Southeast Wellfield permit.

Mayor LaCascia stated that the hope for the upper aquifer is that the conservation efforts will be able to use surface water to rapidly infiltrate into the upper Floridan aquifer.

b. Conservation Project Implementation Agreement

Mr. de la Parte presented the Conservation Project Implementation Agreement to the Board.

c. Conservation Project Agreement

Mr. de la Parte presented the Conservation Project Agreement to the Board.

Chairman Lindsey asked if these are retrofit projects for existing customers.

Mr. de la Parte stated that the Indoor project is a retrofit project, the outdoor project deals with the implementation of Best Management Practices, and the water star project is an incentive for home builders to build water star certified homes that conserve water.

Chairman Lindsey asked if the money is used to run the program on a staff level and reimburse the homeowner for retrofit expenses on a matching basis.

Mr. de la Parte stated that is correct.

Chairman Lindsey asked if there is an audit at the end of the two year program to see how much water is saved.

Mr. de la Parte stated that is correct and conservation will allow the delay of the more expensive projects and lessen the impact on the upper Floridan aquifer.

d. Next steps

Mr. Heath stated that if the agreements are approved by the PRWC Board, the agreements would then have to be approved by each member's elected governing boards. The documents will then be submitted to the Southwest Florida Water

Management District. The Combined Projects Agreement will be presented at the April 25th Governing Board meeting.

Chairman Lindsey stated that the agreements have been worked and vetted with the respective managers and utility staff over the past 120 days.

Mr. Heath requested that he be contacted if there are any questions by their respective boards that the managers are unable to answer.

Commissioner Simpson asked if the numbers will be reallocated going forward since the numbers are based on usage numbers that may no longer be accurate.

Mr. Heath stated that there will be a true up for Phase 2 as part of Phase 1 but the allocation for the \$23 million projected cost for Phase 1 was based on work performed over the last two years. A reallocation for Phase 1 would be necessary if a member government decided not to participate.

Commissioner Simpson asked if it would be possible for a majority of the member governments to opt out of Phase 1 and wait till the end of Phase 1.

Mr. de la Parte stated that in that case, the non-participating members would have to reimburse the participants for their incurred cost.

Mr. Heath stated that the water management district funding is contingent on a minimum 60% (formation agreement requires 70%) of projected water demand participating in the project.

Mayor Wiggs moved to approve item a. the Combined Projects Implementation Agreement and was seconded by Mayor Birdsong.

Discussion:

Chairman Lindsey asked if the effect of the motion would commit the member governments to participate at the presented costs.

Mr. de le Parte stated that the member governments would be committed when the agreements are approved by their respective governing boards.

Chairman Lindsey stated that the agreement goes to each member systems own vote and nothing is binding until each respective board takes positive action.

Mayor Cannon stated that a term has come up during their city staff meetings regarding the projects, "virtual water," since none of the projects benefit Frostproof and go the other direction. Mayor Cannon asked what the concept of virtual water means.

Mr. de le Parte stated that as the projects are developed it may not be necessary to build a transmission line to Frostproof, by others participating and pulling water from an alternative source reducing impact and thus allowing the city to pull additional water from the traditional source.

Mayor Cannon stated that the city would then be paying a higher cost for water they already have. Who would the payment for the water go to?

Mr. de le Parte stated that the cooperative would be paid for the cost to construct and operate the alternative water source.

Mayor Cannon stated that they would be pitching in to help everyone else and the city would be getting the same quality water. There is questionable quality regarding the salinity of the lower Floridan source as well. Could the City be paying additional costs but get better quality water than other participants.

Mr. de le Parte stated that the quality is not known at this time.

Mayor Cannon stated that the City would be buying the same thing they have now and paying the Phase 1 and 2 costs if they go over their permit limit if reduced.

Mr. de le Parte stated that is the reason for Phase 1, to look at all the options.

Mr. Heath stated the PRWC has a moving target in regards to the CFWI rule making. Rulemaking has been initiated, and Phase 1 will be able to look at the rules coming out of CFWI and determine the impact.

Commissioner Watts asked if we know when permitted quantities could be reduced.

Chairman Lindsey stated that is currently undetermined, but hopefully won't happen which will delay the expensive projects.

Motion called to question and approved unanimously.

Motion made and seconded to approve the Conservation Project Implementation Agreement and Conservation Project Agreement. Motion approved unanimously.

Chairman Lindsey stated that the agreements will go to the respective member's boards for approval with response provided back to the PRWC by March 1st.

Mr. Heath said that is important in case any members opt out of the project, the costs need to be reallocated and each member government will need to reevaluate if they will continue to move forward.

7. Heartland Headwaters Protection and Sustainability Act - Frank Bernardino

Mr. Bernardino provided an update of the Heartland Headwaters Protection and Sustainability Act that will be considered by the Florida Legislature this year.

Chairman Lindsey reminded the Board that the bill establishes Polk County as a protected area and would call for additional state funding beyond the water management district.

Mr. Bernardino stated that there is now a regional emphasis on water projects. Additional funding could be supported for water projects beyond more than water supply.

Mayor Wiggs asked if any opponents to the bill have been identified.

Mr. Bernardino stated no opponents have been identified, but reoccurring funding bills are not being looked on favorably, which means requests will have to be made annually.

8. Open Discussion

No open discussion occurred.

9. Adjournment with Water Summit to follow at 6:00 p.m.

Chairman Lindsey adjourned the meeting.