



MINUTES
POLK REGIONAL WATER COOPERATIVE

May 15, 2019 - 2:00 p.m.
Lake Myrtle Sports Complex
2701 Lake Myrtle Park Road
Auburndale, Florida 33823

Member Government

City of Auburndale
City of Bartow
City of Davenport
City of Dundee
City of Eagle Lake
City of Fort Meade
City of Frostproof
City of Haines City
City of Lake Alfred
Town of Lake Hamilton
City of Lake Wales
City of Lakeland
City of Mulberry
City of Polk City
Polk County
City of Winter Haven

Representative

Mayor Tim Pospichal, Primary (Chairman)
Mayor William Simpson, Primary
Commissioner Tom Fellows, Primary
Commissioner Bert Goddard, Primary
In Absence
Commissioner James Watts, Primary
In Absence
Mayor Morris West, Primary
Commissioner Charles Lake, Primary
Mayor Mike Kehoe, Primary
Mayor Eugene Fultz, Primary
Mayor William Mutz, Primary
In Absence
Mayor Joe LaCascia, Primary (Vice-Chairman)
Chairman George Lindsey, Primary
Mayor Pro-Tem Nathaniel Birdsong, Primary

1. Call to Order

Meeting called to order by Chairman Pospichal at 2:03 PM.

2. Recognition of new primary/alternate appointees of member

3. Agenda Revisions

No revisions of the agenda were requested.

4. Public Comments

No public comments presented.

5. Consent Items:

1. Board of Directors Meeting Minutes
2. Financial Report – Activities Ending March 31, 2019

Motion made and seconded to approve the consent agenda as presented.
Motion approved unanimously.

3. Southern Water Use Caution Area (SWUCA) Recovery Strategy – 5 Year Assessment

Mr. JP Marchand, P.E., Bureau Chief of Water Resources, Southwest Florida Water Management District, presented information from the first five-year SWUCA assessment with updates from the second assessment.

Mayor LaCascia observed that there has been a considerable reduction in water use during the same time as a significant population growth and reclaimed water projects and alternative water projects didn't start till later. How is this possible?

Mr. Marchand stated that that was the picture he was trying to paint, that there were reductions in groundwater use with decreasing rainfall. Even though groundwater use is decreasing does not mean total water use was dropping.

Mayor LaCascia asked what is the difference between water use and groundwater withdrawals.

Mr. Marchand stated that groundwater withdrawals account for approximately 74% of total water use.

Mr. Gene Heath, PRWC Project Administrator, stated that during that time the Southwest Florida Water Management District began to assist agricultural with implementing Best Management Practices as well as conservation rate structures being put in place by municipalities.

Commissioner Lindsey asked if there was someone at the District tracking agricultural wells being taken out of operation.

Mr. Heath confirmed that it was being tracked and could potentially be used in support of gap permits while alternative water projects are being developed.

4. Polk Regional Water Cooperative Preliminary Administration Budget – FY 2020

Mr. Ryan Taylor, Executive Director presented the Fiscal Year 2020 Preliminary Administration Budget. The final budget will be presented to the Board of Directors for approval at the next Board of Directors meeting.

Mayor Mutz pg 47 4b, asked if the \$45k legal expense should be closer to \$30k?

Mr. Taylor stated that it was a projection and is adjustable.

Mr. Heath stated that the settlement agreement that was entered into with the PRMRWSA calls for rulemaking as well as the CFWI update that will be coming out later in the year may require additional legal expenses.

5. Heartland headwaters Protection & Sustainability Act – Legislative Update

Mr. Frank Bernardino, Anfield Consulting, provided an overview of the 2019 Legislative Session and the outcome of the Heartland State appropriations request.

Commissioner Lindsey suggested sending a letter of appreciation to the delegation as well as to the governor.

Motion made and seconded for staff to send a letter of appreciation to the County's elected representatives. Motion approved unanimously.

Mayor LaCascia requested clarification that the three projects described for funding are the Southeast Wellfield, West Polk LFA, and Peace Creek Integrated Water Supply Plan.

Mr. Bernardino stated that funding will be coming for those projects from the delegated funding, or supplemental legislative funding coming to the water management districts.

Recess Regular Board of Directors / Commence Projects Board of Directors at 3:00 P.M.

6. Polk Regional Water Cooperative Preliminary Projects Budget (Combined Projects) – FY 2020

Ms. Katie Gierok, Team One, presented the fiscal year 2020 preliminary Phase 1 Combined Projects budget for the Board's information, review, and comment.

No questions presented.

7. Southeast Wellfield Project Timeline

Mr. Gene Heath, Polk Regional Water Cooperative Project Administrator, and Ms. Katie Gierok, Team One, presented a timeline for the Southeast Wellfield Project including steps that the Polk Regional Water Cooperative, member governments, consultants, legal team, and outside agencies will need to take.

Mr. Heath stated that Phase 2 was addressed in regards to framework within the Phase 1 implementation agreement.

Mayor LaCascia stated a revised water demand requirement will be due July 19th. How is the PRWC reaching out to member governments that are not here?

Ms. Gierok stated that the municipalities are working to assemble annual reporting data that is reported to the SWFWMD and is available as public record to be used by the consultant team.

Mayor Pro-tem Birdsong asked if it has been confirmed that the SE WF will be able to supply the water.

Ms. Gierok confirmed that it has been confirmed that the SE WF will be able to supply the water.

Mayor Pro-tem Birdsong asked how to provide a project commitment before we know for sure about the other projects.

Mr. Ryan Leavengood, City of Lake Alfred, provided a description of where we need to go and the benefit of sticking together to blend risk amongst all participants. We will face the challenge of fairness and timing for all of the projects.

Mr. Ryan Leavengood, City of Lake Alfred City Manager stated the Cooperative is reaching the on ramp to Phase 2 of the combined projects and a lot things need to happen before the start of Phase 2. It was a major success to get to where the Cooperative is today to field this solution. Some of the problems we ran into in Phase 1 we will run into again in Phase 2. A big question will be the timing of the projects. Who needs what and when? Where will it be from? Equity issues regarding existing permitted quantities. These are all detailed discussions that have been had at the management level and have been communicated to the elected officials. The Phase 1 was our insurance policy. We would pay the 2% premium to buy 5 years and get the solution in the works and because of the

uncertainty we wanted to hedge against the future. Going into Phase 1 it was almost impossible for any Cooperative member to decide what projects they wanted to be a part of. That is why we needed everyone together on Phase 1 on all the projects equally so the benefits and risks could be hedged across; developing the mentality that regional problems require regional solutions. That is one of the key things that will be revived as we begin the Phase 2 conversations. We need to stay together; Phase 1 was hedging the risks because we didn't know the quantities available from each project. Peace Creek we still won't know that quantity and may not for many years. But the Peace Creek project has the highest bang for the buck potential, so even if a government was receiving water from the Southeast Wellfield they would still want to be a part of the Peace Creek project to have the opportunity to blend the risk and rewards across all of the players. Fairness and timing are going to be tremendous issues and that will be the message the Cooperative will need to stick to. Even if all the City Managers can get in a room together and agree, even if we can get the Board to agree, then we have to take the message back to our individual Boards and Commissions and make the same case. An example of why signing up for individual projects probably isn't going to work is a City experiencing explosive growth and in five years fifty percent of their water supply is alternative water supplied by the PRWC. Five years from now another municipality may only have 5 or 10 percent of their water supply from alternative sources. If it is a pay as you go system where you sign up and pay the price of the water that is coming out of the pipe is that it loses cohesion. Team One has shown that even with the Southeast Wellfield we are not taking all of the 30 mgd on day one and there will be tremendous frontloaded costs because the distribution system will have to be built and sized for the full 30 mgd. The costs will be prohibitively expensive if is a first come first served first to pay sign up as you need it. The solution to that is similar to Phase 1 that all participants go into the project even if you don't take a drop from the first phase. The engineers provide all of the process steps and challenges, but at the end of the day this isn't an engineering process, this is a political process, a management process that at the end of the day the Cooperative will need to get cohesion on and move forward. The simplest method is to agree to the demands and participate an equal percentage to the solutions. That way the risks and rewards have been hedged and there are no winners or losers based on the timing. Jim Freeman said it best, as complicated as this process is, the ultimate goal is we want a fair distribution of a limited resource without the basis of who got there first. The way we do that is by sticking together through Phase 2. The goal today is to prime the pump and get the conversations started again and come back to see what issues need to be resolved. The take away from this is to begin the budget process for the rate

studies. This is the beginning of the process. The end goal has to be cohesion. We came together as a Cooperative because the water management district was not going to deal with us individually on water supply projects. We need to iron the wrinkles out on a staff level, on a utility director level, and on a Board level before we can ever hope to achieve success going back to our individual communities.

Mayor Mutz stated regional partners have a responsibility to work for the good of the whole.

8. Combined Projects Phase 1 – Project Update

Ms. Mary Thomas, Team One, provided an update on the Combined Projects status, including the planned delivery of the Southeast Wellfield and Production Facility Conceptual Design Report and the status of drilling activities.

Commissioner Charles Lake stated if there is printed material available regarding the Southeast Wellfield.

Ms. Thomas replied that there are multiple tech memos that have been prepared in support of the Conceptual Design Report and are available.

Recess Projects Board of Directors / Commence Regular Board of Directors at 3:48 P.M.

6. Open Discussion

No Discussion Topics presented.

7. Chair / Executive Director Report

Chairman Pospichal

April 23rd Chairman attended the SWFWMD Gov. Board meeting at Lake Eva in Haines City to present the request (regarding the Peace River Settlement Agreement and the addition of the Peace River Project to the approved project plan and Cooperative Funding Agreement as approved by the Board of Directors) with the Peace River Manasota Regional Water Supply Authority May 10th, attended the PRMRWSA barbecue to tour their facility

Executive Director Taylor

Mr. Taylor stated that half of the member governments have approved the first amendment to the Combined Projects Implementation agreement approved by the Board in January and requests that any of the member that have yet to pass the amendment contact him with any questions.

8. Adjournment

Board meeting adjourned by Chairman Pospichal at 3:50 P.M.

Next meeting July 17, 2019

Make sure to visit our website www.prcwater.org for more information.