

MINUTES
POLK REGIONAL WATER COOPERATIVE
Inaugural Meeting

May 18, 2016, 2:00 p.m. – 4:00 p.m.
Lake Myrtle Sports Complex
2701 Lake Myrtle Park Road
Auburndale, FL 33823

1. Introduction (5 minutes)

Meeting was called to order by Mr. Heath at 2:00 PM.

Introductory comments by Mr. Heath and introductions by Directors.

Following introduction a photograph of those Directors present was taken to memorialize the event.

2. Public Comment (Will be Limited to 3 Minutes Per Person or Group)

Mr. Heath requested any members of the public whom wanted to make a statement to come forward. No public comments presented

3. Consent Items

- a. None

4. Discussion Items

a. Interlocal Agreement Organizational Directives – (30 minutes) Kristin Melton, Esq. & Gene Heath

i. Election of Officers

Motion made and seconded to elect Polk County Commissioner George Lindsey as Chair and Mayor of Auburndale Tim Pospichal as Vice Chair. Motion Approved Unanimously.

Office of Secretary and Treasurer combined until the Board of Directors creates accounts and deems it necessary to elect a Treasurer.

Motion made and seconded to elect City of Davenport Commissioner Tom Fellows as Secretary/Treasurer. Motion Approved Unanimously.

ii. Effective Date

The effective date of the Cooperative begins the first day of the calendar month following the execution of the Interlocal Agreement by at least five Member Governments within Polk County representing at least seventy percent of the projected total demand for public water supply in Polk County for the calendar year 2035 and the filing of the Interlocal Agreement with the Clerk of the Circuit Court of Polk County, Florida.

As of the date of this meeting, the signature page of the City of Mulberry has not been received. Upon submission, the Interlocal Agreement will be filed with the Clerk of the Circuit Court of Polk County, Florida and the effective date of the cooperative will begin the first day of the following calendar month.

iii. Adoption of Meeting Schedule and Registered Agent/Office

Next meeting will be held on June 15, 2016 and then bi monthly on the third Wednesday of the month. No objections to proposed schedule. At the June meeting, a decision will be made to determine if a July meeting will be necessary

Motion made and seconded to select Polk County Attorney Michael Craig to serve as the Registered Agent and Office of the Polk Regional Water Cooperative (PRWC). Motion carried unanimously.

iv. Filings

Upon receiving outstanding signature pages, a copy of the Interlocal Agreement will be filed with the Clerk of the District Court and submitted for approval to the Florida Department of Environmental Protection. Within 30 days of the Effective Date a copy of the Interlocal Agreement and a Special District Creation Report will be filed with the Department of Economic Opportunity.

According to Section 2.02(B) of the Interlocal Agreement, within 45 days of the Effective Date, Member Governments are to appoint primary and alternate Directors by Resolution. As of the date of this meeting, resolutions have not been received from the Cities of Auburndale, Eagle Lake, Ft. Meade, Frostproof, Haines City, Lake Alfred, Lake Wales, and Mulberry nor the Town of Dundee.

Because the Effective Date has not yet occurred and Board of Director representatives have not been appointed by all Member Governments, actions taken at today's meeting will need to be ratified by the Board of Directors once appointed.

v. Discussion Adoption of Rules

Motion made and seconded to adopt Robert's Rule of order. Motion carried unanimously.

Polk County as agent for the Cooperative and has retained de la Parte & Gilbert for legal services, Gene Heath as facilitator and PC to audit. No objections raised.

vi. Budget

1. Member Appropriation

Interlocal Agreement states member allocation proportional to previous year water use

2. Fiscal Year 2016

Presentation of FY 2016 tentative budget presented by Mr. Heath.

Presentation of FY 2017 tentative budget will be presented at the June meeting.

A public hearing will be held to accept both fiscal year budgets at August meeting.

Polk City Mayor Joe Lacascia asked if the budgets for the FY should be the same? Chairman Lindsey responded that the FY 2017 budget will extrapolate for the full year (the presented proposed FY 2016 budget is only for the remaining portion of the FY)

vii. Staffing/Administration/Legal/Audit

When need for a PRWC staff arises, the request will come back to the Board at that time.

b. Central Florida Water initiative Status – (15 minutes) Robert Beltran

Robert Beltran, SWFWMD Executive Director, provided synopsis of CFWI efforts to date.

Steering Committee developed process for funding regional projects and preparing schedule for encouragement of Regional Funding

Mr. Heath asked what is needed to try and get the PRWC's foot in the door for funding, with respect to July being the trigger time to submit requests for funding, coming out of June?

Mr. Beltran stated that the Management Oversight Committee is developing what is needed and will be coming out with that information shortly.

Mr. Heath asked if we can use state funding and CFWI/Water Management District funding for projects?

Mr. Beltran stated the first year will be focused on state funding and year two will start to look at state funding and District funding. Nothing prohibits funding from both sources, but will require coordination and adjustment.

Mr. Heath asked what about multiple year projects?

Mr. Beltran stated the hope is to develop a 5 year plan similar to DOT, but will require all Districts to be on the same page.

Howard Wiggs, Mayor of Lakeland, asked who is on the Steering committee and who is representing cities?

Mr. Beltran stated that the Steering Committee is made up of representatives from each of the three Water Management Districts, FDEP, the Department of Agriculture and Consumer Services, and Utilities, represented by Brian Wheeler from Toho Water Authority.

Mr. Wiggs asked why the PRWC is needed if the CFWI has identified 20 projects?

Mr. Beltran stated a developer of the project is needed and there are mechanisms to adopt additional projects. All entities are encouraged to come forward with projects as the CFWI documents continue to be updated.

Mr. Wiggs asked if we can have the PRWC Chair or executive team directly plugged into the process?

Mr. Beltran stated that user types have been selected for representation. The Utilities could choose to elect the PRWC Chair as the Utility rep for CFWI in lieu of Mr. Wheeler, however there is a large amount of involvement on the subcommittees from the various Cities and utilities within the CFWI.

Mr. LaCascia asked if the state elected officials are plugged in to the process and stated that the Florida League of Cities have not heard any information regarding the CFWI process from the elected officials.

Mr. Beltran has stated that as part of the Water Bill that was passed this year, the CFWI was recognized as a region and has been brought to the elected officials.

Mr. Lindsey stated that over the last 5 years the Districts have been coming to the regional solution, the days of the individual government doing its own thing has changed.

Mr. Beltran stated the regional prospective is changing the dynamics of the game. A regional project will gain higher support from the Steering committee and Districts for funding then a single entity.

Mr. Beltran stated that the concern will be brought to the CFWI Communications Team regarding increased communication with elected state officials as well as Florida League of Cities and Florida League of Counties.

c. Project Technical Assessment Report

i. Phase I – (30 minutes) Mary Thomas, Phase I Consultant Team Member

Mary Thomas provided a summary of the Phase 1 scope of work, how the work was accomplished, and what has been completed to date. The charge to the team was to evaluate over 200 projects and provide five projects to the Phase II team for further evaluation with the need to provide at least 30 mgd of supply. An analysis of demands and deficits for the cities and county was also conducted in Phase I.

Kenneth Fields, City of Lake Wales City Manager stated there could be areas of the county that need water before others and asked if interconnects are being evaluated?

Mary Thomas responded that it has been discussed, but will need to be evaluated further.

Chairman Lindsey asked if other users are being scrutinized as much as Public Supply and if industries are regulated by municipalities?

Mr. Beltran responded that other users are being scrutinized and regulation of municipalities depends on the industry and if they get there water from the municipality.

ii. Phase II – (5 minutes) Katie Gierok, Phase II Consultant Team Member

Katie Gierok provided a briefing of the Phase II process. Additional info regarding Phase II will be presented at the June meeting.

Mr. Heath stated the Phase I and II teams are there to assist with selection and elevation of projects. There are remaining funds in Phase 1 (approximately \$50,000) and Phase 2 (approximately \$100,000) for technical support in making decisions as the PRWC is moving forward. The earlier budget presented was an administrative budget separate from the Phase 1 and 2 work.

Ms. Gierok stated deliverables under the Phase II contract include:

- Technical Memorandum due October 28, 2016,

- Preliminary Implementation Agreement due December 31, 2016,
- Engineer's Report Due April 30, 2017, and
- Final Implementation Agreement due April 30, 2017.

Mr. Wiggs asked if the 5 projects identified in Phase I were included in the 20 projects selected by CFWI.

Ms. Thomas responded that 2 of the 5 projects are shown in the list of 20 CFWI project options.

Mr. Wiggs asked what are the steps to add the other 3 projects on to the CFWI list?

Mr. Heath stated that the 20 projects preceded our study, and the criteria used on behalf of CFWI has been used in evaluating the five selected projects, and SWFWMD has been involved from the beginning of the process.

Mr. Beltran stated that the selection process used the same criteria as CFWI to identify regional projects; as far as introducing new projects, the Steering committee has identified a process to bring forward new projects. A new project would add to the list and not bump another project off. The next step will be prioritization which will be influenced by an entity bringing the projects forward.

Mr. Wiggs asked what the process is to move the 3 projects forward that are not currently on the list?

Mr. Beltran stated that the same process used in CFWI was used in selecting the projects, and they likely not to have difficulty being added to the list of approved CFWI projects. Entities willing to move forward with implementation moves the project forward and increases likelihood for funding.

Mr. Heath states there is a scheduled meeting of lobbyists in Polk County regarding funding opportunities on June 10th, the next PRWC Board meeting will include a summary of that meeting and how to move forward.

iii. District Resolution – (5 minutes) Gene Heath

Mr. Heath stated that on April 26th SWFWMD accepted the Interlocal Agreement and amended the resolution governing the PRWC. If time tables set in the resolution are not met, SWFWMD can remove the identified funding totaling \$40M. As long as progress continues, set amounts of funds are set aside for projects.

City of Lake Wales Deputy Mayor Jonathan Thornhill asked why the time table is there and the threat of losing funding if it increases the risk of moving forward in a direction that is not beneficial?

Mr. Heath responded that historically the SWFWMD has had projects that have been granted funding but then have not progressed and were accused of not performing due diligence with the use of public funds.

Mr. Thornhill asked what point needs to be reached to secure the funding?

Mr. Heath responded that an implementation agreement will be needed.

City of Bartow Vice Mayor Trish Pfeiffer asked where the money is going to come from.

Chairman Lindsey stated that the PRWC will borrow via bonds supported by the individual members of the projects and rate adjustments and increases to individual participating project member rates will likely be needed.

Ms. Pfeiffer asked what the options would be for a city that has the need but no funding, and doesn't want to bond.

Chairman Lindsey responded they could not be in the project, but enter into agreement with PRWC to buy water as a bulk water customer.

Mr. Wiggs asked if CFWI is an advocate for funding from the and how would that be coordinated.

Mr. Beltran stated that historically Water Management Districts cooperatively worked with entities within their Districts to obtain funding and he sees similar efforts on regional effort as advocated by Mr. Wheeler from Toho Water Authority.

Mr. Wiggs asked if projects have been predetermined or can new projects be brought forward.

Chairman Lindsey stated that the utilities throughout the County have been working to identify projects, but new projects may be brought before the Board to move these projects forward.

Mr. Fellows asked where and how do we determine who will be the major players in the projects?

Chairman Lindsey stated that will be decided as the process moves forward.

Do we have to move into a bidding war or some sort of process to see if new projects are selected or ranked?

Chairman Lindsey stated the 5 identified projects will not be completed overnight and will take time to develop. The participating members for selected PRWC projects will be responsible for funding and will receive funding assistance.

Haines City Commissioner Kenneth Kip stated it is important to educate the County's citizens of what is occurring in regards to water supply. The number 1 priority by SWFWMD is a regional group, and by the time you get to a single entity, cooperative funding will not be available.

Tom Mattiacci from the City of Lakeland clarified that water utility managers have been involved in the process up to this date and should be contacted, and if there are additional questions to please feel free to contact him.

d. Water Conservation Team Report – (15 minutes) Jason Mikel & Jacqueline Hollister

Due to time constraints, the Water Conservation Team Report was moved to the next meeting.

5. Open Discussion

Mr. LaCascia stated that instead of asking how do we sell this to our constituents with the funding of these projects, we should ask how do we answer them when there is no water?

City of Auburndale City Manager Bobby Green asked if certified minutes are acceptable in lieu of resolutions?

Ms. Melton stated the interlocal agreement specifically states by resolution, but this will be reviewed.

Mr. Green suggests the County and Mr. Heath coordinate the agendas with the City Managers through Ryan Talyor, Town of Dundee Town Manager.

Mr. Green suggested placing 32 chairs behind the 16 Directors chairs at next meeting for support staff to sit alongside and provide information.

Mr. Green suggested providing budget information as soon as possible to Member Governments to be able to include in their budget process.

Mr. Green suggests that the PRWC should place emphasis on increasing the support of SWFWMD which was previously willing to fund at \$160 million.

Mr. LaCascia requested an e-mail of when and where the presentation will be available for download be sent to all Directors.

6. Adjournment

Meeting adjourned at 4:07 PM