



MINUTES
POLK REGIONAL WATER COOPERATIVE
www.prwcwater.org

May 16, 2018 - 2:00 p.m.
Lake Myrtle Sports Complex
2701 Lake Myrtle Park Road
Auburndale, Florida 33823

Member Governments in Attendance:

City of AuburndaleMayor Tim Pospichal, Primary (Vice-Chairman)
City of BartowCommissioner James Clements, Secondary
City of Davenport.....Commissioner Tom Fellows, Primary (Secretary/Treasurer)
Town of DundeeCommissioner Bert Goddard, Primary
City of Eagle LakeCommissioner Michael Burdelak, Primary
City of Fort MeadeCommissioner James Watts, Primary
City of Haines CityVice Mayor Morris West, Primary
City of Lake AlfredMayor Charles Lake, Primary
City of Lake Wales.....Mayor Eugene Fultz, Primary
City of Lakeland.....Mayor Bill Mutz, Primary
City of MulberryCommissioner Rick Stradtman, Primary
City of Polk CityMayor Joe LaCascia, Primary
Polk CountyCommissioner George Lindsey, Primary (Chairman)
City of Winter Haven.....Mayor Pro Tem Nathaniel Birdsong, Primary

Member Governments in Absence:

City of Frostproof
Town of Lake Hamilton

1. Call to Order
Meeting called to order by Chairman Lindsey at 2:03 PM.
2. Recognition of new primary/alternate appointees of members
3. Agenda Revisions
No revisions presented
4. Public Comments (Will be limited to 3 minutes per person or group)
No public comments were presented

5. Consent Items:

- a. Approval of 3/21/2018 Board Meeting Minutes
- b. Auditing Services Contract Extension for FY 2019- Brynjulfson CPA
- c. Accounting Services Contract Extension for FY 2019 - Clifton, Larson & Allen

Motion made and seconded to approve Consent Agenda as presented. Motion passed unanimously.

DISCUSSION ITEMS:

6. UF/IFAS Conservation Program (Anne Yasalonis, UF/IFAS Program Director)
No Action Required

Ms. Yasalonis presented: "How educational activities can save water and money!"

Chairman Lindsey asked if landscape watering day schedules were consistent across the county.

Ms. Yasalonis confirmed yes

Mr. Heath asked if Anne had looked at the programs the PRWC conservation program has undertaken.

Ms. Yasalonis stated that IFAS has worked with the Conservation Team, but IFAS concentrates on outdoor water savings.

Mr. Heath stated one of the reasons he asked her to present is to look into ways to potentially team up on future projects.

7. PRWC Preliminary Budget (Ryan Taylor, Polk County)
No Action Required

Mr. Taylor provided a preliminary draft of the PRWC Administrative Budget with a total revenue of \$198,000. The presented budget is for review, with action to be taken at the next Board of Directors meeting on a final budget.

8. Executive Director Transition (Jim Freeman, Polk County)
Action Required - Approve Transition

Mr. Freeman provided a brief background on the cooperative formation and naming of Mr. Heath as Coordinator of the PRWC and Project Administrator for the Combined Projects. Mr. Heath agreed to staff the position for the initial two years of the Cooperative. During that time a plan was developed to staff the Cooperative moving forward. Mr. Freeman expressed his appreciation of Mr. Heath for his dedication to the Cooperative and his efforts establishing the Cooperative. A recommendation was made to appoint Ryan Taylor, Assistant County Manager as Executive Director effective June 1, 2018; and second to approve the use of the City of Lakeland's procurement policy to issue a request for qualifications (RFQ) to select a project administrator for the duration of the combined projects for phase 1 in the amount

budgeted, and third to approve Gene Heath as a combined project administrator as budgeted during the RFQ period at a rate of \$12,500/month.

Mayor LaCascia asked if the \$80,000 amount was a fiscal year budgeted amount.

Mr. Freeman confirmed it is a fiscal year budgeted amount.

Mayor LaCascia asked when the \$80,000 would take effect.

Mr. Freeman stated the \$80,000 represents half of Mr. Taylor's total compensation, including benefits for the fiscal year.

Motion made and seconded to approve Mr. Taylor as Executive Director as outlined by Mr. Freeman. Motion passed unanimously.

Motion made and seconded to engage Lakeland's RFP process to solicit a project administrator. Motion passed unanimously.

Motion made and seconded to continue Mr. Heath as project administrator for the balance of the fiscal year. Motion passed unanimously.

RECESS REGULAR BOD/COMMENCE PROJECTS BOD – 2:28 PM

9. Demand Projections (Robert Beltran, HydroSolutions Consulting/Team One)
No Action Required

Ms. Devan White provided an explanation of terminology that is frequently used when discussing potable water demand projections.

Mr. Heath asked why we look at a 20 year time horizon.

Mr. Beltran stated that 20 years is in Florida Statute for regional water supply planning.

Mr. Heath stated that the 20 year time frame was placed in Florida Statute to provide a time frame for Water Management Districts (WMDs) to make decisions regarding water supply and permits.

Mr. Heath asked where the 5 year average came from?

Mr. Beltran stated that the Regional Water Supply Plans (RWSP) are required to be updated every 5 years.

Mr. Heath asked where the 5 year running average for per capita calculations came from?

Mr. Beltran stated that the WMDs are required to update the RWSPs every 5 years and use the previous 5 years of data to project the next 20 years.

Mr. Heath stated the five years window was a planning tool to average out little bumps, however did not incorporate extended droughts or economic recessions. These factors must be taken into account for future water planning.

Ms. White continued providing a description of terms used in water supply planning.

Mr. Beltran provided a brief description of the projected water demands for the PRWC moving forward for the Combined Projects.

Chairmen Lindsey asked if this was all domestic supply and does not include industrial or agriculture.

Mr. Beltran stated this was strictly public supply.

Chairman Lindsey asked if we would have more time as industry (mining) moved away and groves are taken out of production.

Mr. Beltran stated that there could potentially be some additional time as industry moves out of the County.

Mayor LaCascia asked if this included irrigation wells.

Mr. Beltran stated the information presented was strictly for metered public supply wells.

Mr. Beltran stated the larger regional issue is something the District will take a look at, but the information presented is strictly related to the public supply needs of the participating member governments. The conceptual design report for the Combined Projects will be completed in October 2019 following the peer review, and the preliminary design will be completed in November 2020 with additional information from the Central Florida Water Initiative (CFWI) regarding sustainable yield of the aquifer.

10. Preliminary Budget for Combined Projects (Katie Gierok, Wright-Pierce/Team One)
No Action Required

Ms. Gierok provided a synopsis of the Combined Projects budget and funding sources.

Chairman Lindsey asked if a report analyzing the effectiveness of each project at the end of the 4 years would be made available prior to moving on the next level of the project.

Ms. Gierok stated that is correct.

Mr. Fields asked if there would be any reallocation of costs based on actual usage.

Chairman Lindsey stated that at Phase 2 the percentage of project costs would be allocated based on the amount of AWS supplied to each member.

11. Project Plan Status Report – Peace Creek IWSP (Dale Helms, WSP/Team One)
No Action Required

Mr. Helms provided an update on the Peace Creek Integrated Water Supply project.

Chairman Lindsey asked when we can expect the feasibility report.

Mr. Helms stated a conceptual report should be ready in one to two years, the draft conceptual report should be completed in 2019.

Commissioner Clements asked if CS-11 was included.

Mr. Helms stated that CS-11 is further down on the Peace River and not included as part of the Peace Creek River project.

Mr. Heath explained that the CS-11 site is located near highway 60 and is part of the Clear Springs property and sites near the county boundary would be more viable for withdrawal if the Peace River is the source.

Mayor Mutz asked what is being looked at for potential sites.

Mr. Helms stated that recharging historic wetlands is being looked due to their natural bowl shape with potential piping to higher recharge areas or addition of injection wells to enhance recharge.

12. Peace River Manasota Regional Water Supply Authority (PRMRWSA) Water Use Permit Application (Gene Heath, Ed de la Parte)
Action Required – Approve Legal Action

Mr. Heath provided a brief description of how projects were selected for the projected 20 year time frame including the 5 PRWC nominated projects.

Mr. Heath provided a background of the PRMRWSA water use permit modification application and description of meeting with executive director of PRMRWSA and executive director of the SWFWMD on April 19, 2018.

Mayor LaCascia stated that the illustration of time frame of when the application was first made on behalf of the PRMRWSA and during this time sitting with SWFWMD as a partner with the Cooperative is suspect and he does not understand why the PRMRWSA application was not brought to our attention by the District.

Cindy Rodriguez from SWFWMD stated that due to legal action she could not speak on this today.

Mr. Heath stated that had we known of the application we may have been able to discuss this issue and come to a resolution on a more timely basis.

Mr. Heath also stated that the PRWC's Combined Project TAC recommended that we petition in opposition to the permit and recommended moving forward with the water use permit applications on the nominated projects.

Chairman Lindsey stated that if the PRMRWSA application was approved and we did not protest, then the PRMRWSA would be vested in their permitted quantities and we would be precluded from that amount in the future.

Mr. Heath stated the question is what would that preclusion be. What we do know is that once they are granted 100% of the river flow above the MFL at their withdrawal location we will be impacted. We do not know how much we will be impacted and would like to work with the District to determine how much that preclusion would be prior to the permit being granted.

Mr. LaCascia asked whom Mr. de la Parte will be speaking on behalf? He has been retained by multiple member governments and the PRWC.

Mr. de la Parte stated that if no one filed a petition, then the District would have issued a 50 year permit without the requirements of 10 year compliance reviews or a reopener clause; so the only way to still have a seat at the table was to file a petition for formal administrative hearing. On April 25th Mr. de la Parte wrote a letter to the District asking for a clear point of entry for filing a petition for administrative hearing. The District responded that notification was published and window for action would close on May 16, 2018, the day of this PRWC Board meeting. Under an abundance of caution, Mr. de la Parte filed a petition of formal hearing on Monday, May 14, 2018 on behalf of the PRWC. Mr. de la Parte requested the PRWC Board of Directors ratify the actions taken at Mr. Heath's direction to keep the PRWCs foot in the door.

The City of Winter Haven has also hired Mr. de la Parte and filed a petition of hearing on Tuesday, May 15, 2018.

SWFWMD had represented any other Polk County agency has until Friday May 18, 2018 to file a petition of hearing.

Mayor LaCascia stated he is assuming Mr. de la Parte has been voicing the concerns of the PRWC and is curious why the City of Winter Haven and the City of Lakeland has brought on the services of Mr. de la Parte when all our concerns are the same. Mayor LaCascia is worried about a doubling of legal expenses.

Chairman Lindsey stated that timing was not our friend. Mr de la Parte has been retained by PRWC, Polk County and Winter Haven. The Cities of Lakeland and Bartow have agreed to join the teams with their own councils as a defense position to stake their claim. Part of the discussion will be how we pay for this process moving forward. Current budget estimate is \$175,000 with the PRWC paying 50% with Polk County and Winter Haven entering a proportional agreement to pay the remaining 50%.

Chairman Lindsey stated the first action needed is to ratify the work already completed by Mr. de la Parte

Motion made and seconded to approve ratifying the actions of Mr. de la Parte to file the petition. Motion passed unanimously.

Vice-Chairman Pospichal stated the members of the PRWC are working towards the same goals and the ratified actions were to give the PRWC standing.

Mayor LaCascia stated he is not sure the District is working toward the same goals.

Chairman Lindsey stated that the members of the Cooperative are all working towards the same goals.

Mayor Pro-tem Birdsong had a question regarding the estimated budgetary numbers.

Chairman Lindsey stated that the agreement for the County and Winter Haven to share the remaining 50% expense had been reached by their respective managers immediately before the meeting.

Mayor Pro-tem Birdsong stated that would leave Winter Haven paying approximately over \$40,000.

Chairman Lindsey stated the agreement would be based on proportionate flow, at worst half of \$87,500.

Mayor Pro-tem Birdsong asked what the provided budgetary number covers.

Mr. de la Parte provided a description of what is included in the initial budgetary estimate for the initial filing of petition and scientific analysis to use in coming to a negotiating table prior to trial, but the budget does not include legal proceedings.

Vice-Chairman Pospichal stated that a lot of light is shined upon these issues in the petition submitted by Mr. de la Parte.

Mayor Fultz asked if SWFWMD would be culpable for a portion of the fees.

Mr. Heath stated there is a prohibition in the Districts cooperative funding agreements for paying legal fees.

Mayor Lake asked if the PRMRWSA would withdraw their permit with the potential costs of litigation.

Mr. de la Parte stated that anything is possible, but believes there is still time before litigation begins for this to potentially be resolved.

Chairman Lindsey stated that the water management district is a large body and there is potential that the right hand is not talking to the left, but he is convinced that the SWFWMD Board of Directors was not in the circle of knowledge regarding the PRMRWSA permit, and to move forward asked Mr. Freeman and Mr. Herr to provide recommendations moving forward with the PRWC and two entities that have hired Mr. de la Parte.

Mr. Freeman stated that the local governments that have chosen to petition interests are the same. The thought process was that there is some budget already approved to move forward with filing the petition and move to the hearing phase. Once we have moved to the hearing phase we will have more information to ask policy makers to make a more informed decision.

Mr. Herr stated that the City of Winter Haven decided to move forward with the initial budget.

Mr. Timothy McCausland, Lakeland City Attorney, the City requests that the PRWC makes sure everyone does not pay twice; the interests are the same, but the standing is not and the legal responses will be nuanced.

Vice-Chairman Pospichal brought up that past governors have stated that WMDs should work out the issue and City's should not sue each other.

Motion made and seconded that the Water Management Districts should be forced to find a solution so that governments do not sue each other (Motion later rescinded upon discussion by Board).

Secretary Fellows stated that it was his understanding that in order to approve a permit a need must be shown. Davenport has a current need and does not feel there is cooperation with the SWFWMD, how can PRMRWSA show a need in 50 years and get approval? How is this possible?

Mr. de la Parte stated that because of the petitions filed, the permit was taken off of the agenda for the governing board meeting.

Chairman Lindsey asked if the PRWC should attend the District governing board meeting.

Mr. de la Parte stated he did not think that would be the way to address this issue, the permit has been taken off of the agenda and it is his opinion that the governing board's legal counsel would likely advise the governing board not to address the issue.

Mayor LaCascia restated that the permit has been delayed but has not been taken off of the table.

Mr. de la Parte stated that because of the petitions, they are not in position to issue the permit and the governing board is not in position to discuss the permit until the administrative hearing.

Mayor LaCascia stated that we have to look into the costs of professionals to look into the science.

Chairman Lindsey stated that is included in the \$175,000 projected cost.

Mayor Mutz recommended because there is a process in place and because of the PRWC, that we show good faith and assume there is an issue with the right and left hands not communicating and see where the process takes us in lieu of over speculating now.

Motion made and seconded for the PRWC to cover 50% of the \$175,000 cost with Mr. de la Parte with the remaining 50% to be split between Polk County, the City of Winter Haven.

Mayor Pro-tem Birdsong stated there are some underlying questions regarding costs but due to the importance of this issue the County is moving forward.

Chairman Lindsey stated he understands and agrees that he would make the same motion to his fellow commissioners on the Polk County Board.

Mayor Fultz stated the City Managers should get together to discuss the equitable sharing of costs.

Motion to have the Water Management Districts find a solution to the situation rescinded.

Revised Motion made and seconded for the PRWC to cover 50% of the \$175,000 cost, Winter Haven and Polk County will fund the balance with later reallocation following the City Managers meeting to decide how to split the remaining 50% equitably. Motion approved unanimously.

Motion made and seconded to move forward with the application for Water Use Permits for the Peace River and subsequent submittals for nominated projects. Motion approved unanimously.

13. State Revolving Loan Procurement Status (Tom Mattiacci, City of Lakeland)
No Action Required

- a. Loan Application
- b. SRF Guaranty Agreement for Members Participating in SRF

Mr. Mattiacci provided an update of the State Revolving Fund status.

Motion made and seconded to approve Chair and Secretary move forward signing the SRF Loan agreement. Motion approved unanimously.

Chairman Lindsey asked those who have not signed the guarantee agreements to please expedite the process and get the signed agreements.

RECESS PROJECTS BOD/COMMENCE REGULAR BOD – 4:32 PM

14. Executive Director Update/Comments

Remaining Items to be addressed at the next Board of Director's meeting.

- a. SWFWMD General Counsel letter supporting PRWC Interim Water Supply Framework
- b. SWFWMD Projects Funding Resolution
- c. Site purchased for SE Wellfield Plant (30 acres)

15. Open Discussion

None

16. Adjournment (Next BOD Meeting July 18, 2018)

Board meeting was adjourned at 4:32 PM.

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