



MINUTES
POLK REGIONAL WATER COOPERATIVE

October 18, 2017 - 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 William Simpson, Primary
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 Jim Watts, Primary
City of FrostproofMayor Rodney Cannon, Primary
City of Lake AlfredMayor Charles Lake, Primary
Town of Lake Hamilton.....Mayor Marlene Wagner, Primary
City of Lake Wales.....Mayor Eugene Fultz, Primary
City of Lakeland.....Mayor Howard Wiggs, 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 Haines City
City of Mulberry

1. Call to Order

Meeting was called to order at 2:00 PM

2. Recognition of new primary/alternate appointees of members

Board members present introduced themselves.

3. Agenda Revisions

No revisions were presented.

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

No comments were presented.

5. Consent Items:

a. Approval of 8/15/2017 Board Meeting Minutes

Motion made and seconded to approve 8/15/2017 meeting minutes as presented. Motion approved unanimously.

DISCUSSION ITEMS:

6. Water Resource Challenges, Strategies and Successes in the Region
(Jason Mickel, SWFWMD) - No Action Required

Mr. Mickel presented water resource challenges, strategies, and successes in the Southern Water Use Caution area and the Central Florida Water Initiative.

Mayor Wiggs asked about the science of appropriate use of the lower Floridan aquifer. Are the concerns baseless?

Mr. Mickel stated he had a slide on that issue and asked to table the question until he reached the slide.

Mayor Wiggs agreed to temporarily table the question.

Chairman Lindsey asked how much of the reduction in groundwater use in Polk County could be attributed to the decline of agriculture.

Mr. Mickel stated that agriculture still needs a large amount of water.

Mr. Heath stated that the public per capita in the presentation is the report card for the area. The emphasis on conservation has been remarkable as shown on the slide.

Mr. Mickel returned to the LFA question and provided a map to show the number of LFA wells in the region and the efforts of data collection to ensure the LFA is a suitable source. The SWFWMD is working on gathering confinement data to determine if there will be an impact on the upper Floridan aquifer and has invested \$11.5 million in support of these efforts.

Mr. Heath asked if the 23 million in support of the projects was well spent.

Mr. Mickel stated yes.

Chairman Lindsey stated that in the public eye, the view is that it is one aquifer system and drawing from the LFA is the same as drawing from the UFA. Do the scientists confirm that non-traditional source is synonymous with lower Floridan aquifer (LFA).

Mr. Mickel stated in most locations that is the case, but it is site by site.

Chairman Lindsey stated that the confinement varies across the state and SWFWMD is performing exploratory testing to get info to determine if the LFA is a viable alternative source and the PRWC can decide to proceed or not.

Mayor Wiggs is disconcerted that he sees lawsuits that may say we may not be able to do what we are spending \$23 million on. Will the courts have authority to shut down our projects?

Chairman Lindsey said yes they will have that authority, and it is a risk; there is no bullet proof vest to any court challenge.

Mayor LaCascia stated that it was suggested we will be monitoring as we go along, and if we see that we cannot use the source we will adjust the plan; and waiting for additional information is not a good defense in court.

Chairman Lindsey stated that we are being proactive to determine if the LFA is viable and the PRWC Board will be looking at a large contract with consultants to proactively take a look at these issues and the consultants will be charged with keeping the PRWC Board informed during the process. But the alternative of doing nothing is not a viable alternative.

Mayor LaCascia stated that he agrees that doing nothing is not viable, and that if anything goes wrong we will be aware of it early enough to recover as much as possible and look to another source and prevent harm to the aquifer.

Chairman Lindsey stated that no one at the table is able to go this road alone and we are all stronger working together.

Mr. de la Parte said the ultimate safe harbor is the achievement of a permit. It becomes very difficult once a permit is achieved to reverse that decision.

Chairman Lindsey stated the risk is between now and getting the permits.

Mr. Heath stated that the Southeast Well field investigation began in 2009 until a permit was obtained in 2014. That permit took into consideration the surficial aquifer and UFA and impacts that would occur from the Southeast Well field. The feasibility work that will be performed in Phase 1 is not required by the SWFWMD permit, but makes sense for the PRWC to determine if the LFA is an adequate source for water supply before spending a considerable larger amount of money.

Mayor Cannon informed Mr. Mickel that the phone number displayed at the Crooked Lake LFA well site does not connect you to the SWFWMD.

Commissioner Simpson asked if Mr. Mickel knew at what depth we hit the LFA.

Mr. Mickel stated he did not have that information readily available but could be obtained from his presentation that will be distributed.

Mr Heath stated the LFA is reached at depth of approximately 2200 ft (bottom of test well was just above the 2,200 ft) below land surface (bls) in that area.

7. Heartland Headwaters Protection and Sustainability Act Annual Report Submittal (RyanTaylor) – No Action Required

Frank Bernardino presented a brief update on the Heartland Headwaters Protection Act. Any project that is a PRWC project is queued up for being included in the states final budget.

Mr. Taylor provided a summary of the next steps in moving forward projects to be included in the Heartland Headwaters Protection and Sustainability Act. The City Managers will meet to discuss ranking of the projects to move them forward for approval from the PRWC Board in November to bring to the legislature by the December 1st deadline.

Chairman Lindsey mentioned the competition for Amendment 1 dollars. These projects will qualify for Amendment 1 dollars and has a different appropriation process then other projects requesting legislative funding.

Mr. Bernardino stated that this is accurate and the projects of the PRWC qualify for Amendment 1 dollars.

Chairman Lindsey stated that these projects are in support of the Combined Implementation Project projects but are not in competition with those projects.

Mr. Bernardino stated that is correct and the Florida Department of Environmental Protection has made a request for the CFWI funding.

RECESS REGULAR BOD/COMMENCE PROJECTS BOD – 2:47 PM

8. Line of Credit Procurement

a. Combined Projects Implementation Agreement Provision (Ed de la Parte)

Mr. de la Parte provided a recap of the Combined Projects Implementation Agreement, financial requirements, and funding options.

Chairman Lindsey stated that to use the SRF, a line of credit will be necessary.

Mr. Heath stated that both the SRF and the grant from SWFWMD are reimbursement agreements and will require financing to pay expenses prior to reimbursement.

b. Evaluation of Proposals (Julie Santamaria, RBC Capital Markets)
Action Required: Approve Recommended Selection

Ms. Santamaria provided a summary of the line of credit proposal. Three responses were received, all in line with the requested proposal. Wells Fargo had the most beneficial proposal financially. RBC recommends moving forward with the Wells Fargo proposal.

Chairman Lindsey asked if the PRWC would deal with a local branch.

Ms. Santamaria stated that the branch is based out of Tampa.

Motion made and seconded to approve RBC Capital Markets recommended selection of Wells Fargo. Motion approved unanimously.

- c. Resolution for Line of Credit
(Ed Vogel, H&K) - Action Required: Approve Recommended Resolution 17-3

Ed Vogel, acting Bond Counsel, presented Resolution 17-3 to approve the loan transaction and approve the form of loan agreement and a note that are attached to the resolution that pledges to the repayment of the line of credit debt the proceeds of the SRF loan, the SWFWMD grant, as well as the payments of the member organizations, that are obligated to this debt. The resolution also puts procedures in place to ensure tax exempt status is maintained with the IRS.

Motion made and seconded to approve resolution 17-3. Motion approved unanimously.

- d. Loan Agreement for Line of Credit (Ed Vogel, H&K)
Action Required: Approve Recommended Loan Agreement

The action required was included in previous motion approved under item 8c.

Commissioner Simpson asked when the invoices to the members will be distributed.

Mr. Heath stated the invoices will be sent out within the next few weeks.

9. State Revolving Fund (Tom Mattiacci)

- a. Self Funding Table
No Action Required

Mr. Mattiacci presented the self funding table based on responses he has received from the members. Following Phase 1 we will look at moving Phase 2 forward which may be rolled into SRF funding. Those who would like to take advantage of SRF dollars need to get a hold of Mr. Mattiacci ASAP.

- b. Consultant/PRWC Contract
Action Required: Approve Recommended Contract

Mr. Mattiacci provided a summary of the recommended Team One consultant contract with Carollo Engineers Inc. for \$17,096,476.89. The balance \$5,809,524.09 will be used for well construction, administration, and third party review.

Motion made and seconded to approve the contract agreement for Phase 1 Combined Implementation agreement between the Cooperative and Carollo Engineers Inc. Motion approved unanimously.

- c. Lakeland Personnel Annual Contract Labor Services Agreement (Agreement) Adoption and to Assist in Continuing Services Consultant Procurement
Action Required: Approve Adoption of City of Lakeland to act on the behalf of the PRWC and assist PRWC to procure a Project Manager through their Agreement and to procure continuing services consultant(s) in accordance with the CCNA

Mr. Mattiacci provided a request to bring on a combined projects manager using the City of Lakeland's Agreement as well as be able to bring on engineer consultants for work outside of the Phase 1 separate from Team One (Carollo).

Mayor Wiggs asked how many would be brought on board.

Mr. Mattiacci stated one more would be brought on board.

Mayor Wiggs asked if they would only be paid when used.

Mr. Mattiacci confirmed, there would be no retainers.

Motion made and seconded to approve adoption of City of Lakeland to act on the behalf of the PRWC and assist PRWC to procure a Project Manager through their Agreement and to procure continuing services consultant(s) in accordance with the CCNA. Motion approved unanimously.

10. Election of Projects BOD Officers for FY 2018(Gene Heath)

Mr. Heath advised the BOD as to the process for nomination of Project Board officers for FY 2018.

Motion made and seconded to continue with those currently in office. Motion approved unanimously

RECESS PROJECTS BOD/COMMENCE REGULAR BOD – 3:23 PM

11. Election of Regular BOD Officers for FY 2018(Gene Heath).

Motion made and seconded to continue with those currently in office. Motion approved unanimously.

12. Open Discussion

No items were presented for open discussion.

13. Adjournment

Board meeting was adjourned at 3:24 PM.

The next scheduled meeting is November 15, 2017 at 2:00 p.m.