



The Water Cooperative of Central Florida

Thursday, May 29, 2014

3:00 PM

Toho Administration Building

951 MLK Boulevard

Kissimmee, FL

Agenda

1. Approval of the Board Meeting Minutes from January 8, 2014
2. Approval of Reimbursement of Toho Water Authority for Water Cooperative Expenditures
3. Approval of First Amendment to the Interlocal Agreement for the Preliminary Engineering and Permitting of the Cypress Lake Wellfield Alternative Water Supply Project
4. Status Report on the Cypress Lake Wellfield Alternative Water Supply Project – Overview of the Phase 1 Water Wheeling Study Results
5. Approval of Engagement of Attorney for Central Florida Water Initiative representation
6. Approval of Draft Water Cooperative Budget for Fiscal Year 2015
7. Board Member Comments

Description	Regular meeting of the Water Cooperative of Central Florida. Present at the meeting were TWA Board Chairman Bruce Van Meter, Polk County Commissioner George Lindsey, Orange County Commissioner Tiffany Moore Russell, City of St. Cloud Councilman Donald Shroyer.		
Date	01/08/2014	Location	Tohopekaliga Water Authority Board Room
	ITEM	NOTES	
2:00 PM	MEETING CALLED TO ORDER	Chairman Van Meter called the meeting to order at 2:00 PM.	
	APPROVAL OF THE BOARD MEETING MINUTES FROM OCTOBER 2, 2013	Commissioner Russell motioned for approval of the October 2, 2013 meeting minutes and Commissioner Lindsey seconded the motion. Motion passed 4 to 0.	
	APPROVAL OF REIMBURSEMENT OF EXPENDITURES TO DATE BY TOHO WATER AUTHORITY ON BEHALF OF THE WATER COOP OF CENTRAL FLORIDA	Mr. Wheeler reminded the Board a resolution was approved at the October 2, 2013 meeting authorizing the reimbursement of expenses incurred by Toho Water Authority on behalf of the Water Coop. Under this resolution reimbursements can be done on a quarterly basis instead of annually. Staff has submitted an itemized list of expenditures in the amount of \$265 which the Authority incurred on behalf of the Water Coop from September 27, 2013 to December 31, 2013 for reimbursement. Supervisor Russell moved for approval of the reimbursement and Supervisor Lindsey seconded the motion. Motion passed 4 to 0	
	APPROVAL OF AMENDMENT TO FY2014 BUDGET AUTHORIZING LEGAL EXPENSES RELATED TO THE CENTRAL FLORIDA WATER INITIATIVE	Mr. Wheeler advised the Board that since the FY2014 Budget approval the Water Coop is facing some legal expenditures which had not previously been anticipated when the budget was prepared for approval. At an earlier meeting the Board was briefed on the Central Florida Water Initiative (CFWI) which has resulted in establishing the groundwater availability for the Central Florida area. The CFWI effort produced a draft Regional Water Supply Plan which outlines a projected deficiency in available groundwater to meet the future area water demands and the need to identify solutions to this deficiency. The CFWI has entered into a Solutions Phase with the objective of evaluating and proposing a variety of alternatives to meet Central Florida's future water demands. One part of the Solutions Phase consists of a Regulatory Team with the objective of evaluating existing statutes, rules, and	

regulations which may affect implementation of the potential solutions developed in the Solutions Phase. A Legal Advisory Team to the Regulatory Team has been developed to provide guidance and assistance in developing policy, rules, and regulations. This Legal Advisory Team is composed of an attorney from each of the three water management districts and an attorney to represent the utilities, collectively. The seven utilities which provided the utility support and involvement for the first phase of the CFWI which consist of the four member utilities of the Water Coop, Reedy Creek Improvement District (RCID), Orlando Utilities Commission (OUC), and Seminole County Utilities have agreed upon an attorney to represent the utilities on the Legal Advisory Team. The Water Coop will be responsible for 4/7 of the cost of the representation. Funding of this unforeseen legal expense will require an amendment to the Water Coop FY2014. Although the actual amount required for this representation is not known, the budget amendment will set a limit for the expenditure. The attorney will be compensated on the basis of actual time expended. If additional funding is needed, another budget amendment would be needed. Attorney Alderman advised the Board that the motion to approve would require two actions. The first motion would be to amend the budget and the second motion would authorize the Water Coop participation. Chairman Van Meter asked if a Resolution is needed and Attorney Alderman said that she would research the need. Commissioner Lindsey made a motion to amend the budget and Commissioner Russell seconded the motion. Motion passed 4 to 0. Commissioner Russell moved for approval of the engagement of an attorney and Commissioner Shroyer seconded the motion. Motion passed 4 to 0. Chairman Van Meter asked whether the Water Coop would be entering into an agreement for the engagement of an attorney. Mr. Wheeler responded that the Water Coop will be entering into an agreement with an attorney. Commissioner Lindsey engaged Mr. Wheeler in a discussion about issues that the legislature may be addressing which could impact the Water Coop. Commissioner Lindsay requested that Mr. Wheeler advise the Board of any issues that may arise in the legislature which may affect the Water Coop. Attorney Alderman advised the Board that she had researched Chairman Van Meter's question concerning the need to do a resolution to approve the budget amendment. She advised that the statutes state that appropriations for expenditures within a

		<p>fund may be reduced or increased by action of the Board but she did not know if the legal expense is considered a fund. Mr. Wheeler said that it is the same fund and Ms. Alderman responded that the board action approving the budget amendment was satisfactory. Mr. Van Meter said he would prefer that this budget amendment be made through resolution because he did not want the action questioned in the future when the Water Coop would be financing a project through the issuance of municipal bonds. Ms. Alderman advised the Board that to adopt the budget amendment by resolution would require the reconsideration of the previous motion. Commissioner Lindsey moved for withdrawal of the motion for a budget amendment and Commissioner Shroyer seconded the motion. Motion passed 4 to 0. Commissioner Russell moved for reconsideration of the budget change and Commissioner Lindsey seconded the motion. Sylvia Alderman said that it should be designated as a resolution. Commissioner Russell made a motion to approve Resolution 2014-001; to be drafted by Ms. Alderman to amend the FY2014 budget providing for legal expenses for the CFWI and Commissioner Shroyer seconded the motion. Motion passed 4 to 0. Commissioner Russell moved for approval of engagement of an attorney to represent the Water Coop on the CFWI Legal Team and Commissioner Lindsey seconded the motion. Motion passed 4 to 0.</p>
	<p>STATUS REPORT ON THE CYPRESS LAKE WELLFIELD ALTERNATIVE WATER SUPPLY</p>	<p>Deb Beatty, Senior Engineer for TWA, gave a short PowerPoint presentation reviewing the status of the Cypress Lake Wellfield Alternative Water Supply project.</p>
	<p>BOARD MEMBER COMMENTS</p>	<p>Next Board meeting will be Wednesday, April 2, 2014.</p>
<p>2:37 PM</p>	<p>ADJOURNED</p>	<p>There being no further business to come before the Board, Chairman Van Meter adjourned the meeting at 2: 37PM.</p> <hr/> <p>Bruce R. Van Meter, Chairman</p> <hr/> <p>Tiffany Moore Russell, Secretary</p>

CATEGORY: Water Cooperative of Central Florida

Attachments: Itemized list of expenditures by Toho Water Authority from December 31, 2013 thru May 12, 2014

Approval of Reimbursement of Expenditures to Date by Toho Water Authority on behalf of the Water Co-operative of Central Florida

Explanation: The Board of Supervisors adopted a resolution at the October 2, 2013 meeting authorizing the reimbursement of expenses incurred by Toho Water Authority (TWA) on behalf of the Water Co-operative on a quarterly basis. The resolution allows the Authority to submit a detailed list of expenses incurred each quarter to the Board for approval for reimbursement. Under the resolution the TWA could be reimbursed quarterly during the year instead of once annually as was done for the previous fiscal year. The attached list of expenditures made to date by TWA on behalf of the Water Co-operative is being submitted for approval for reimbursement contingent upon the Board approving the authorizing resolution.

Recommendation: Staff recommends approval of the list of expenditures submitted to date for reimbursement to the TWA.

REIMBURSEMENTTWAEXPENSE.05.29.2014BLW

Toho Water Authority List of Expenditures (November 1, 2013 – December 31, 2013) on behalf of the Water Cooperative of Central Florida

Vendor	Date	Invoice	Amount
Orlando Sentinel	12/02/2013	2031858	\$50.00
		Total	\$50.00

Toho Water Authority List of Expenditures (January 1, 2014 – May 29, 2014) on behalf of the Water Cooperative of Central Florida

Vendor	Date	Invoice	Total
Akerman LLP	02/05/2014	8883954	\$3,225.16
Akerman LLP	03/05/2014	8893049	\$1,137.50
Akerman LLP	04/03/2014	8902077	\$4,225.00
Akerman LLP	05/05/2014	8911300	\$9,236.26
Sun Publications of Florida, Inc.	05/12/2014	Ad No. 00137099	\$30.63
		Total	\$17,907.55

CATEGORY: Water Cooperative of Central Florida

Attachments: Agenda Item from October 2, 2013 meeting

First Amendment to Interlocal Agreement for the Preliminary Engineering and Permitting of the Cypress Lake Wellfield Project

APPROVAL OF THE FIRST AMENDMENT TO THE INTERLOCAL AGREEMENT FOR THE PRELIMINARY ENGINEERING AND PERMITTING OF THE CYPRESS LAKE WELLFIELD PROJECT

Explanation: At the October 2, 2013 meeting, the Board of Supervisors approved the First Amendment to the Interlocal Agreement for the Preliminary Engineering and Permitting of the Cypress Lake Wellfield project. The agenda item from the meeting is attached. The amendment required approval of the individual member agencies in addition to the Water Cooperative Board of Supervisors. Following the Water Cooperative meeting, a couple of the member governments of the Water Cooperative of Central Florida (Cooperative) requested some minor changes to the amendment. The requested changes consisted of some additional language within the WHEREAS clauses of the amendment clarifying that the Project Management services to be provided by Toho Water Authority would not be provided by a consultant as originally outlined in the interlocal agreement. With the addition of the clarifying language, the modified amendment requires approval again by the Authority. The modified amendment has already been approved by the Toho Water Authority, City of St. Cloud and Orange County and is scheduled for approval by Polk County and Reedy Creek Improvement District. The modified amendment will require approval by the Board of Supervisors of the Cooperative again.

Recommendation: Staff recommends approval of the modified First Amendment to the Interlocal Agreement for the Preliminary Engineering and Permitting of the Cypress Lake Wellfield project.

1st Amend Cypress Lake Interlocal.05.29.2014blw

Agenda: Water Co-operative

Attachments: First Amendment to Interlocal Agreement for the Preliminary Engineering and Permitting of the Cypress Lake Wellfield Project

Approval of the First Amendment to the Interlocal Agreement for the Preliminary Engineering and Permitting of the Cypress Lake Wellfield Project

Explanation: The FY2014 Budget approved by the Water Co-operative Board of Supervisors at the July 10th meeting included funding for the management and administration of the Co-operative alternative water supply (AWS) projects and more specifically the Cypress Lake AWS project in the near future. When the preliminary engineering phase of the Cypress Lake AWS project progresses to the point that specific projects emerge to be designed and constructed, TWA would retain the services of a project manager to oversee these projects and the Co-operative would reimburse TWA for the time the project manager expended on the project(s) on an hourly basis including benefits. Presently, the Interlocal Agreement for the Cypress Lake project provides for project management to be provided through a consultant and provides for the reimbursement of TWA on that basis. To provide for the reimbursement to TWA for project management costs incurred through an employee of the Authority the Interlocal Agreement requires amendment. The attached amendment provides the appropriate language authorizing the reimbursement of project management services provided by a TWA employee. After approval by the Water Co-operative Board of Supervisors, the Amendment will be submitted to each of the participating governments for approval too. The amendment does not authorize the expenditure of any additional funds, only providing the authorization for the reimbursement as outlined above.

Recommendation: Staff recommends approval of the First Amendment to the Interlocal Agreement for the Preliminary Engineering and Permitting of the Cypress Lake Wellfield Project.

Cypress Lake Interlocal 1st Amend.10.02.2013.blw

FIRST AMENDMENT TO
INTERLOCAL AGREEMENT
AMONGST
THE WATER COOPERATIVE OF CENTRAL FLORIDA,
ORANGE COUNTY
AND REEDY CREEK IMPROVEMENT DISTRICT
RELATING TO
THE PRELIMINARY DESIGN AND PERMITTING
OF THE ALTERNATIVE WATER SUPPLY PROJECT
KNOWN AS THE CYPRESS LAKE WELLFIELD
AND RELATED MATTERS

THIS FIRST AMENDMENT TO INTERLOCAL AGREEMENT AMONGST THE WATER COOPERATIVE OF CENTRAL FLORIDA, ORANGE COUNTY AND REEDY CREEK IMPROVEMENT DISTRICT RELATING TO THE PRELIMINARY DESIGN AND PERMITTING OF THE ALTERNATIVE WATER SUPPLY PROJECT KNOWN AS THE CYPRESS LAKE WELLFIELD AND RELATED MATTERS ("First Amendment") is made and entered into by and amongst THE WATER COOPERATIVE OF CENTRAL FLORIDA ("THE COOPERATIVE"), a unit of local government, whose address is c/o its agent, Tohopekaliga Water Authority ("TWA"), 951 Martin Luther King Boulevard, Kissimmee, Florida 34741; ORANGE COUNTY ("ORANGE COUNTY"), a charter county and political subdivision of the State of Florida, whose address is P.O. Box 1393, Orlando, Florida 32802-1393; and REEDY CREEK IMPROVEMENT DISTRICT ("RCID"), an independent special district created pursuant to Chapter 67-764, Laws of Florida, whose address is P.O. Box 10170, Lake Buena Vista, Florida 32830, all collectively referred to herein as the "PARTIES."

WITNESSETH

WHEREAS, the PARTIES entered into an agreement on August 30, 2011, captioned Interlocal Agreement amongst The Water Cooperative of Central Florida, Orange County and Reedy Creek Improvement District Relating to the Preliminary Design and Permitting of the Alternative Water Supply Project Known as the Cypress Lake Wellfield and Related Matters ("AGREEMENT"); and

WHEREAS, subsequent to entering into the AGREEMENT, ORANGE COUNTY has become a member of THE COOPERATIVE, with all rights, privileges and responsibilities attendant therefrom; and

WHEREAS, the AGREEMENT authorized and made provision in the Summary Scope of Work (Exhibit I of the AGREEMENT) and in Phase II Total Estimated Cost (Exhibit 3 of the AGREEMENT) for Project Management and Administration to be undertaken by selected consultant(s) in the amount of \$300,000.00; and

WHEREAS, the PARTIES now wish to amend the AGREEMENT in accordance with Paragraph B of Section XII thereof: 1) to transfer those Project Management and Administration tasks described in Exhibit I, the Summary Scope of Work under "General, Project Management and Administration" (that under the terms of the AGREEMENT, would have been undertaken by a consultant engaged for such work) to TWA, which will assign a TWA employee or employees to perform the aforesaid Project Management and Administration responsibilities; and 2) to provide for reimbursement to TWA at the hourly rate of the employee(s), including benefits and

overhead, for performance of the Project Management and Administration responsibilities delineated under Exhibit I Project Management and Administration; and

WHEREAS, due to the transfer to TWA of Project Management and Administration tasks described in Exhibit I, the Summary Scope of Work under "General, Project Management and Administration" by the terms of this First Amendment, said tasks: 1) will be wholly undertaken by TWA as described above; 2) will not be undertaken by a consultant; 3) will not result in any duplication of work; and 4) will not result in duplication of charges for such work; and

WHEREAS, the PARTIES continue to recognize the benefits of regional cooperation and have determined that entering into this First Amendment is in their mutual interest; and

WHEREAS, THE COOPERATIVE is empowered to enter into interlocal agreements and amendments under the authority of its charter and section 163.01(7)(g), Florida Statutes (2013); and

WHEREAS, ORANGE COUNTY is empowered to enter into interlocal agreements and amendments thereto pursuant to its home rule powers, section 125.01(1)(p), Florida Statutes (2013), and chapter 163, part I, Florida Statutes (2013); and

WHEREAS, RCID is empowered to enter into interlocal agreements and amendments thereto pursuant to Chapter 67-764, Laws of Florida.

NOW THEREFORE, in consideration of the foregoing premises, the PARTIES agree as follows:

SECTION 1. Recitals. The above recitals are true and correct and form a material part of the First Amendment.

SECTION 2. The Agreement is amended as follows:

A. Subsection VII. C. shall be amended by adding a sentence at the end of the paragraph as follows:

Approval of the selection of the TWA employee or employees to perform the Project Management and Administration responsibilities described in the GENERAL section of EXHIBIT 1 – SUMMARY SCOPE OF WORK of the AGREEMENT shall be at the discretion of the Project Administrator and will not require approval from the Project Managers.

B. Subsection IX. C. is amended by replacing Subsection IX. C. *in toto* with the following:

All funds provided by the PARTIES and any member government of THE COOPERATIVE shall be utilized exclusively for reimbursement of TWA's costs and expenses as provided in Subsection IX. A., payment to the consultant(s) under contract with the Project Administrator to implement the Work, reimbursement to the Project Administrator for same, and reimbursement to the Project Administrator for Project Management and Administration responsibilities of the Work performed by one or more TWA employees, based on the hourly rate(s) of the TWA employee or employees, including benefits and overhead.

C. Paragraph IX. H. (4) is amended by replacing Paragraph IX. H. (4) *in toto* with the following:

Phase II Invoicing – Upon execution of the contract(s) with the consultant(s) selected to perform the NSW, the Project Administrator shall provide written notification to each PARTY of its Cost-Share based upon the individual cumulative shares set forth in Subsections IX. F. and G. In the case of THE COOPERATIVE, the written notification shall be submitted to each Member Government. Thereafter, the Project Administrator shall invoice the PARTIES: 1) as and when the Project Administrator is invoiced by the consultant(s); and 2) monthly for the hourly rate(s), including benefits and overhead, of the TWA employee(s) who performed the Project Management and Administration responsibilities of the Work. The PARTIES shall make payments to the Project Administrator within sixty (60) calendar days of receipt of an invoice from the Project Administrator. In the case of THE COOPERATIVE, the invoice shall be submitted to and payment remitted by each member government, as set forth in this Section IX.

D. The description of "Project Management and Administration" in the GENERAL section of EXHIBIT 1 – SUMMARY SCOPE OF WORK of the AGREEMENT is amended by replacing the description of "Project Management and Administration" *in toto* with the following:

Project Management and Administration – the Project Administrator, through a TWA employee or employees, will prepare project presentations, reports, communiqués and notifications, administer workshops, Board meetings and public meetings, and provide other miscellaneous management and administrative duties, including conducting design workshops to attain unanimous agreement from the participating PARTIES.

SECTION 3 Upon the Effective Date of this First Amendment, ORANGE COUNTY shall remain a PARTY to the AGREEMENT as a member of THE COOPERATIVE, but shall not remain a PARTY to the AGREEMENT independent of its membership in THE COOPERATIVE.

SECTION 4. Upon the Effective Date of this First Amendment, the AGREEMENT shall be known as the "INTERLOCAL AGREEMENT BETWEEN THE WATER COOPERATIVE OF CENTRAL FLORIDA AND REEDY CREEK IMPROVEMENT DISTRICT RELATING TO THE PRELIMINARY DESIGN AND PERMITTING OF THE ALTERNATIVE WATER SUPPLY PROJECT KNOWN AS THE CYPRESS LAKE WELLFIELD AND RELATED MATTERS;" and Orange County shall execute any and all such amendments as a member of THE COOPERATIVE, and not as an additional PARTY to the AGREEMENT.

SECTION 5. Filing. Pursuant to section 163.01(11), Florida Statutes (2013), the First Amendment shall be filed with the clerks of the circuit court of ORANGE, OSCEOLA AND POLK COUNTIES.

SECTION 6. Effective Date. The First Amendment shall become effective on the last date this First Amendment is: 1) executed by the PARTIES hereto and the member governments of THE COOPERATIVE have executed same; and 2) recorded in the public records of ORANGE, OSCEOLA AND POLK COUNTIES.

SECTION 7. All other provisions of the AGREEMENT are hereby ratified and remain in full effect.

[Signature pages to follow.]

IN WITNESS WHEREOF, the undersigned has caused this First Amendment to be duly executed and entered into as of the first of the month in which the last of the PARTIES hereto and the member governments of THE COOPERATIVE have executed same.

THE WATER COOPERATIVE OF CENTRAL FLORIDA
By: its Board of Supervisors

Bruce R. Van Meter, Chairman

Donald Shroyer, Vice Chairman

Tiffany Moore Russell, Secretary

George Lindsey

Date: _____

IN WITNESS WHEREOF, the undersigned has caused this First Amendment to be duly executed and entered into as of the first of the month in which the last of the PARTIES hereto and the member governments of THE COOPERATIVE have executed same.

REEDY CREEK IMPROVEMENT DISTRICT

By: _____
Bill Warren, District Administrator

Attest: _____
Clerk, Board of Supervisors

Date: _____

IN WITNESS WHEREOF, the undersigned has executed this First Amendment below in its capacity as a member government of THE COOPERATIVE OF CENTRAL FLORIDA and, in its individual capacity, to ratify and accept on to itself the obligations of the CITY OF ST. CLOUD and the respective obligations of the individual member governments as they apply to the CITY OF ST. CLOUD, in accordance with the terms of the First Amendment.

CITY OF ST. CLOUD, FLORIDA

By: _____
Rebecca Borders, Mayor

Attest: _____
Linda Jaworski, City Clerk

Date: _____

Approved by: _____
City Attorney

IN WITNESS WHEREOF, the undersigned has executed this First Amendment below in its capacity as a member government of THE COOPERATIVE OF CENTRAL FLORIDA and, in its individual capacity, to ratify and accept on to itself the obligations of the TOHOPEKALIGA WATER AUTHORITY and the respective obligations of the individual member governments as they apply to the TOHOPEKALIGA WATER AUTHORITY, in accordance with the terms of the First Amendment.

TOHOPEKALIGA WATER AUTHORITY
By: Board of Supervisors

By: _____
Bruce R. Van Meter, Chairman

Attest: _____
Tom E. White, Secretary

Date: _____

Approved by: _____
Attorney

IN WITNESS WHEREOF, the undersigned has executed this First Amendment below in its capacity as a member government of THE COOPERATIVE OF CENTRAL FLORIDA and, in its individual capacity, to ratify and accept on to itself the obligations of POLK COUNTY and the respective obligations of the individual member governments as they apply to POLK COUNTY, in accordance with the terms of the First Amendment.

POLK COUNTY, FLORIDA

By: Board of County Commissioners

By: _____
R. Todd Dantzler, Chair

Attest: _____
Stacy M. Butterfield, Clerk

Date: _____

Approved by: _____
County Attorney

IN WITNESS WHEREOF, the undersigned has executed this First Amendment below in its capacity as an individual PARTY to the AGREEMENT and to this First Amendment, as a member government of THE COOPERATIVE OF CENTRAL FLORIDA, to ratify and accept on to itself the obligations of ORANGE COUNTY and the respective obligations of the individual member governments as they apply to ORANGE COUNTY, in accordance with the terms of the First Amendment.

ORANGE COUNTY, FLORIDA

By: Board of County Commissioners

By: _____
Teresa Jacobs, Orange County Mayor

Attest: Martha O. Haynie, County Comptroller
As Clerk to the Board of County Commissioners

By: _____
Deputy Clerk

Date: _____

Approved as to form by: _____
Assistant County Attorney

CATEGORY: Water Cooperative of Central Florida

Attachments: None

Status Update of the Cypress Lake Wellfield Alternative Water Supply Project

Explanation: Ms. Deborah Beatty, project manager for the Cypress Lake Wellfield Alternative Water Supply Project, will provide a brief report on the status of the project and progress since the January 8th Board of Supervisors meeting. As part of the status report, Ms. Beatty will provide an overview of the results of the Phase 1 Preliminary Engineering “Water Wheeling” study.

Recommendation: There is no action required by the Board.

CYPRESSLAKEAWSSTATUS.05.29.2014db

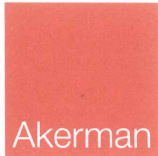
CATEGORY: Water Cooperative of Central Florida

APPROVAL OF LETTER OF ENGAGEMENT FOR LEGAL REPRESENTATION FOR THE CENTRAL FLORIDA WATER INITIATIVE ON THE REGULATORY TEAM

Explanation: At the January 8th meeting, the Board of Supervisors approved an amendment to the FY2014 budget of the Water Cooperative to retain the services of an attorney to represent the Water Cooperative on the Regulatory Team as part of the Central Florida Water Initiative (CFWI) (January 8th Agenda Item Attached). At the time, the budget amendment was presented to the Board, there was a tentative agreement between the Water Cooperative members, Reedy Creek Improvement District (RCID), Orlando Utility Commission (OUC), and Seminole County that one attorney would be retained to represent the utilities as a group. However, following the January board meeting, the attorney originally requested to represent the group was unwilling to enter into a formal engagement with the Water Cooperative. . Without the agreement by the originally agreed upon attorney, TWA proposed that the Water Cooperative board attorney, Silvia Alderman, represent the Cooperative with regard to the CFWI Regulatory Team. Ms. Alderman is willing to provide the representation for the Water Cooperative for the CFWI Regulatory Team as a new task under her current contract. There is no change proposed in the budget authorization amount of \$28,000 for the CFWI Regulatory Team at this time.

Recommendation: Staff recommends the approval of the letter of engagement with Silvia Alderman to represent the Water Cooperative on the Regulatory Team of the CFWI.

APPROVAL LTR ENGAGE LEGAL REPRESENT CFWI.05.29.2014BLW



Silvia Morell Alderman

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March 28, 2014

Brian L. Wheeler
Executive Director
Toho Water Authority
951 Martin Luther King Blvd.
Kissimmee, FL 34741

Re: Representation of the Water Cooperative of Central Florida

Dear Brian,

This letter is to amend our existing representation agreement for services rendered to the Water Cooperative of Central Florida (Cooperative) to add a new task.

Scope

Task 1 (Existing). Serve as board counsel to the Cooperative; attend board meetings and assist as requested. Budget: \$15,000.00

Task 2 (New). Represent the interests of the Cooperative in matters involving the Central Florida Water Initiative Regulatory Team. Budget \$49,000.00

Billing

Invoices for services rendered will be addressed to Toho Water Authority, as agent for the Cooperative. Billing for the services rendered on behalf of the Cooperative is separately invoiced from services rendered to Toho Water Authority. Billing will be on an hourly basis at the rate of \$325 per hour. The budgeted amounts are understood to be estimates and, if additional services are necessary, will be brought to the attention of the Cooperative for appropriate budget amendment. Out of pocket expenses, which will be reimbursed, will be separately identified on invoices.

Conflict of Interests

It is understood that in the course of representation of the Cooperative in relation to Task 2 a

akerman.com

Brian L. Wheeler

March 28, 2014

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conflict of interests could possibly develop between the individual positions of the member governments of the Cooperative. In such case, Akerman will notify counsel for all Cooperative member governments of the existence of a conflict of interests between the member governments. If the member governments are unable to resolve the conflict, Akerman will withdraw from representation of the Cooperative as to Task 2. The Cooperative understands that Akerman is counsel to Toho Water Authority independent of its representation of the Cooperative. In the event Akerman must withdraw as counsel for the Cooperative as to Task 2, nothing herein precludes the continued representation by Akerman of the Cooperative as to Task 1 nor of Toho Water Authority as to the Central Florida Water Initiative or any other matter for which it serves as counsel. The Cooperative agrees in the event of such conflict that Akerman may continue to serve the Cooperative as to Task 1 and Toho Water Authority as to any and all representation. In all respects Akerman will be guided by the rules of professional conduct governing members of the Florida Bar.

Sincerely yours,

Silvia Morell Alderman
Office Managing Partner

AGREED TO AND ACCEPTED:

Water Cooperative of Central Florida

By: _____
Bruce R. Van Meter, Chairman

Date: _____

CATEGORY: Water Cooperative of Central Florida

Attachment(s): Approved FY2014 Budget
 Proposed Amended Budget for FY2014

AMENDMENT TO FY2014 BUDGET PROVIDING FOR LEGAL EXPENSES FOR THE CENTRAL FLORIDA WATER INITIATIVE

Explanation: The Board of Supervisors approved the FY2014 Budget at the July 2013 meeting based on projected expenditures for the fiscal year. Since that budget approval a projected expenditure not anticipated in the budget process has been presented. The first phase of the Central Florida Water Initiative (CFWI) concluded in the fall of 2013 resulting in a groundwater availability evaluation that indicates that there is insufficient groundwater available to meet existing water use permit allocations and to meet projected future water demands for the region for 2035.

To address the future water supply needs of the CFWI area and resolve the groundwater use permitting a second phase of the CFWI has been initiated called the Solutions Phase. The Solutions Phase will consist of six teams composed of representatives from the Water Management Districts, FDEP, Agricultural interests, Environmental interests and utilities to evaluate potential alternative water supply solutions for the area. One additional team, called the Regulatory Team, will evaluate existing statutes, rules, and regulations which may affect the implementation of the potential solutions developed in the Solutions Phase. Additionally the Regulatory Team will develop recommendations for rules, regulation, and policy to assist in administering water use permitting and related programs for the CFWI area in conjunction with the Solutions Phase. The Regulatory Team consists of representatives from the same entities or interest groups participating in the Solutions Phase teams. A legal advisory team to the Regulatory Team has been developed to provide guidance and assist in developing specific recommendations for policy, rules and regulations. The Legal Advisory Team is composed of an attorney for each of the three water management districts (SFWMD, SJRWMD, and SWFWMD) and an attorney to represent the utilities collectively. The seven utilities which provided the utility support and involvement for the first phase of the CFWI, four utilities that compose the Water Cooperative, Reedy Creek Improvement District (RCID), Seminole County, and Orlando Utility Commission (OUC), agreed upon an attorney to represent the utilities on the Legal Advisory Team to the Regulatory Team.

To cover the cost of the legal representation by a single attorney for the group an equal cost sharing by the utilities has been proposed. Because the Cooperative represents four utilities the cost share for the Cooperative would be 4/7 of the cost. Orlando Utility Commission, Seminole County and RCID each would be responsible for 1/7 of the cost. Each entity would receive a separate invoice from the attorney detailing the total cost and representing the proportionate share for each entity. To fund this unforeseen legal expense will require an amendment to the FY2014 Budget. The proposed amended budget is attached along with the approved FY2014 budget for comparison. The total budget of \$214,000 remains the same but a line item for the CFWI representation has been added in the amount of \$28,000, the Property and Easement Acquisition line item has been reduced to \$20,000, the Miscellaneous legal line item has been reduced to \$5,500 and the Reserves have been reduced from \$30,000 to \$18,000. The actual amount required for the legal representation for the CFWI is unknown however the budget amendment sets a limit for the expenditure. Only the actual time and amount expended would be paid. If the level of effort does not require the full budget amount the remainder will flow back to Reserves. On the other hand if the level of effort would require a higher amount, the Board would have to approve the additional expenditure through an additional budget amendment.

Recommendation: Staff recommends approval of the budget amendment for the FY2014 Budget.

APPROVAL OF DRAFT WATER COOPERATIVE BUDGET FOR FISCAL YEAR 2015

Attachment: Draft Budget Fiscal Year October 1, 2014 – September 30, 2015
FY2014 Year Ending Budget Estimate
Current FY2014 Budget Report – April 30, 2014

Explanation: The draft budget for FY2015 contains the same expense items as contained in this year's (FY2014) budget. Included in the expenses, as in this year's budget, is a proposed expenditure for project management for the Cypress Lake Alternative Water Supply Project. Funding for project management was previously approved by member governments in the Cypress Lake Project Interlocal Agreement. The project management expenditures are shown in the draft budget because some of the project management is planned to be provided by Toho Water Authority through hiring a person to manage projects that may result from the preliminary engineering studies presently being conducted and which are to be completed this year. A copy of last year's budget explanation is attached for reference and further background. Legal expenses contain a line item for the continued representation of the Water Cooperative in the Central Florida Water Initiative which was approved last year as a mid-year budget revision. The need for the representation is presently anticipated to end within the second quarter of FY2015. Legal fees also continue to include an item associated with the property and easement acquisitions for the Cypress Lake project. The property and easement expenses in the budget do not include the actual cost or payment to the property owner for property or easement acquisition. Those costs will be established through appraisal and negotiations and will be approved by the board in a separate action.

Revenue for the draft budget is to be provided through a projected reserve carry-over of \$40,916 from FY2014, a \$10,000 contribution from each of the four member governments, and a payment from each of the four member government for the reimbursement to TWA for the Cypress Lake project management expenses on a pro-rational basis in accordance with the Cypress Lake Project Interlocal agreement. Additionally, Reedy Creek Improvement District, a participant in the Cypress Lake Project, will pay their pro-rational share of the project management expenses. The draft budget provides for an estimated ending year reserve of \$11,486. The only funding approval that will be necessary from each member government to fund the proposed draft budget is the \$10,000 contribution because the Cypress Lake Project management expenses were previously approved as discussed above.

In accordance with the Interlocal agreement establishing the Water Cooperative, the budget process requires the submission of a proposed budget to the member governments a minimum of 30 days in advance of adopting the annual budget. The draft budget document should be approved by the Board of Supervisors for submission to the member governments in advance of final approval. After the required comment period for the governments has passed, the Board would be able to formally approve the budget with any modifications suggested by any of the member governments at the October Board meeting.

Recommendation: Staff recommends approval of the draft budget for fiscal year 2015 as presented for submission to the member governments for comment.

Water Cooperative of Central Florida
Operating Results
For the Period Ending April 30, 2014

	<u>YTD Actual</u>	<u>2014 Budget</u>
RESERVES CARRYOVER	\$ 59,138	\$ 33,000
INCOME		
Member Contributions	\$ 40,000	\$ 170,514
Miscellaneous Income	26	10,486
TOTAL INCOME	<u>40,026</u>	<u>181,000</u>
EXPENSES		
Legal Expenses	\$ 17,827	\$ 66,500
Accounting & Auditing	140	2,000
Advertising Meetings	81	1,000
Board Expenses	-	1,000
Licenses and Filing Fees	200	500
Project Management Services	-	125,000
TOTAL EXPENSES	<u>18,248</u>	<u>196,000</u>
RESERVES ENDING BALANCE	<u><u>\$ 80,916</u></u>	<u><u>\$ 18,000</u></u>

Water Cooperative of Central Florida

FY2014 Budget Year Ending Estimate

For the Period Ending May 22, 2014

	<u>YTD Actual</u>	<u>2014 Budget</u>
RESERVES CARRYOVER	\$ 59,138	\$ 33,000
INCOME		
Member Contributions	\$ 40,000	\$ 170,514
Miscellaneous Income	26	10,486
TOTAL INCOME	40,026	181,000
EXPENSES		
Legal Expenses	\$ 57,827	\$ 66,500
Accounting & Auditing	140	2,000
Advertising Meetings	81	1,000
Board Expenses	-	1,000
Licenses and Filing Fees	200	500
Project Management Services	-	125,000
TOTAL EXPENSES	58,248	196,000
RESERVES ENDING BALANCE	<u>\$ 40,916</u>	<u>\$ 18,000</u>

Water Cooperative of Central Florida

Budget

Fiscal Year October 1, 2014 – September 30, 2015

Income – Annual Working Capital Contributions

Reserves Carry-over	\$40,916.00
Toho Water Authority	
General Administration	\$10,000.00
Cypress Lake Project Management (Approved in Project Interlocal Agreement)	\$52,500.00
Orange County	
General Administration	\$10,000.00
Cypress Lake Project Management (Approved in Project Interlocal Agreement)	\$41,250.00
City of St. Cloud	
General Administration	\$10,000.00
Cypress Lake Project Management (Approved in Project Interlocal Agreement)	\$26,262.00
Polk County	
General Administration	\$10,000.00
Cypress Lake Project Management (Approved in Project Interlocal Agreement)	\$18,750.00

Miscellaneous Income

Reedy Creek Improvement District
Cypress Lake Project Management \$ 11,238.00
(Approved in Project Interlocal
Agreement)

TOTAL: **\$230,916.00**

Expenses:

Water Supply Project Management and Administration:

Reimbursement to Toho Water Authority \$150,000.00

Advertising Meetings \$ 1,000.00

Legal

Meetings (4 Regular & 1 Special) \$ 10,000.00

Central Florida Water Initiative \$ 30,000.00

Property and Easement Acquisition \$ 20,000.00

Miscellaneous \$ 5,000.00

TOTAL LEGAL **\$65,000.00**

Accounting (Annual Report) \$ 2,000.00

Annual Filings \$ 500.00

Board Expenses \$ 1,000.00

TOTAL: **\$219,500.00**

Reserves: **\$ 11,416.00**