

WCCF

The Water Cooperative of Central Florida

Wednesday, October 7, 2015

2:00 PM

Toho Administration Building

951 MLK Boulevard

Kissimmee, FL 34741

Agenda

1. APPROVAL OF THE BOARD MEETING MINUTES FROM JULY 8, 2015
2. APPROVAL OF REIMBURSEMENT OF EXPENDITURES TO DATE BY TOHO WATER AUTHORITY ON BEHALF OF THE WATER COOPERATIVE OF CENTRAL FLORIDA
3. APPROVAL OF WATER COOPERATIVE DRAFT BUDGET FOR FISCAL YEAR 2016
4. STATUS REPORT ON THE NEXT STEPS FOR THE CYPRESS LAKE ALTERNATIVE WATER SUPPLY PROJECT

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 Peter Clarke, City of St. Cloud Commissioner Donald Shroyer, TWA Executive Director Brian L. Wheeler, Silvia Alderman, WCCF Counsel and Executive Assistant Nilsa C. Diaz.			
Date	07/08/2015	Location	Tohopekaliga Water Authority Board Room	
	ITEM	NOTES		
2:06 PM	MEETING CALLED TO ORDER	Chairman Van Meter called the meeting to order at 2:06 PM.		
	1.APPROVAL OF THE BOARD MEETING MINUTES FROM APRIL 1, 2015	Supervisor Lindsey moved for approval of the meeting minutes as circulated. Supervisor Shroyer seconded the motion. Motion passed 3 to 0.		
	2.APPROVAL OF REIMBURSEMENT OF EXPENDITURES TO DATE BY TOHO WATER AUTHORITY ON BEHALF OF THE WATER COOPERATIVE OF CENTRAL FLORIDA	<table border="1" data-bbox="639 1003 1416 1348"> <tr> <td>Mr. Brian Wheeler, Executive Director for the Toho Water Authority, summarized the expenditures that TWA had made on behalf of the Water Cooperative of Central Florida (Water Cooperative) during the past quarter and had been submitted for reimbursement. The total amount of expenditures was \$15,011.22. Supervisor Lindsey moved for approval of the reimbursement to TWA and Supervisor Shroyer seconded the motion. Motion passed 3 to 0.</td> </tr> </table>		Mr. Brian Wheeler, Executive Director for the Toho Water Authority, summarized the expenditures that TWA had made on behalf of the Water Cooperative of Central Florida (Water Cooperative) during the past quarter and had been submitted for reimbursement. The total amount of expenditures was \$15,011.22. Supervisor Lindsey moved for approval of the reimbursement to TWA and Supervisor Shroyer seconded the motion. Motion passed 3 to 0.
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	3.APPROVAL OF THE WATER COOPERATIVE OF CENTRAL FLORIDA DRAFT SECOND AMENDED BUDGET FOR FY2015	Brian Wheeler, Executive Director for Toho Water Authority (TWA) reviewed the background which had led to the second amendment request for the FY2015 budget. When the amended FY2015 budget was approved at the April meeting the expenditures for the legal representation of the Water Cooperative were already anticipated to exceed the approved amount in the amended budget. The second amended budget includes additional contributions by the member governments and a significantly increased budget allocation for legal representation for the Central Florida Water Initiative. The draft second amended budget was submitted to the member agencies for the 30 day review		

		<p>and comment period and no comments were received from any of the member agencies. The final amended budget has been updated to reflect the current estimated Reserves/Carry-over from the FY2014 Budget. Supervisor Lindsey moved for approval of the draft second amended Budget FY2015 and Supervisor Shroyer seconded the motion. Motion passed 3 to 0.</p>
	<p>4. APPROVAL OF THE WATER COOPERATIVE BUDGET FOR FISCAL YEAR 2016</p>	<p>Executive Director Wheeler explained that the draft budget for FY2016 contained the same line items as the FY2015 budget with the exception of the deletion of the line item for project management expenses for the Cypress Lake Alternative Water Supply Project. This line item was removed from the expenditure portion of the budget because the extended time period for the projected implementation of the project has made this proposed expenditure unnecessary for the next year. Revenue for the draft budget will be provided through a projected reserve carry-over of \$31,520 from FY2015 and a \$20,000 contribution from each of the four member governments. The General Administration expenditure amount of \$30,000 has been reduced to \$20,000. Supervisor Lindsey asked when the draft budget would become final and Mr. Wheeler responded that the draft budget will be sent to the member governments for their comments and if they do not have any comments within 30 days, then the budget would be brought back to the Board for final approval at the October meeting.</p> <p>Supervisor Lindsey made a motion for the approval of the Water Cooperative Draft Budget for FY2016 and Supervisor Shroyer seconded the motion. Motion passed 3 to 0.</p>
	<p>5. APPROVAL OF THE SECOND AMENDMENT TO INTERLOCAL AGREEMENT BETWEEN THE MEMBERS OF WATER COOPERATIVE</p>	<p>At the April Board Meeting, staff reviewed and recommended the next steps for implementation of the Cypress Lake Alternative Water Supply (AWS) project. Following the meeting, staff and the Cypress Lake AWS project team worked with the Water Cooperative's Counsel to develop a Second Amendment to the project Interlocal Agreement to provide funding for the Phase III next steps identified at the April meeting. The Second Amendment identifies the Phase III work as: Step 1:</p>

	<p>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</p>	<p>Cost Allocation Methodologies and Rate Designs (\$150,000 allowance); Step 2: Appraisals, Surveys, and Related Legal Services (\$450,000 allowance); and Step 3: Permitting and Data Development to Support Permitting (\$150,000 allowance). A total of \$927,939 remains of the funding previously approved under the project Interlocal agreement which has not yet been encumbered. Funding for future tasks after Phase III will require additional amendments to the Interlocal Agreement. There was some discussion of the task associated with exploring alternative methods for brine reject disposal. Mr. Wheeler explained that if the proposed second amendment is approved by the board; the amendment will then be submitted to the individual participating agencies for approval to become final.</p> <p>Supervisor Lindsey moved for approval and Supervisor Clarke seconded the motion. Motion passed 4 to 0.</p>
	<p>6. PRESENTATION ON CONCENTRATE DISPOSAL THROUGH DEEP INJECTION WELLS</p>	<p>At the last meeting, Supervisor Lindsey requested that staff provide more information to the Board on the specifics of the construction of the exploratory drilling of the concentrate disposal well. Brian Wheeler proposed that the consultants who conducted the preliminary design give a presentation. Mr. Jon Fox and Mr. James Christopher from Tetrattech and Mike Weatherbee from MWH made a presentation to the board outlining several alternatives for construction and permitting of a concentrate disposal test well. The alternatives ranged in cost from \$4 million to \$15 million. The first alternative to be pursued will be to seek approval from Florida Department of Environmental Protection to investigate the disposal of concentrate in the lower portion of the Lower Floridan Aquifer.</p> <p>Board member Peter Clarke asked Mr. Fox to please share the presentation with the Board.</p>
	<p>BOARD MEMBER COMMENTS</p>	<p>Silvia Alderman, Counsel for the Water Cooperative, summarized the actions of the Central Florida Water Initiative (CFWI) Regulatory Team since the April meeting. There was a discussion of the proposed legislation concerning the CFWI that did not pass the last legislative session. Supervisor Lindsey requested</p>

		<p>more information on the water conservation portion of the CFWI Regional Water Supply Plan. Some discussion on water conservation followed. A number of the comments from the public to date on the draft Regional Water Supply Plan expressed concern that water conservation has not received enough emphasis. There was additional discussion about other parts of the plan. Supervisor Shroyer asked about the cost of treating reclaimed water to meet drinking water standards versus the cost of treatment for the Cypress Lake wellfield water source. Mr. Wheeler replied that the costs of direct potable reuse will continue to become more competitive with other treatment costs.</p>
3:24PM	ADJOURNED	<p>There being no further business to come before the Board, Chairman Van Meter adjourned the meeting at 3:24PM.</p> <hr/> <p>Bruce R. Van Meter, Chairman</p> <hr/> <p>Secretary</p> <p>ncd</p>

CATEGORY: Water Cooperative of Central Florida

Attachments: Itemized list of expenditures by Toho Water Authority from May 1, 2015 thru August 2015

APPROVAL OF REIMBURSEMENT OF EXPENDITURES TO DATE BY TOHO WATER AUTHORITY ON BEHALF OF THE WATER COOPERATIVE 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 Cooperative 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 Cooperative, 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.

Reimbursement TWA expense.10.07.2015 blw

Attachment

Toho Water Authority List of Expenditures on behalf of the Water Cooperative of Central Florida (June 10, 2015 – August 31, 2015)

Vendor	Date	Invoice	Amount
Akerman LLP	06/10/2015	9029901	\$4,431.97
Akerman LLP	07/08/2015	9036615	\$11,960.00
CliftonLarsonAllen LLP	06/30/2015	1078336	\$4,000.00
Akerman LLP	08/06/2015	9045769	\$6,960.19
Akerman LLP	08/06/2015	9045770	\$1,844.59
Akerman LLP	08/31/2015	9054028	\$11,050.00
			\$40,246.75

APPROVAL OF THE WATER COOPERATIVE BUDGET FOR FISCAL YEAR 2016

Attachment: Budget Fiscal Year October 1, 2015 – September 30, 2016
FY2015 Year Ending Budget Estimate

Explanation: At the July 8, 2015 meeting the proposed draft budget for FY2016 was submitted to the Board of Supervisors for approval. Following approval of the draft budget proposal, the draft budget was submitted to the member governments for comment. No comments were received from any of the member governments. The FY2016 Budget is now ready for approval for the fiscal year by the Board of Supervisors.

The budget for FY2016 contains the same expense items as contained in the FY2015 budget with the exception of the line item for funding of project management expenses for the Cypress Lake Alternative Water Supply Project. Last year, this funding was added to the budget in the anticipation that some design and/or construction tasks for the project requiring active project management at a level, not presently being provided, would be necessary in the immediate future. However, based on the extended schedule for the project based on the present status of the Central Florida Water Initiative, the need for significantly increased project management is not needed in the next year. If the need for extended project management is anticipated in the following year(s) the expense will be added back into the budget. Legal expenses contain a line item for the continued representation of the Water Cooperative in the Central Florida Water Initiative (CFWI) which was approved initially in FY2014 as a mid-year budget revision. Though the need for the representation was anticipated to end the second quarter of FY2015 the regulatory consistency initiatives resulting from the CFWI Solutions Phase will continue into FY2016. 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 separate actions.

Revenue for the draft budget is to be provided through a projected reserve carry-over of \$31,520 from FY2015 and a \$20,000 contribution from each of the four member governments. The draft budget provides for an estimated ending year reserve of \$3,307.00. The only funding approval that will be necessary from each member government to fund the proposed draft budget is the \$20,000 contribution.

Recommendation: Staff recommends approval of the Budget for Fiscal Year 2016 as presented.

Water Coop Budget FY2016 .10.07.15 blw

Water Cooperative of Central Florida

Final Budget

Fiscal Year October 1, 2015 – September 30, 2016

Income – Annual Working Capital Contributions

Reserves Carry-over \$31,520.00

Reimbursement from Reedy Creek

Improvement District \$35,287.00

Toho Water Authority

General Administration \$20,000.00

Cypress Lake Project Management \$ 0.00

(Approved in Project Interlocal Agreement)

Orange County

General Administration \$20,000.00

Cypress Lake Project Management \$ 0.00

(Approved in Project Interlocal Agreement)

City of St. Cloud

General Administration \$20,000.00

Cypress Lake Project Management \$ 0.00

(Approved in Project Interlocal Agreement)

Polk County

General Administration \$20,000.00

Cypress Lake Project Management \$ 0.00

(Approved in Project Interlocal Agreement)

Miscellaneous Income

Reedy Creek Improvement District
Cypress Lake Project Management \$ 0.00
(Approved in Project Interlocal
Agreement)

TOTAL: \$146,807.00

Expenses:

Water Supply Project Management and Administration:

Reimbursement to Toho Water Authority \$ 0.00

Advertising Meetings \$ 1,000.00

Legal

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

Central Florida Water Initiative \$120,000.00

Property and Easement Acquisition \$ 5,000.00

Miscellaneous \$ 1,000.00

TOTAL LEGAL \$136,000.00

Accounting (Annual Report) \$ 4,000.00

Annual Filings \$ 500.00

Board Expenses \$ 1,000.00

TOTAL: \$142,500.00

Reserves: \$ 3,307.00

Water Cooperative of Central Florida
FY2015 - Estimated Year Ending Budget

	<u>Amended Budget</u>	<u>YTD Actuals</u>
Income -- Annual Working Capital Contributions		
Reserves Carry-over	\$52,850.00	\$48,540.52
Reimbursement from Reedy Creek Improvement District	\$7,800.00	\$18,821.66 \$6,880.43 *
Toho Water Authority		
General Administration	\$30,000.00	\$30,000.00
Cypress Lake Project Management	\$52,500.00	
Orange County		
General Administration	\$30,000.00	\$30,000.00
Cypress Lake Project Management	\$41,250.00	
City of St. Cloud		
General Administration	\$30,000.00	\$30,000.00
Cypress Lake Project Management	\$26,262.00	
Polk County		
General Administration	\$30,000.00	\$30,000.00
Cypress Lake Project Management	\$18,750.00	
Miscellaneous Income		
Reedy Creek Improvement District		
Cypress Lake Project Management	\$11,238.00	
Interest on SunTrust Account		\$15.77
<u>TOTAL</u>	<u>\$330,650.00</u>	<u>\$194,258.38</u>

Water Cooperative of Central Florida
FY2015 - Estimated Year Ending Budget

	<u>Amended Budget</u>	<u>YTD Actuals</u>
Expenses		
Water Supply Project Management and Administration Reimbursement to Toho Water Authority	\$150,000.00	
Advertising Meetings	\$1,000.00	\$287.11
Banking Expense		\$104.81
Legal Expense		
Meetings (4 regular & 1 special)	\$7,000.00	\$14,321.06
Central Florida Water Initiative	\$65,000.00	\$124,118.45
Property and Easement Acquisition	\$12,000.00	
Miscellaneous	\$1,000.00	
Total Legal	<u>\$85,000.00</u>	<u>\$138,439.51</u>
Accounting (Annual Report)	\$2,000.00	\$4,000.00
Annual Filings	\$500.00	\$175.00
Board Expenses	<u>\$1,000.00</u>	
<u>TOTAL</u>	<u>\$239,500.00</u>	<u>\$143,006.43</u>
<u>NET RESERVES</u>	<u>\$91,150.00</u>	<u>\$51,251.95</u>

Water Cooperative of Central Florida
Attachments: None

STATUS REPORT ON THE NEXT STEPS FOR THE CYPRESS LAKE ALTERNATIVE WATER SUPPLY PROJECT

Explanation: Following the Board meeting on July 8, 2015 and approval of the Second Amendment to the Interlocal Agreement for the Preliminary Design and Permitting of the Cypress Lake Wellfield project the amendment was submitted to the member agencies and Reedy Creek Improvement District for approval and execution. The second amendment has been executed by all of the parties.

In the past quarter following the approval of the second amendment by the Board, a Request for Qualifications (RFQ) was developed to seek the services of a qualified firm to assist in the development of a finance and rate model to provide the basis for the partners charging each other for the “wheeling of water” between the parties. Polk County staff developed the RFQ with input from the other parties. The RFQ was advertised on August 3, 2015 and statements of qualifications have been received from three firms on September 10th. The selection committee composed of representatives from each of the partners is scheduled to meet on October 21st to review and evaluate the qualifications of the firms. The firms will be ranked and a contract potentially negotiated with the top ranked firm to be submitted to the Board for approval at the January meeting.

Tetra-Tech, the consulting engineer for the preliminary design of the water treatment facility, is preparing a scope of services for investigating the permitting alternatives for the treatment concentrate disposal. The scope of services is anticipated to be received in the next two weeks and an addendum executed shortly thereafter to initiate the work.

Recommendation: No Board action required.

Status Next Steps Cypress Lake AWS.10.07.2015 blw