



Tampa Bay Water
Regular Meeting
October 19, 2015 Minutes

The Board of Directors of Tampa Bay Water met in their offices, 2575 Enterprise Road, Clearwater, Florida 33763.

BOARD MEMBERS PRESENT:

Present: Chairman – Commissioner Ted Schrader, Pasco County
Vice Chairman – Councilman Karl Nurse, City of St. Petersburg
Commissioner Jack Mariano, Pasco County
Mayor Rob Marlowe, City of New Port Richey
Councilman Charlie Miranda, City of Tampa
Commissioner John Morroni, Pinellas County
Commissioner Sandia Murman, Hillsborough County
Commissioner Kenneth Welch, Pinellas County

Absent: Commissioner Ken Hagan, Hillsborough County

Staff: Matt Jordan, General Manager

Presenters: Maribel Medina, Senior Professional Engineer
Tirusew Asefa, Division Support Manager
Alison Adams, Chief Technical Officer

**General
Counsel:** Barrie Buenaventura, General Counsel

A list of others present who signed the attendance roster was filed in the permanent files of Tampa Bay Water. Staff and Consultants presenting to the Board are listed above.

Chairman Ted Schrader called the Regular Meeting to order at 9:30 a.m.

PUBLIC COMMENT

Chairman Schrader opened the regular Board meeting to public comment. The following speaker(s) made public comment to the Board of Directors:

Mark Klutho

Public comment was duly recorded and is filed in the permanent records of Tampa Bay Water.

CONSENT AGENDA

A. GENERAL MANAGER

1. Board Minutes for August 17, 2015 Board Meeting – *Approve*
2. Public Affairs
 - a. Legislative and Grant Funding Assistance Services Contract # - Award Contract to Corcoran & Johnston in the amount of \$150,000 – *Approve*
 - b. 2016-2017 Agency Communications Plan – *Approve*

B. GENERAL COUNSEL

1. *Angela Sterling v. Stephen Englebert and Tampa Bay Water*, Case No. 2015-CA-002294, Pasco County Circuit Civil Division – *Status Report*
2. BP Oil Spill Litigation – *Status Report*

C. WATER PRODUCTION

1. Energy Management Program – *Status Report*
2. Sole-Source Procurement for Variable Frequency Drive Capacitors and Control Modules equipment and installation by Siemens Industry, Inc. at the Alafia Pump Station and the Cypress Creek Pump Station - *Approve*
3. Design & Build Open Storage Shed, Project No. 50024 (Contract 2015-014) – Project Closeout – *Approve*
4. As-Needed Mechanical and Metal Fabrication Contractor – Amendment No. 1 to Contract 2014-028 - *Approve*
5. Real Property Disposition
 - a. Site Lease Agreement at the Cypress Bridge Water Treatment Plant – *Approve*
 - b. Highview Property, Parcel No. 301.60 – Property Sale – *Approve*
 - c. Mid-Pinellas property – Request to list surplus property for sale – *Approve*
 - d. Manors at Crystal Lakes Well Site No. 1 - Declare parcel surplus and transfer site and easement to the Southwest Florida Water Management District – *Approve*
6. Chemical Supply Contract – Award
 - a. Calcium Hydroxide Supply Services – Award Contract No. 2016-009 to the lowest responsive, responsible bidder – Lhoist North America - *Approve*
 - b. Sodium Hydroxide Supply Services – Award Contract No. 2016-006 to the lowest responsive, responsible bidder – Brenntag Mid-South, Inc. - *Approve*
 - c. Sodium Chlorite Supply Services – Award Contract No. 2016-008 to the lowest responsive, responsible bidder – International Dioxide, Inc. - *Approve*

7. Purchase of Analytical Equipment, Replacement Parts and Consumable Supplies from Hach Company – *Approve*
8. Generator Maintenance and Repair Services using Ring Power Corp. under City of St. Petersburg Contract BPA 173896 – *Approve*
9. Corrosion Control Survey and Monitoring Services – Award Contract No. 2016-004 to Pond & Company - *Approve*
10. High Service Pump Station Auxiliary Power Generator No. 2 – *Status Report*
11. Morris Bridge Point of Connection Pipe Failure – Authorization of Award of Emergency Repair PQ Assignment No. 2015-309 – *Approve*
12. Capital Improvement Program and Project Management Software – Purchase of Additional Masterworks Licenses from Aurigo Software Technologies, Inc.- *Approve*
13. CW Bill Young Regional Reservoir – Pond Inlets and Outlets Repair – Award Pre-Qualified Assignment No. 2016-301 to the lowest, responsive responsible proposer, QRC, Inc. under Contract No. 2014-049 – *Approve*

D. SCIENCE AND TECHNOLOGY

1. Water Quality Update – *Status Report*
2. Hydrologic Conditions Report for August 2015 and September 2015 and the past 12-Month Period (October 1, 2014 through September 30, 2015)- *Status Report*
3. Long Term Demand Forecasting Model Redevelopment- *Status Report*
4. Regional Demand Management and Member Government Water Conservation Activities- *Status Report*
5. Long-Term Master Water Plan Update- *Status Report*
6. Fifth Amendment to Agreement 2007-014 with University of Florida for evaluating water availability under future climate scenarios -*Approve*

E. FINANCE

1. Fiscal Year 2016 Insurance Program – *Ratify Insurance Coverage*
2. Fiscal Year 2016 Employee Insurance Program – *Ratify Insurance Coverage*
3. Water Research Foundation Membership – Payment of Annual Dues – *Approve*
4. Contract Renewals - *Approve*

F. CONSENT DISCUSSION

Chairman Schrader announced the Consent Agenda and asked if any agenda items should be pulled for discussion. No items were pulled. Chairman Schrader recognized Commissioner Murman.

Commissioner Murman asked if the Agency Communications Plan (Item A.2.b) will be coordinated in-house. Matt Jordan, General Manager, responded that most of the work will be coordinated in-house as well as utilizing consultant work. Michelle Stom, Chief

Communications Officer, confirmed that most of the work will be done in-house as well as utilizing as-needed consultants to supplement staff. Commissioner Murman asked if RFPs will be necessary. Ms. Stom responded that the agency went through the RFP process two years ago. The current contract was renewed in August for an additional two years.

Motion: Commissioner Sandra Murman moved for approval of the Consent Agenda. Commissioner Kenneth Welch seconded the motion.

Vote: The motion carried by a vote of 8-0.

REGULAR AGENDA

G. GENERAL MANAGER

1. Executive Committee Report and Minutes – September 21, 2015– *Matt Jordan*

Matt Jordan, General Manager, provided an update on the Executive Committee meeting which was held on September 21, 2015, in the Tampa Bay Water offices. Mr. Jordan gave a brief description of each item. Mr. Jordan also noted that an update of the KPMG recommendations will be brought to the Board during the December regular Board meeting. Mr. Jordan stated that the agency received notice from the IRS concerning audit of the agency's 2005 Series Bonds. The agency has submitted information requested by the IRS and are currently awaiting any further follow-up.

A copy of the full report can be found in the agency's Records Department.

There were no comments from the board members.

H. GENERAL COUNSEL

No items were presented to the Board.

I. WATER PRODUCTION

1. Alafia River Pump Station Pumps 1, 2 and 3 – Award Construction Contract No. 2016-003 to the lowest, responsive, responsible bidder, Wharton-Smith, Inc. – *Approve*
– *Presentation by Maribel Medina*

Maribel Medina provided a presentation on the construction contract award for the Alafia River Pump Station Pumps 1, 2 and 3 replacement project. This project replaces three of four, 800 horse power pumps that have reached the end of their useful life and have shown excessive vibration at different operating speeds. The fourth pump was replaced in 2014. The existing motors will be refurbished under a separate contract and reused with the new pumps. Ms. Medina explained construction costs of \$1,133,200 will be funded by the agency's Renewal and Replacement funds as well as a State Grant. The grant will be managed by the Florida Department of Environmental Protection (FDEP). Grant documents are currently being drafted by FDEP staff and

the document will be brought to the Board or General Manager, whichever applicable. Ms. Medina noted that the project is expected to take approximately a year and a half due to the pumps size requiring the pumps to be custom made. Testing will take place on-site and will coincide with the summer season when water is available at the Alafia River. Pump 4 will remain operational during construction so the facility can be partially used during construction, if needed. A Notice to Proceed will be issued to the lowest bidder in November; fabrication of the pumps will start in March 2016. Witness and factory testing will take place between August and December, 2016. Pumps and refurbished motors will be installed starting in spring of 2017. Ms. Medina stated that it is staff's recommendation that the Award Contract 2016-003 be awarded to Wharton-Smith Inc. in the amount of \$1,133,200, which includes \$150,000 for owner's allowance for project contingencies.

Chairman Schrader asked for clarification of pump replacement versus motor refurbishment. Ms. Medina explained that three pumps will be replaced and, under a separate contract, the existing motors will be refurbished.

A copy of the full report can be found in the agency's Records Department.

Motion: Commissioner Sandra Murman moved for approval of the Item I.1. Councilman Charlie Miranda seconded the motion.

Vote: The motion carried by a vote of 8-0.

J. SCIENCE AND TECHNOLOGY

1. Regional Water Supplies and Member Demands- Water Year 2015 Year-End Report and Outlook for Water Year 2016 – Status Report - Presentation by Tirusew Asefa

Tirusew Asefa provided a presentation on the regional water supplies and member demands for water year 2015 as well as future water demands. Mr. Asefa stated that the amount of water the agency delivered to the member governments for the past six years reached its lowest demand in 2010, second lowest in the past 20 years. Water delivery increased in 2011 and 2012, and supplied the City of Tampa an average of 4 mgd. In 2013, water delivery dropped by 4 percent. This drop has continued due to the wet conditions. Mr. Asefa stated that water delivery for 2015 was 156.1 mgd (very close to the delivery in 2014). However, because of heavy rainfall, water delivery in June and July was down by 8 mgd compared to the prior year. During the month of August, demand was down 15 mgd, the highest since 2008. Overall decrease of approximately 7% under the budgeted amount was mainly due to heavy rain. Mr. Asefa noted that for the third consecutive year, City of Tampa did not purchase water from the agency. The agency includes an annual quantity of 3% of total production in anticipation of the City of Tampa's needs. Due to low demand, the agency produced less desalination water and groundwater. Rainfall is a key factor in financing our regional supply and weather availability. Mr. Asefa provided information on the historical rainfall range over a 30 year period noting that the area typically experiences eight dry months followed by four very wet, summer months when the area receives approximately 50-60 percent of its annual rainfall. In 2013 and 2014, the area

experienced normal rainfall. However, in July and August 2015, some areas experienced half of their annual total rainfall in one month. Regional rainfall, river flow conditions and reservoir levels are the key indicators used to define the water shortage mitigation plan level triggers. Mr. Asefa provided information on the Hillsborough River and Alafia River flow conditions for 2013 and 2015. Currently, the reservoir has more than 15 BG stored and ready for use. At the end of the water year, the agency's wellfields were running under the permit levels at 80.62 mgd. Mr. Asefa noted we are currently experiencing a typical El Niño. It is predicted that during late fall and winter, the lower half of the continental U.S. will experience cooler, wetter conditions while the upper U.S. will experience drier, warmer conditions. In 1998, the U.S. experienced one of the strongest El Niño seasons followed by a multi-year draught. The budget for water year 2016 was established in April, 2015 and the forecast used updated the economic forecast and at that time weather for fall, winter and spring were unknown. From current projections, it appears the area will experience a strong El Niño which would provide a considerable amount of rain in our area. Mr. Asefa provided information on the agency's budgeted source for water year 2016.

Commissioner Welch asked for clarification on one of the graphs. Mr. Asefa responded.

Councilman Nurse asked if there is a level of production (instead of a daily production) where the agency's effective costs per million gallons is at the lowest. The agency is budgeted at 164 mgd and most costs are fixed. Is it correct that when the weather gets dryer and production needs goes up, that costs will not rise as fast as production goes up. The agency has been using reserves to close the gap. When the area goes into a drier cycle and the agency produces and sells more water, is there the possibility of running into modest surpluses because we are producing more and many of our costs are fixed. Christina Sackett, Chief Financial Officer, responded yes. When the agency produces and sells more water it will reduce the need to use reserve funds to close the gap and potentially create surpluses.

A copy of the full report can be found in the agency's Records Department.

No Board action is required on this item.

2. Asset Management Program – Environmental Management System – Environmental Policy – *Approve – Presentation by Alison Adams*

Alison Adams provided an overview of the ISO 14001 Environmental Management System, which is an international standard for an effective management system. A key component of an effective system is continual improvement. Tampa Bay Water has been doing continual improvement for several years, but had not developed a formal process and approach. After researching several different approaches, it was decided to use the Environmental Management System framework designed in the ISO 14001 standard. The framework ensures best management practices are defined and used within the organization to reduce environmental impacts and continually improve

organizational performance. Dr. Adams noted that in the KPMG audit, the report included a recommendation that the agency continue its efforts to implement ISO 14001. This approach is endorsed by the EPA and several water utility organizations such as AWWA and the Water Research Foundation. Dr. Adams described the implementation process, which includes drafting of the Environmental Policy, Environmental Management System Manual and standard operating procedures to implement the different components of the management system. The first step in implementing the new program is Board approval of the Environmental Policy. Dr. Adams noted the Environmental Policy includes main three commitments: continual improvement, prevention of pollution, and compliance with environmental laws, rules and regulations. The Policy was presented to the Board Executive Committee in September for review. Dr. Adams explained the planning stages of implementing an EMS which requires defining environmental aspects and impacts of agency activities, roles and responsibilities, monitoring and measuring how well the system is working and performing internal audits to identify corrective and preventive actions, management review and recommendations for improvement. Staff is recommending approval of the Environmental Policy and implementation of the Environmental Management System.

Commissioner Mariano asked about anticipated costs involved with implementation. Dr. Adams explained that implementation is a staff-lead activity and does not anticipate any additional costs for the program. Commissioner Mariano asked if the agency anticipates any new laws affecting the Environmental Management System. Dr. Adams responded that she does not anticipate any rule changes in the near future. Commissioner Mariano asked if international rules could cause an increase in costs, will Tampa Bay Water bring the EMS Policy back before the Board. Dr. Adams stated that the international standard does not impose any requirements on the agency.

Motion: Commissioner Jack Mariano moved approval of Item J.2. Commissioner Kenneth Welch seconded the motion.

Vote: The motion carried by a vote of 8-0.

3. Regional Adaptation and Resilience – Preparing for Climate Change – *Status Report - Presentation by Alison Adams*

Alison Adams provided an informational presentation on the Tampa Bay Regional Climate Change Adaptation and Resilience Planning efforts and specific activities underway at Tampa Bay Water. Dr. Adams stated that it is very important that Tampa Bay Water is involved in understanding climate change affects. She described some of these impacts to the regional water supply infrastructure including impacts from sea level rise on coastally located water supply facilities (primarily the desalination plant), source water quality (wellfields and Alafia River), temperature changes which could affect the quality of potable water, operation and maintenance of pumps and motors and increased storm water and street flooding on built infrastructure. Dr. Adams indicated that many of these issues will be evaluated in the context of asset management and renewal and replacement cycles. We have to think long term in the context of a facility's useful life of 30 to 50 years. It is important to project long term what the region's climate and sea level surface will be like in 30 to 50 years.

Understanding the science behind our current hydrologic patterns is important as it will directly affect the region's water supply availability in the future. The agency has been working with researchers on evaluating how river flow could change under different climate futures. Dr. Adams provided information on the on-going research being conducted with the University of Florida on daily temperature change, precipitation results and water supply implications noting the importance of continuing to research and evaluate rainfall. Dr. Adams stated that collaboration is key to adaptation planning. She discussed Tampa Bay Water's involvement with Water Utility Climate Alliance (WUCA) and The Florida Water and Climate Alliance. Dr. Adams summarized Tampa Bay Water's involvement in the Tampa Bay Climate Science Advisory Panel, an ad hoc network of scientists, resource managers and planners working in the Tampa Bay region. Dr. Adams stated research shows the actual sea level rise at the tide gauge in St. Petersburg at nearly a 7 inch rise or an inch per decade. Two factors play a role in this rise: atmospheric heating and glacier and ice sheet melting. Research is showing that glacier and ice sheet melting now play a greater role in climate change than thermal expansion. Dr. Adams provided information on sea level rise projections for resilience planning based on NOAA's sea level rise scenarios to 2100. The sea level rise recommendations were presented at the One Bay Resilient Communities workshop on October 10th. The Tampa Bay Regional Planning Council unanimously voted to accept the recommended Projection of Sea Level Rise in the Tampa Bay region at their meeting on October 12. Dr. Adams provided the agency's recommended next steps.

Commissioner Morroni asked if the oceans' temperatures are rising. Dr. Adams responded that different temperatures are rising in different places. Commissioner Morroni asked if falling ice sheets would keep the ocean temperatures down. Dr. Adams explained that the heat in the atmosphere is absorbing and overtaking the temperature of the ice, but it is unclear how fast the rate of change is on sea level rise and glacial expansion. Commissioner Morroni asked if it is known whether the percentage of increase is due to water expansion versus the other element. Dr. Adams responded no.

Councilman Nurse asked, in order to lower our risk, does the agency need to look at replacing equipment and facilities sooner. Dr. Adams responded that going forward, we need to consider how to utilize that information when making a decision for renewal and replacement. Chairman Schrader asked if the research groups use the same methodology regardless of the body of water, whether it's the Pacific, Atlantic or Gulf of Mexico. Dr. Adams responded that the research groups incorporate the information from all of the oceans, but there is specific work done in each body of water. Commissioner Mariano commented that he did not feel there is a benefit of the utilities be involved in climate change. Commissioner Welch responded that he and Councilman Nurse attended a recent St. Petersburg College event on climate change and found it very informative and that climate change is a problem and the agency needs to plan for the change. Commissioner Welch asked Dr. Adams at what point does the agency pinpoint what the most vulnerable assets are that are coming up for renewal in the next 10 to 20 years. Dr. Adams responded that the agency was waiting for the climate change numbers before they proceeded on identifying vulnerable assets. Commissioner Welch asked for clarification on the NOAA projections. Dr. Adams

responded there is no one trajectory. Each individual asset will need to be evaluated for its useful life. Commissioner Mariano asked for clarification between the NOAA low projections versus NOAA high projections. Dr. Adams explained that the NOAA high projection is based upon the most rapid acceleration of glacial ice sheet melt and thermal expansion of ocean temperatures projected to 2100; intermediate high and intermediate low projections are whether thermal expansion is more important or is ice sheet more important (not a combination of both); the last projection is a combination of both. Commissioner Mariano asked how realistic the 0.84 foot rise is. Dr. Adams stated that, based on the NOAA projections, if the ice sheets continue to melt as they are currently, the 0.84 foot rise could be realistic, but there is a point of uncertainty as to how fast the ice sheets are melting. Commissioner Mariano asked if the increase figure for the last ten years has been an inch. Dr. Adams replied no, there is not enough data to know the rate of increase from the 1980s to present. Figures may change once additional data is collected. Research is revisited every five years.

A copy of the full report can be found in the agency's Records Department.

No Board action is required on this item.

K. FINANCE

No items were brought before the Board.

L. OLD BUSINESS AND OTHER ADMINISTRATIVE MATTERS

None.

M. RECEIVE & FILE

1. Human Resources Activity Report for August and September 2015
2. General Counsel Activity Report
 - a. Legal Services Activity Report for August and September 2015
 - b. Legal Services Budget Report for August and September 2015
3. Public Affairs Activity Report for August and September 2015
4. Finance Activity Report:
 - a. Finance and Administration Activity Report for August and September 2015
 - b. Comprehensive Check List with Delegated Check Approval for July and August 2015
 - c. Investment Schedule as of July and August 2015
 - d. Financial Statements and Fund Analysis for July and August 2015
 - e. Disposition of Assets through August 2015
 - f. Vendor Status Report through August 2015
5. Water Production Activity Report for August and September 2015
6. Science and Technology for August and September 2015

Motion: Councilman Charlie Miranda moved for approval of Receive & File. Commissioner Kenneth Welch seconded the motion.

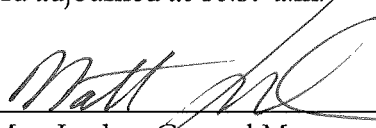
Vote: The motion carried by a vote of 8-0.

Chairman Schrader asked if there were any comments from the Board.

Commissioner Murman commented that there has been extreme flooding in Hillsborough County over the last two months. In the Keystone, Odessa area, there are homes still under water. Commissioner Murman asked if Tampa Bay Water could communicate and work with the Southwest Florida Water Management District and the member governments to explore ways to remedy the problem. Agency staff acknowledged Commissioner Murman's request.

IV. ADJOURNMENT

The Board adjourned at 10:39 a.m.

Attest: 
Matt Jordan, General Manager/Secretary

Date: 12/14/15