

Tampa Bay Water
Executive Committee Meeting
November 18, 2019 Minutes

The Board Executive Committee of Tampa Bay Water met at the administrative offices at 2575 Enterprise Road, Clearwater, Florida 33763, on November 18, 2019, to discuss the items as follows below:

MEMBERS PRESENT:

Present: Chair – Commissioner Sandra Murman, Hillsborough County
Vice Chair – Commissioner Dave Eggers, Pinellas County
Commissioner Kathryn Starkey, Pasco County
Council Member Darden Rice, City of St. Petersburg

Staff: Matt Jordan, General Manager
Chuck Carden, Chief Operating Officer
Ken Herd, Chief Science and Technical Officer
Christina Sackett, Chief Financial Officer
Michelle Stom, Chief Communications Officer
Steve Fleischacker, Water Quality Services Senior Manager
Kathleen Goelz, Executive Assistant

General

Counsel: Barrie Buenaventura, General Counsel

Staff and Consultants presenting to the Board are listed above. Others present at the meeting were:

Megan Ross, Pinellas County
Joe Graham, Pinellas County
Joel Brown, SWFWMD
Chuck Weber, City of Tampa
Brad Baird, City of Tampa
Jan McLean, City of Tampa
Beth Schinella, Hillsborough County

I. Chairman Sandra Murman called the meeting to order at 11:16 a.m. Commissioner Starkey was not yet in attendance. Commissioner Dave Eggers led the Pledge of Allegiance.

II. Public Comment

None



III. Agenda

Chairman Murman requested that the group delay approval of the minutes until Commissioner Starkey was in attendance. Chairman Murman asked Mr. Jordan to provide his General Manager report first.

C. General Manager Report

Matt Jordan, General Manager, presented the following topics to the Committee:

Glazer Children's Museum –

Mr. Jordan reported on the recent ribbon-cutting ceremony to celebrate the opening of the new water sources and treatment exhibit.

Facilitated Workshop Update -

Mr. Jordan updated the Committee on staff activities in procuring a facilitator and a potential venue.

District Workshop -

Mr. Jordan updated the Committee on the upcoming SWFWMD Workshop scheduled for December 10, 2019 to discuss cooperative funding priorities and policies.

A. Executive Committee Minutes for July 15, 2019 – *Approve*

Committee Recommendation: Approve the minutes from the July 15, 2019 Executive Committee Meeting. Council Member Rice, as Alternate in Commissioner Starkey's absence, motioned for approval. Commissioner Eggers seconded the motion.

Vote: The motion carried 3-0.

B. Executive Committee Minutes for September 16, 2019

There was no meeting held in September; therefore, there was no report.

Commissioner Starkey joined the meeting at 11:28 a.m.

D. Reclaimed Water Credit Valuation - Update

Ken Herd, Chief Science and Technical Officer, provided a general update on the Reclaimed Water Credit Valuation process, to date. Mr. Herd reviewed the different cost components involved with developing new water supply projects. Next, he provided a background on agency activities in determining the value of credits noting there is currently no industry

standards in valuing reclaimed credits. Mr. Herd reviewed the draft reclaimed water credit formula components and how the formula works. Staff will continue to work with all member governments in determining reclaimed water credits. Mr. Herd also recommended that the reclaimed water credit valuation issue be included as a future Board workshop topic.

Commissioner Eggers asked what the base rate represents and has the State made an effort to establish a base rate or universal process. Mr. Herd stated unfortunately, there is currently no base rate or process set by the State of Florida. Mr. Herd explained the base rate in the draft formula represents a starting point in determining a reasonable rate for the credits. Concerning the SHARP project, staff evaluated what a reasonable base rate the County would charge Tampa Bay Water, then add in the incremental costs incurred to inject the water, any additional treatment, and operation and maintenance costs. Then there would be a percentage rate determined, and the Board would set a policy. Council Member Rice asked Mr. Herd to explain the different valuations in different areas. Mr. Herd explained each member government utility system is unique and will have its own cost considerations, but there needs to be consistency in the approach. Mr. Jordan added that the formula lays out the base costs and can change in the future for increases in the cost of operation, etc. Chairman Murman asked what the feedback on the formula from the Member Government Working Group was. Mr. Herd stated the Working Group seemed receptive to the formula approach. Chairman Murman noted that Hillsborough County was opposed to the original evaluation of the reclaimed water rate when the agency was seeking the MOU for the SHARP project. Mr. Jordan stated that Tampa Bay Water was asked a question on would make the SHARP project the lowest cost project. That number was \$.75. The formula was included in the MOU so discussions could continue; however, a number has never been set. The \$.75 number was the breaking point in determining whether SHARP groundwater was no longer cheaper than surface water. Chairman Murman stated the reason Hillsborough County pulled the MOU was due to the agency offering \$.75 for credits. Mr. Jordan clarified the MOU agency staff brought to the Board and the Executive Committee included the formula, not a specific rate, with the rate to be determined at a later time. Chairman Murman asked where the confusion came from about the \$.75. Mr. Herd explained he attended a meeting with Hillsborough County and reviewed the formula. A question arose asking about the cost margin where it would make the SHARP project more expensive than the next project (surface water expansion). Staff stated \$0.75 per thousand gallons was the cost difference; however, at no time was the amount set as a maximum acceptable to Tampa Bay Water. If the County wanted to propose a different figure, agency staff would present the County's proposal to the Board. Mr. Jordan stated that agency staff has been working, and will continue to work, in good faith with all the member governments to develop a fair rate for the credits. Mr. Herd noted the agency is very supportive of the SHARP concept as a regional project.

Chairman Murman and Commissioner Eggers noted their concern of the timeline to address the future water needs of South Hillsborough County. Mr. Jordan stated the booster station project approved by the Board in October will offer a short-term remedy to bring water to South Hillsborough and puts the agency in a position to consider SHARP in 2028.

Commissioner Eggers asked Beth Schinella, Hillsborough County, if the booster station will provide the water needed for the necessary timeframe. Ms. Schinella responded the sooner the better. Mr. Jordan explained Tampa Bay Water can deliver more water at the Central Water Plant location; however, the County has limited ability to accept water in that location. Ms. Schinella stated because there are pressure issues, so they need to be cautious. Commissioner Eggers stated a pipeline still needs to be built. Mr. Herd agreed, but the agency still needs confirmation from Hillsborough County on the location of a new Point of Connection (POC) and an MOU. Chuck Carden, Chief Operating Officer, provided a brief status update on the status of the Pipeline including a pipeline for a new POC and another pipeline to an existing POC in South Hillsborough County. He stated that March 2020 is the critical date discussed with the County when the location of a new POC would need to be determined. The booster station will be utilized until the pipeline is complete. Mr. Jordan further explained the booster station, SHARP and the pipeline projects. The agency cannot move forward on a new point of connection pipeline without the MOU with Hillsborough County. Staff is moving forward with the short-term plan of the booster station project. Mr. Carden added land acquisition for the pipeline will be a lengthy process and will take several years to negotiate and acquire all the land necessary and work is being done on pipeline routes studies currently.

E. Exhibit D Water Quality Report - Update

Steve Fleischacker, Water Quality Services Senior Manager, provided an update on system water quality and the Exhibit D Water Quality study activities since October 2019. Mr. Fleischacker went on to explain next steps staff will be taking in the process and the need for additional studies.

Commissioner Eggers asked if the water quality at the points of connection (POC) are different due to the mixture of water coming in at that point. Mr. Fleischacker responded yes. The agency's objective as part of the modeling effort is to identify how best to blend the water so that all the water meets requirements at each POC. Chairman Murman asked how many POCs there are. Mr. Fleischacker responded 20. Commissioner Eggers asked if most of the total organic carbon (TOC) come from the wellfields. Mr. Fleischacker responded TOC comes from wellfields and other source waters that have organic pre-cursors. The goal is to remove the pre-cursors. Commissioner Eggers asked where the pre-cursor waters come from. Mr. Fleischacker explained the pre-cursors are naturally occurring. Mr. Jordan stated groundwater and surface water have a higher TOC. Chairman Murman asked how many treatment locations there are. Mr. Fleischacker reviewed the different treatment locations currently proposed. Chairman Murman asked if specific problem areas in Hillsborough County are being considered when evaluating. Mr. Fleischacker responded yes. Mr. Jordan added that staff works with member governments to ensure there is good circulation within their systems.

Next, Ken Herd reviewed the estimated water quality project timeline. Mr. Herd explained that there are potential opportunities to reduce the schedule including selection of alternative project delivery methods such as design/build which could save four to six months. The

Board could also reduce the time scheduled for deliberation of project options and funding methods which is currently estimated at six months. Mr. Herd also stated that the time allotted for the future study period is essential to ensure a thorough deliberate process.

Commissioner Eggers asked if a potential additional water quality project could be included in the Master Water Plan. Mr. Herd stated one project identified in the Master Water Plan is for the desalination facility and is the highest cost alternative providing 10-12 million gallons per day (mgd). Additional water projects will be needed after 2028 to develop an additional water supply source to get to 2040. Chairman Murman asked if the water quality improvements will be one project or will it be for everything that has been identified. Mr. Herd stated it is anticipated to be considered during evaluation of all of the projects. Chairman Murman asked if information from the 2006 evaluation report on water quality can be used or was looked at. Mr. Fleischacker stated yes; however, a different approach was used. The Board will be updated on a regular basis of all activities and next steps.

IV. OTHER BUSINESS – Council Member Rice asked if the February 17, 2020 Board meeting could be rescheduled to another date due to President's Day. Chairman Murman directed agency staff to poll all members of the Board concerning their availability in February and report back in December.

Chairman Murman asked if there were any other comments. Hearing none, the meeting was adjourned.

V. ADJOURNMENT

The Executive Committee adjourned at 1:17 p.m.

Attest: _____

Matt Jordan, General Manager/Secretary

Date: _____