

TIFA

AUGUST 25, 2016

AGENDA

TIFA LLC MEETING AGENDA
August 25, 2016
11:00 a.m.
MEETING LOCATION
CITY OF TITUSVILLE
WATER RESOURCES
2836 GARDEN STREET – TITUSVILLE, FLORIDA

Roll Call

Action Items

- I. Approval of the Minutes of the TIFA LLC Meeting of July 28, 2016 (Presenter: James Perry)

Financial Items and Reports

- II. Ratification of Expenses Paid from Operating Account and Request for Reimbursement (Presenter: James Perry)
- III. Presentation of Second Quarter Financial Statements (Presenter: Helen Hutchens)

Staff Reports / Informational Items

- IV. Update on Rail Trail Project (Presenter: Andy Jantzer)
- V. Area IV Phase 2 Update (Presenter: Sean Stauffer)

Other Business

Public Comment

Next Scheduled Meeting

Open Items

Adjournment

FIRST ORDER OF BUSINESS

Date: August 25, 2016

To: TIFA LLC Management Committee

From: Sarah Sweeting, GMS, LLC

Subject: Approval of Minutes – July 28, 2016 TIFA LLC Meeting

Summary Explanation & Background: The draft minutes of the July 28, 2016 TIFA LLC meeting were previously circulated for review. The minutes of the TIFA LLC meeting are presented for review and approval. Since the draft minutes were circulated, on August 3, 2016 comments were received from the City of Titusville and on August 9, 2016, comments were received from Farmton Water Resources / Miami Corporation. No other comments have been received.

Source of Funds: This action requires no funds.

Minutes of TIFA LLC Meeting
July 28, 2016
11:00 a.m.
City of Titusville Water Resources
Mourning Dove Water Plant
2836 Garden Street
Titusville, Florida 32796

Persons in Attendance

Mike Brown, Miami Corporation, TIFA Management Committee Member
Jim Ball, City of Titusville, TIFA Management Committee Member
Sean Stauffer, City of Titusville, Water Resources Director
Andrew Jantzer, City of Titusville, Water Resources Deputy Director
Ana Abreu-Ochoa City of Titusville
Helen Hutchens, Miami Corporation (by telephone)
David Fuechtman, Miami Corp. (by telephone)
Jim Perry, GMS LLC

Jim Perry conducted the meeting.

Action Items

I. Approval of the Minutes of the TIFA LLC Meeting of June 23, 2016

Member Ball moved to approve the June 23, 2016 meeting minutes. Member Brown concurred and the motion passed.

Financial Items and Reports

II. Ratification of Expenses Paid from Operating Account and Request for Reimbursement (Presenter: James Perry)

Mr. Stauffer stated, CPH's original scope ended with the completion of construction and we talked about additional work that needs to be done on the wellheads and CPH for a while was providing service outside their scope and they came to us a couple weeks ago and said we really need to get a contract for providing additional services. We are recommending to approve an amount up to and not to exceed \$25,000 for time and materials for them to help us with the changes that we need for the wellhead. They are the engineer of record and as we make these pretty significant changes to the wells we want to make sure they remain part of that.

Member Ball asked are they getting reimbursed for work they did out of scope already?

Mr. Stauffer stated, no. They have eaten that and this is only moving forward there is no back billing associated with this.

Member Ball asked who approves their task orders?

Mr. Stauffer stated, I would be the signatory but all task orders are reviewed by staff and the board.

Member Brown asked do you feel like that is going to adequately cover the cost?

Mr. Stauffer stated, I believe so. We are looking to keep their scope to the wellheads themselves. There are a few other minor items that staff is managing on our own but what I would consider significant changes to the wells themselves we want to have them as engineer of record to be part of that.

Member Brown moved to approve an amount not to exceed \$25,000 for CPH to provide additional services as outlined above. Member Ball concurred and the motion passed.

III. Ratification of Expenses Paid from Operating Account and Request for Reimbursement (Presenter: James Perry)

Member Ball moved to ratify the expenses paid from operating account and request for reimbursement in the amount of \$7,993.87. Member Brown concurred and the motion passed.

IV. Approval of Capital Call Notice (Presenter: Helen Hutchens)

Ms. Hutchens stated, we have reached our agreed upon threshold of construction costs that exceed \$150,000 and at this time it would be appropriate to have a capital call associated with those costs. There should be one additional capital call following this that should be a completion of all construction costs. Included in this amount is the credit that the City of Titusville has received for the easement adjustments that were completed earlier this year.

Member Brown moved to approve the capital call notice. Member Ball concurred and the motion passed.

Staff Reports/Informational Items

V. Update on Rail Trail Project (Presenter: Andy Jantzer)

Mr. Jantzer stated, on the north section the 100% drawings have been reviewed by the city and comments were submitted to DOT and those are expected to be released for implementation once they get all the permitting approvals. I don't have a timeframe for that. They are working in the north section and I believe they completed all the gopher tortoise relocation efforts in early July and clearing and grubbing will be authorized prior to release of permits on that. They are working toward getting approvals now for working in the north section.

On the south section they have been working most recently on paving activity south of Route 46. They are also working on sub-grade and base work on Route 46 along Folsom Road and getting into the off road sections.

Mr. Brown asked the comments the city made was that on behalf of TIFA or would that have been on the city's behalf. If it was on behalf of TIFA can we get a copy of that in our next meeting packet to review to see what to expect and what has been discussed. Being on the ground I keep up with what is going on, on an operational scale.

Mr. Jantzer stated I think our comments were mostly related to the coordination with the raw water main and the duct bank, basically city related comments. I'm not sure if there is a review on the wells themselves in terms of any specific comments but we will definitely get that into the next agenda packet.

Mr. Brown asked what about access control at the point where it would have been a benefit to the city at Aurantia and Blounts Ridge, the area going north? That is an area we have had trouble with, we have actually paid law enforcement to camp out there on weekends as part of the closure of 5A. That is the only open point in that whole area east of the interstate. People were unloading 4-wheelers there and hitting the trail. There are engineering controls that could be put in place early on or in the construction phase. It is a little easier to get that control upfront than it is trying to go back and retrofit something. I'm curious if there has been any work done along those lines.

Mr. Jantzer stated, I will look into that and there is a bi-weekly telephone conference that is basically a job conference but maybe we will bring this up with the DOT project manager first.

Mr. Stauffer asked is it posted there at 46?

Member Brown responded it is.

VI. Area IV Phase 2 Update (Presenter: Sean Stauffer)

Mr. Stauffer stated, Felix had a difficult time getting in touch with AWD, the contractor for the well drilling, and Felix, the well outfitting contractor, has decided to move forward with the wellhead repairs without AWD. For whatever reason they will no longer be part of the project. We received shop drawings yesterday from Felix and the new sub-consultant on the wellhead repairs. At first blush the shop drawings are much more professional and they are currently under review. I don't see a long delay with the new sub, they seem to be much more responsive and the quality of drawings is much better.

WR-8, one of the Phase 2 wells we have seen increasing salinity levels and those levels went from the 20 to 30 range to about 100 and that is a significant change. Hydrogeological consultants both on Miami Corp. side and on the city side have looked at the data and they are concerned about the change. Currently the well is off, we have done some sampling but in an abundance of caution we have turned it off and we are discussing our next steps to figure out why we have seen these increased levels. It is only that well, we are not seeing similar issues on any of the other wells that leads us to believe it has something to do with the drilling, the hole itself and it is an issue isolated to that one well.

Member Brown stated that is the first well that we saw the subsidence on with the drilling procedure. That was the second well that they dug, WR-9 was first but that is one we had a little snag with early on.

Mr. Stauffer stated this is also the well they had to drill a number of times. They drilled it once then put on a collar, which is a pipe they put around the wellhead to stabilize the drilling of the well. It was problematic during drilling.

Member Ball stated, this was AWD's work.

Mr. Stauffer stated, yes. We would expect to have a warranty bond with them but we talked about what happened with AWD and the warranty bond and they have expressed that they will get another one but at this point we have not seen that.

Member Ball asked they are a sub to Felix.

Member Brown stated, not on that contract. That contract was with AWD individually for the well drilling.

Member Ball stated, there is a single party responsible if there is any reason to be looking for a responsible party, it would be AWD.

Mr. Stauffer stated, yes. It is way too early to tell what has happened, today is the first day it was off. We have done sampling and we are going to pull the pump, see if there is anything wrong with the pump. We are going to tag the bottom and see how deep the well is and see if that has changed from the drilling. Once we get that data we will have more information about what we are going to do further. This well was a little deeper and the recommendation during drilling was to back plug about 30 feet because as they went down below 200 feet they encountered saltier water and we back plugged it about 30 feet to reach a lower salinity production zone. There is speculation that perhaps something happened to the plug, maybe something happened to the hole. Clearly we are pulling water from a place that we don't necessarily want to pull water.

As we go there are some things the city can do, which will not have a cost impact but there are some steps we are looking at that will have a cost impact. We also have feelers out there, Hausinger, the well driller for Phase 1 happens to be onsite at Miami Corp. property and we reached out to them in case we need things like caliper tests, data logging, video and we don't have prices yet but we may come to you at some point if those are the steps we decide to take and there may be some additional expenditures that are necessary.

We have invested a lot and we are going to do everything we can to figure out what is wrong and if there is a way to fix it we absolutely will.

Member Brown asked do you have a timeframe? I would think that as a water customer you are going to want that water the sooner we can get it back into production or get some sense of what the fix may be the better.

Mr. Stauffer stated, we will be pulling the well as soon as we possibly can. We had a com failure between the water plant and Area 4 in the past two days and it was caused we believe by Brevard County and a mower somehow it got down to the pull box and chewed it up. We have been working on that.

We are going to pull the well as soon as we can and should know in a few days what we have. We want to get this turned around as soon as possible. One of the things we talked to Miami Corp. about is at this moment while the production for WR-8 is off that is about 180,000 gallons per day the city is now making that up from its own wellfields but we will be looking to Area 4 to increase the production in some of the other wells so we can make that up and return back to a 2.75 MGD.

At the last meeting we talked about checking Felix's bonds to make sure they were good, we called and verified that they have a bond and it is valid.

Member Ball asked where are we in the whole dialog of the release of retainage?

Mr. Stauffer stated, the last discussions we had we had spoken to Felix and we said we would be in favor of releasing the retainage and making final payment once we have an approved shop drawing for the wellhead repairs as well as a written start date. They were fine with that, I spoke directly to Felix, they had also asked about the interest and they have come off that. They

said since they had to go to another vendor and not AWD they have asked if we could expedite that payment. The shop drawing we received yesterday is head and shoulders above what we saw from AWD. I have reviewed it and Jim Boyd has reviewed it and it looks good and we are very close. We have talked with Miami Corp. and decided that if things look good we will go ahead and start the processing of the payment and CPH is now reviewing it as well and once we have good confidence that this is a real submittal then my recommendation is to release that payment to them.

Member Ball asked the repair work is being provided as a warranty? Are we actually funding the repair work?

Mr. Stauffer stated, Felix is taking care of it and we are considering it as a warranty issue. There is a small amount of work approximately \$14,000 where we will be relocating the pressure transducers but the big work, the expensive part is this wellhead and stainless steel piece will be handled as warranty.

Member Brown stated, the additional CPH charges will be handled under this approval that we just made. That is not part of the warranty.

Mr. Stauffer stated, that is correct.

Member Ball asked do you need any action to release the retainage?

Mr. Stauffer stated, I don't think so. We typically don't necessarily take payment approval to the board but your concurrence would be good.

Member Ball stated, given Sean's satisfactory explanation for how the discussions have gone with Felix and our understanding of how the well repair is being handled I will move for approval of their retainage to settle that situation satisfactorily for all parties.

Member Ball moved to approve release the retainage to Felix. Member Brown concurred and the motion passed.

Other Business

Public Comment

Next Scheduled Meeting

Mr. Perry stated, the next scheduled meeting is August 25, 2016 at 11:00 a.m.

Mr. Stauffer stated depending on where we are with the issues with WR-8 we may need to call an emergency meeting, particularly if the expenditures that staff recommends are over \$5,000. We can only authorize up to \$5,000 and we would need approval for anything in excess of that.

Open Items

Adjournment

Member Brown moved to adjourn the meeting at 11:25 a.m. Member Ball concurred and the meeting adjourned.

SECOND ORDER OF BUSINESS

**TIFA LLC
INVOICE APPROVAL BY MANAGERS**

WHEREAS, the undersigned are the duly appointed and acting Managers of TIFA LLC, which operates pursuant to that certain Limited Liability Company Operating Agreement of TIFA LLC dated May 24, 2010 ("Operating Agreement"); and,

WHEREAS, at a duly called and noticed public meeting of the Managers as indicated below, the undersigned approved the contract and/or authorized the expenditure as indicated below, and further authorized the managers to execute the Invoice Approval by Managers form reflecting such authorized expenditures in order to process payments.

Previous Authorizations

TIFA Meeting Date	Approved	Total Contract or Expenditure Authorized
08/25/16	Imprest Account Reimbursement from Depository Account	See Attached

NOW, THEREFORE, the Managers of TIFA LLC, based upon the previous TIFA authorizations, approve the following payments:

Invoice Description	Total Amount	Pursuant to Previous TIFA Authorization Date	Invoice Payment
Transfer to imprest account at Northern Trust ending *8866	\$16,703.08	08/25/16	To be Paid by TIFA upon this approval

Except as otherwise set forth herein, defined terms shall have the meaning set forth in the Operating Agreement. This Action may be executed in several counterparts, and all counterparts so executed shall constitute one Approval binding on all parties.

IN WITNESS WHEREOF, the undersigned represent and warrant that each is the duly authorized and appointed agent of TIFA LLC.

Mike Brown, Manager

Jim Ball, Manager

Date: _____, 2016

Date: _____, 2016

11:30 AM
08/18/16

TIFA LLC
Check Detail
July 20 through August 18, 2016

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Bill Pmt -Check	ACH	07/20/2016	Florida Department...		103.00 · Cash- Nort...		-70.58
Bill	27289...	07/01/2016			501.50 · O&M Parts ...	-70.58	70.58
TOTAL						-70.58	70.58
Bill Pmt -Check	1175	07/26/2016	The City of Titusville		103.00 · Cash- Nort...		-4,649.08
Bill	R-287	05/23/2016			501.00 · O&M Oper...	-668.25	668.25
Bill	R-281	06/01/2016			501.00 · O&M Oper...	-409.83	409.83
Bill	D-29	06/06/2016			501.00 · O&M Oper...	-127.91	127.91
Bill	R-282	06/08/2016			501.00 · O&M Oper...	-409.83	409.83
Bill	D-31	06/15/2016			501.00 · O&M Oper...	-221.88	221.88
Bill	D-32	06/15/2016			501.00 · O&M Oper...	-409.83	409.83
Bill	R-283	06/16/2016			501.00 · O&M Oper...	-441.15	441.15
Bill	D-28	06/20/2016			501.00 · O&M Oper...	-127.91	127.91
Bill	R-284	06/22/2016			501.00 · O&M Oper...	-378.50	378.50
Bill	R-288	06/23/2016			501.00 · O&M Oper...	-315.85	315.85
Bill	R-285	06/29/2016			501.00 · O&M Oper...	-409.83	409.83
Bill	R-286	06/30/2016			501.00 · O&M Oper...	-190.56	190.56
Bill	D-30	05/31/2016			501.00 · O&M Oper...	-537.75	537.75
TOTAL						-4,649.08	4,649.08
Check	1176	08/10/2016	Cardmember Service		103.00 · Cash- Nort...		-1,410.00
					203.50 · Northen Tr...	-1,410.00	1,410.00
TOTAL						-1,410.00	1,410.00
Bill Pmt -Check	1177	08/10/2016	CPH		103.00 · Cash- Nort...		-649.33
Bill	98668	07/08/2016			140.00 · Area IV We...	-649.33	649.33
TOTAL						-649.33	649.33

11:30 AM
08/18/16

TIFA LLC
Check Detail
July 20 through August 18, 2016

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Bill Pmt -Check	1178	08/10/2016	Florida Power & Li...		103.00 · Cash- Nort...		-6,828.20
Bill	09060...	08/01/2016			511.00 · Utilities	-364.90	364.90
Bill	24869...	08/01/2016			511.00 · Utilities	-243.12	243.12
Bill	40983...	08/01/2016			511.00 · Utilities	-299.41	299.41
Bill	82400...	08/01/2016			511.00 · Utilities	-156.00	156.00
Bill	73681...	08/01/2016			511.00 · Utilities	-203.67	203.67
Bill	83665...	08/01/2016			511.00 · Utilities	-233.65	233.65
Bill	11526...	08/01/2016			511.00 · Utilities	-441.68	441.68
Bill	54213...	08/01/2016			511.00 · Utilities	-471.97	471.97
Bill	47893...	08/01/2016			511.00 · Utilities	-440.15	440.15
Bill	74008...	08/01/2016			511.00 · Utilities	-504.87	504.87
Bill	18790...	08/01/2016			511.00 · Utilities	-869.12	869.12
Bill	32610...	08/01/2016			511.00 · Utilities	-802.71	802.71
Bill	54996...	08/01/2016			511.00 · Utilities	-530.58	530.58
Bill	76646...	08/01/2016			511.00 · Utilities	-613.84	613.84
Bill	75317...	08/01/2016			511.00 · Utilities	-652.53	652.53
TOTAL						-6,828.20	6,828.20
Bill Pmt -Check	1179	07/28/2016	The City of Titusville		103.00 · Cash- Nort...		-3,095.89
Bill	R-289	07/06/2016			501.00 · O&M Oper...	-503.80	503.80
Bill	R-290	07/06/2016			501.00 · O&M Oper...	-472.47	472.47
Bill	R-291	07/07/2016			501.00 · O&M Oper...	-253.21	253.21
Bill	R-292	07/13/2016			501.00 · O&M Oper...	-378.50	378.50
Bill	R-293	07/20/2016			501.00 · O&M Oper...	-378.50	378.50
Bill	E-7	07/26/2016			501.00 · O&M Oper...	-190.56	190.56
Bill	R-294	07/27/2016			501.00 · O&M Oper...	-378.50	378.50
Bill	D-33	07/27/2016			501.00 · O&M Oper...	-159.23	159.23
Bill	E-8	07/27/2016			501.00 · O&M Oper...	-190.56	190.56
Bill	E-9	07/28/2016			501.00 · O&M Oper...	-190.56	190.56
TOTAL						-3,095.89	3,095.89

THIRD ORDER OF BUSINESS

TIFA LLC
Balance Sheet
As of June 30, 2016

	Jun 30, 16
ASSETS	
Current Assets	
Checking/Savings	
102.00 · Cash-Northern Trust Company	1,236,093.63
103.00 · Cash- Northern Trust Operating	25,000.00
Total Checking/Savings	1,261,093.63
Accounts Receivable	
104.00 · Accounts Receivable	97,832.28
Total Accounts Receivable	97,832.28
Other Current Assets	
105.00 · Prepaid Insurance	50,589.14
Total Other Current Assets	50,589.14
Total Current Assets	1,409,515.05
Other Assets	
110.00 · Consumptive Use Permit	1,981,386.49
110.50 · CUP Accumulated Amortization	-375,637.86
115.00 · FPL Fee	871,451.54
115.50 · FPL Fee Accumulated Amort.	-67,785.92
120.00 · Easements	345,045.45
125.00 · Mitigation Credit	139,200.00
130.00 · Monitoring Wells	486,682.60
130.50 · A/D Monitoring Wells	-48,559.82
135.00 · Area IV Wellfield Phase 1	1,814,563.28
135.50 · A/D - Wellfield Phase 1	-219,770.45
140.00 · Area IV Wellfield Phase 2	5,044,150.03
140.50 · A/D - Wellfield Phase 2	-108,976.75
150.00 · Wellfield Assets-Inactive	164,932.50
Total Other Assets	10,026,681.09
TOTAL ASSETS	11,436,196.14
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
201.01 · A/P Trade	4,649.08
202.00 · Contract Payable	327,204.79
Total Accounts Payable	331,853.87
Credit Cards	
203.50 · Northern Trust Credit Card	3,852.22
Total Credit Cards	3,852.22
Total Current Liabilities	335,706.09
Total Liabilities	335,706.09
Equity	
301.00 · Contributed Capital - City	5,248,333.49
302.00 · Contributed Capital - Farmton	5,248,333.50
303.00 · Member's Equity	346,063.14
Net Income	257,759.92
Total Equity	11,100,490.05
TOTAL LIABILITIES & EQUITY	11,436,196.14

2:50 PM
 08/16/16
 Accrual Basis

TIFA LLC
Profit & Loss Budget vs. Actual
 January through June 2016

	Jan - Jun 16	Budget	\$ Over Budget
Income			
401.00 · Water Sales	559,850.97	596,299.02	-36,448.05
402.00 · Interest / Dividends	27.45	6.00	21.45
Total Income	<u>559,878.42</u>	<u>596,305.02</u>	<u>-36,426.60</u>
Gross Profit	559,878.42	596,305.02	-36,426.60
Expense			
501.00 · O&M Operating Agreement	18,356.16	21,700.02	-3,343.86
501.50 · O&M Parts & Labor	6,339.00	9,100.02	-2,761.02
502.01 · Consulting	0.00	500.02	-500.02
502.02 · Accounting	12,746.00	8,000.02	4,745.98
502.03 · Legal	0.00	2,500.02	-2,500.02
502.04 · Hydrogeological Services	0.00	3,750.00	-3,750.00
503.00 · Managing Agent Fees	13,000.02	13,000.02	0.00
504.00 · Insurance (P&C / Liability)	37,063.24	38,473.02	-1,409.78
505.00 · Miscellaneous Expense	46.35	250.02	-203.67
506.00 · Depreciation Wellfield	121,800.60	123,121.50	-1,320.90
507.00 · CUP Amortization	49,534.68	49,534.50	0.18
507.10 · FPL Amortization	14,524.20	14,524.02	0.18
508.00 · Wetland Monitoring Expense	3,679.00	1,839.52	1,839.48
511.00 · Utilities	25,029.25	60,650.02	-35,620.77
513.00 · Other Taxes	0.00	16,400.02	-16,400.02
Total Expense	<u>302,118.50</u>	<u>363,342.74</u>	<u>-61,224.24</u>
Net Income	<u><u>257,759.92</u></u>	<u><u>232,962.28</u></u>	<u><u>24,797.64</u></u>