

Minutes of TIFA LLC Meeting
December 1, 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
Richard Broome, City of Titusville, City Attorney
Andrew Jantzer, City of Titusville, Water Resources Deputy Director
Anna Abreu-Ochoa City of Titusville
David Fuechtman, Miami Corp. (by telephone)
Barbra Goering, Farmton Water Resources (by telephone)
Susan Pattock, Farmton Water Resources (by telephone)
Pat Gagliardi, Farmton Water Resources (by telephone)
Jim Perry, GMS LLC

Jim Perry conducted the meeting.

Action Items

I. Approval of the Minutes of the TIFA LLC Meeting of October 20, 2016 (Presenter: James Parry)

Member Brown moved to approve the October 20, 2016 meeting minutes. Member Ball concurred and the motion passed.

II. Consideration of Audit Engagement Letter from Moore, Stephens, Lovelace, P.A. (Presenter: Pat Gagliardi)

Ms. Gagliardi stated, the engagement letter is standard. There is a \$15,000 fee for the 2016 audit and the engagement letter requires approval by both members along with a \$5,000 deposit to be submitted at the same time. This is the final year of Moore, Stephens, Lovelace's three-year proposal. This summer, a new RFP will be submitted.

Member Ball moved to approve the engagement letter with Moore, Stephens, Lovelace to perform the 2016 audit. Member Brown concurred and the motion passed.

Financial Items and Reports

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

Mr. Perry stated, The expenses paid from operating account are attached and the request for reimbursement totals \$17,894.11.

Member Brown moved to ratify the expenses paid from the operating account and the request for reimbursement. Member Ball concurred and the motion passed.

IV. Presentation of 2017 Budget with Consideration of Approval (Presenter: James Perry)

Mr. Perry stated, included in your package is the 2017 budget, which includes in a columnar format the actual revenues and expenditures for 2015, the budget for 2016, the forecast for 2016 and the budget to be approved today for fiscal year 2017. Also included are some projections and proformas for 2018 and 2019. The budget has been reviewed by both staff of Miami Corporation and the City of Titusville and as you can see it is starting to solidify and not have a lot of changes from what we are looking at on the actual numbers for this year. Just a couple of things to note in regard to the budget - it does consider that the 15 wells are in operation for the whole year with 2.75 MGD operationally. Also, you will see a slight change in the electric and that is a result of in 2016 WR-8 was out of service and Phase 2 was not fully operational at the beginning of the year. There is a large change in what we are asking for approval this year compared to what was budgeted in the prior year but this is based on actual runs and has been reviewed by the engineers. We hope after this year if the wells are all in service next year's budget will be pretty much perfunctory in regards to any material changes.

Member Ball stated, the water sales number is based on the expected capacity flow.

Mr. Perry stated, that is correct in regard to the revenues and the rate per thousand gallons. There are more detailed computations into rate of return and the water rates are 1¢ less per thousand gallons than the current year.

Mr. Stauffer stated, I want to let Miami Corp. know that Member Ball and I got a chance to speak prior to the meeting and talked about the budget and where it came from and went through some questions he had and I let him know that the city recommends approval. We have had a chance to go through it and it is the same form. One of the things I mentioned to Jim that is important is the cost of the water is down slightly from what we projected last year. Certainly, from the city's perspective we are definitely headed the right way.

Mr. Perry stated, also included is the balance sheet for TIFA along with the income statement and statement of cash flows. You will note in that too with the build out of the wellfields the asset base stays the same. The only thing that will fluctuate is the cash numbers.

Member Ball stated, I will attend the December 13th council meeting with Sean where he has to make a presentation regarding this and I will be supporting him and making an introduction to some of the new members along with Sean.

Member Brown asked is that something we need to attend as well?

Mr. Stauffer stated, you can come if you would like but it is not necessary. We have done this every year at the December meeting. I think since we have three new council members

I will be spending a little more time than I have in the last two years to give them an introduction as to what TIFA is. At least two of the new council members don't have any idea that we have TIFA. It is not required that you be there but we certainly welcome you if you would like to come by.

Member Ball moved to approve the fiscal year 2017 budget. Member Brown concurred and the motion passed.

Staff Reports/Informational Items

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

Mr. Jantzer stated, we didn't have a job conference last week. The north section is the section of interest that goes past the TIFA assets. It is still under partial agency review and approval status in the latter reaches of that. They did start some clearing and grubbing work from the south portions to the first storm crossing but they are not planning to proceed any further until they have all the agency approvals in place. The outstanding items is their engineer still needs to revise the equal lane crossing details in accordance with Miami Corp. comments to beef those up a bit. DOT concurs with that and now they just need to work out the details and possibly a change order negotiations between the contractor and DOT. The Corps of Engineers is a few weeks away from approval according to their engineer and the county is still working out some minor comments. Based on the way things are heading I expect them to be working in higher intensity in the north segment starting in January.

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

Mr. Stauffer stated, the well drilling is complete there are no items to report on. For the pipeline well outfitting at this point all the wellheads have been replaced and all wells are operational. The repair went very well, Felix did really good work and things went very smoothly and also the Bac-T testing and clearing of the wells putting them back online that also went very smoothly. That portion of the project is done. They also had an opportunity to fix the fences and concrete while they were up there. We had some cracking issues, some warranty work and that is also taken care of. As far as the repainting we are waiting on a plan of action from Felix but we are looking at the repainting to occur in the January/February timeframe.

We had issues with WR-8 and 9 with salinity levels and we have been monitoring them weekly for chlorides and they are both up and running and it looks like the chlorides have stabilized. At this point things look good. We plan to monitor weekly to make sure that we have found a point of equilibrium to run them. Just to remind the members and the group that both 8 and 9 are where we had reduced the flows from each well. We had increased the flow at the other wells so we are still getting 2.75 MGD per day.

Member Ball stated, you had reference in the notes on November 1st about a new report. Have you just summarized that new report?

Mr. Staffer stated, for the chlorides, yes. The most recent ones we got were samples last week and things are looking good. We would like to see a couple of months stable before we consider this fixed.

Other Business

Public Comment

Next Scheduled Meeting

The next meeting will be January 12, 2017 at 11:00 a.m.

Open Items

Adjournment

Member Ball moved to adjourn the meeting at 11:14 a.m. Member Brown concurred and the meeting adjourned.