

Minutes of TIFA LLC Meeting
July 20, 2017
11:30 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
Jim Boyd, Boyd Environmental, representing Farmton Water Resources
David Fuechtman, Farmton Water Resources (by telephone)
Susan Paddock, Farmton Water Resources (by telephone)
Pat Gagliardi, Farmton Water Resources (by telephone)
Helen Hutchens, 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 June 20, 2017

Member Ball moved to approve the June 20, 2017 meeting minutes. Member Brown concurred and the motion passed.

II. Consideration of Audit Engagement Letter from Moore Stephens Lovelace (Presenter James Perry/Helen Hutchens)

Mr. Perry stated, the next item is consideration of the audit engagement letter from Moore Stephens Lovelace that is included in your agenda packet. This is a standard engagement letter and the fees are consistent with what had been proposed previously.

Ms. Gagliardi stated, they did hold the fee at \$15,000, which is what they charged for the previous year and this is the engagement letter for the first one-year extension.

Member Ball moved to approve the engagement letter with Moore Stephens Lovelace to perform the fiscal year 2017 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 item three is ratification of expenses paid from the operating account and those total \$13,257.99. We do have a breakdown of those, which includes the City of Titusville reimbursement of work orders, Florida Power & Light, the electric bills for the various wells and again some additional City of Titusville work orders.

Member Ball stated, I want to confirm that these have been reviewed by city staff and are in order.

Mr. Stauffer stated, yes.

Member Brown asked are we still in good shape relative to the budget with our expenses?

Ms. Hutchens stated, the financials are coming up next and we can talk about the budget during that presentation. We are in good shape in relation to the work orders but we are slightly over budget on Florida Power & Light. We have excess budget authority in other line items should we need to reallocate across line items.

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

IV. Presentation of Second Quarter Financial Statements (Presenter: Helen Hutchens)

Mr. Perry stated item four is presentation of the second quarter financial statements and those are included in your package and those are the balance sheet as of June 30th and the budget versus actual P&L from January through June.

Ms. Hutchens stated, if you refer to the profit and loss budget versus actual that is where you will be able to see the available budget authority. As you can see we are very close to target revenue on water sales. We are just slightly under even though we had some wells go off line for a significant period. We have been able to make that flow rate up in other areas. Line 501 is the operating expenses related to the City of Titusville's work orders. We are under budget overall for the year. On the parts and labor purchased from outside vendors, we are also under budget year to date. The items where we appear to be over budget, for example, the accounting line item, will equalize over the course of the year. The audit is front loaded at the beginning of the year and the budget column represents one-half of our budget allowance for the year. The other item the depreciation of the wellfield that is just due to the difference between what we budgeted for our final wellfield cost versus what came through in actual final wellfield costs at the end of the year. The wetlands monitoring is a front loaded expense and that will equalize over the course of the year. Utilities is the only place where we are slightly ahead of pace. We have been pumping the wellfield at 102% rate. As such, the utilities budgeted for one-half of the year have

been exceeded. We have been pumping the wellfield at a higher rate to ensure we are keeping up with our 2.75 MGD for the year. The expense should normalize as we approach year end and reduce our pumping rates back down to meet our 2.75 MGD limit for the CUP.

Member Brown asked our taxes are those front loaded as well in terms of our budget?

Ms. Hutchens stated, yes the other taxes represent the tangible personal property tax that will come due in October. The line item shows we are well ahead because the taxes are not yet due and payable.

Member Brown stated, okay.

Member Brown moved to approve the second quarter financial statements. Member Ball concurred and the motion passed.

V. Consideration of Capital Distribution Notice (Presenter: Helen Hutchens)

Ms. Hutchens stated, in the package you will see the memo that is a formal approval of the capital distribution. Behind the memo, you will see the calculation of how the suggested distribution dollar amounts. The cash balance is from our main account. This represents the cash available for distribution. We then look to see if we have any expected cash needs that are outside our normal budgeting process. At this point in time, we do not have anything expected in terms of cash needs outside of our normal budgeting process. We have agreed upon keeping a maintenance balance of \$300,000 in the operating account in the event of emergency. We have available to us to distribute just over \$230,000 in cash. Staff is recommending that the managers approve a distribution of \$230,000 total equally divided between the two members.

Member Brown moved to approve the capital distribution of \$230,000 total equally divided between the two members. Member Ball concurred and the motion passed.

Staff Reports/Informational Items

VI. Well WR-8 Restoration Status (Presenter Sean Stauffer and Jim Boyd)

Mr. Boyd stated, we are going to look at the water quality graph first. As everybody is aware we permanently back plugged Well no. 8 that occurred in late May and since that time we have been evaluating both the water quality coming out of Well no. 8 and the drawdown that the well has been exhibiting since it was permanently back plugged. Just to refresh our memory as to where we have been with this well and so we can compare it to where we are now back in fall 2015 everything was great we put the well online October 2015 we had chloride concentrations ranging between mid 20's to the high 30's then we experienced the problems that occurred during the period from about January through July, which gave us the impetus to take the well offline to evaluate it. We had chloride concentrations as high as 137 at that point. We evaluated the well over approximately a two-month period during August and September 2016, the decision was made to bring the well back online but with reduced pumping rates. Our first

iteration we tried about 83% pumping rate, we still had very high chloride concentrations that ranged up to 125. We tried again with a second flow reduction down to about 69% capacity still had the same problem with chlorides as high as 130 and then we had a very drastic reduction down to about 38% capacity that we tried during April 2017 that did bring the chloride concentrations down to 60 to 90 milligrams per liter but the downside was we were only running at 38% capacity, which is something we didn't want to live with if we thought we could fix it. We identified where we thought the problem was occurring and the decision was made to back plug the well to seal off the dome where we thought the high chloride water was coming in and that gave us very positive results. We had the temporary back plug in during the month of May it gave us good results in terms of water quality, we had chlorides at that point from 40 to 60, which led us to say let's go ahead and put the permanent back plug in and we did that at the end of May. Since that time we have been evaluating the water quality coming out of the well, we have about a month of data right now from June 14th to July 14th and it is very encouraging so far. Our chloride concentration has ranged within this period from 30 to 40 if you go back to the beginning we are in the same ballpark as we were before the problem occurred. It is only a month's worth of data we can't celebrate too greatly yet but so far in terms of water quality it is very encouraging data. The other thing we are looking at is drawdown, we are running the well now at a little above 100% capacity the target is 100% it is very difficult to hit exactly the target, we are at 101.5% over this period shown here, which is completely acceptable. With the well back to its original design pumping rate, which is good news and at that pumping rate how are we doing with drawdown. When we had the temporary back plug in we had drawdowns ranging from about 8 ½ feet to a little over 10 feet for an average of 8.9 feet over one month evaluation period, very acceptable. If you will recall we had a benchmark of 14 ½ feet we were willing to live with because that is the highest drawdown that we had in any other well so we are very happy with this. Another reason we decided to permanently back plug it. Since we did it we are getting very similar results where our drawdown is ranging from 9 ½ feet up to 10 feet an average of about 9.6 feet so we are about 0.7 feet higher drawdown still very acceptable. If you remember we were speculating because that sand backfill was obviously a little permeable so it is not surprising at all to get a little more drawdown with the Bentonite back plug. About .7 feet more drawdown no problem and we were also speculating since we had a little bit of flow coming up through that sand back plug that we might experience better water quality once we make the permanent back plug and that has been borne out. With the temporary back plug we were 40 to 60 mg/L and now we are 30 to 40 mg/L so that indicates that what we were speculating has indeed been the case. We have a month's worth of data it is very encouraging no reason to discontinue what we are doing just keep on pumping it and keeping a close eye on it and hopefully the circumstances we are seeing thus far will continue in the future.

Member Brown asked our total dollar expenditure on that process was what?

Mr. Boyd responded less than \$10,000 I think. We had to pay Hausinger for the back plug and I think it was less than \$10,000.

Member Ball stated, thank you for the update.

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

Mr. Jantzer stated, the rail trail project is continuing as before basically they are building up the base a little bit so the city is going in replacing and raising pull boxes. Right now they are

at a total project completion date of September 20th due to some wetness as occurred in the past month or so they had the paving scheduled from one phase delayed by three weeks so I'm guessing it will be the end of October as a schedule completion date for that project.

Member Ball asked is there any update to the discussion with Volusia County we talked about last meeting regarding vehicular access on the trail itself?

Mr. Jantzer stated, there has been no back and forth with Volusia County on that. The contractor is using that access and the Volusia County portion of the trail.

Member Ball stated, I have a lingering anxiety that is probably going to continue as long as there is such uncontrolled access and I know we can't control it all but we may or may not have a role to play with city vehicles on that too. I think we talked a little bit about that last time.

Mr. Stauffer asked are your concerns about safety on the trail?

Member Ball stated, liability and safety with respect to the people who are using it for what it is intended for, which is I hope pedestrians are not walking all the way between Titusville. It is just that the trail the way it is controlled right now with access it is obviously going to invite vehicles that weren't intended to be on it. In some cases we may make the decision we need to access stuff that way. I want to be sure we do everything we need to do to ensure that it is not a city liability for operating on that trail.

Member Brown stated, hopefully not, hopefully we can stay ahead of that. I'm hopeful we can engage the agencies at this point in the game to try to stay ahead of some of those issues.

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

Mr. Stauffer stated, as we spoke at the last meeting there are a few minor items that need to be taken care of as part of the pipeline well outfitting project. Felix was scheduled to complete work on the 17th that included touch up painting as well as repair of the check valves. Over the past couple of months we have experienced leaking from the check valves and Felix has put a plan together to hopefully repair those leaks. The work that was scheduled for the 17th. When they got started they found out that the materials that were provided were the wrong size so they had to stop the work and that will be rescheduled when the parts are received. Tentatively we have the check valve work scheduled for Monday the 24th and into the 25th if necessary and then touchup painting is now scheduled for July 31st with any follow-up being August 1st. Those are the remaining items as far as the construction project.

Member Ball asked do you have any update on the discussion on the annual wetlands monitoring contract we authorized the RFP.

Mr. Stauffer stated we have completed the RFP it has also been revised to include selection criteria for experience. We will be using a scoring system. The three areas that will be evaluated will be their professional qualifications, cost effectiveness of the proposal as well as past performance of other TIFA projects. I believe GMS has reached out to five entities and sent them the RFP. We are expecting to get responses on the RFP on August 4th. I also spoke with Jesus in contracting with the City of Titusville and this will be added to DemandStar today with the same due date.

Member Ball stated, we should anticipate an action in August meeting.

Mr. Stauffer stated, yes we will have something for you then.

Member Ball stated, you are going to have monitoring in September. Thank you for the update.

Member Brown stated, I have gotten two calls. Who should I direct those to if I happen to get those in the future as to who can answer questions?

Mr. Perry asked are they technical questions?

Member Brown stated there are technical questions and some economic questions that were asked.

Mr. Perry stated, probably give them to Dave deNagy and we will coordinate who should respond.

Member Ball asked is there not a point of contact specified in the RFP?

Mr. Stauffer stated, yes the point of contact on the RFP is GMS and we identified Dave deNagy with a phone number and address.

IX Status of Farmton Services CUP (Presenter: Jim Boyd)

Mr. Boyd presented the attached Status Summary information for the Farmton Services LLC Consumptive Use Permit.

Other Business

Public Comment

Next Scheduled Meeting

The next meeting will be scheduled for August 17, 2017 at 11:30 a.m.

Open Items

Adjournment

Member Ball moved to adjourn the meeting at 12:30 p.m. Member Brown concurred and the meeting adjourned.