

WORKSHOP

BOARD OF COUNTY COMMISSIONERS

JANUARY 4, 2005

A workshop of the Board of County Commissioners was held at the Murdock Administration Complex in Room 119, Port Charlotte, Florida. The following members were present: Chairman Sara Devos and Commissioners Thomas G. Moore, Adam Cummings, and Matthew D. DeBoer. Also in attendance were County Administrator Bruce D. Loucks, County Attorney Janette S. Knowlton, and Deputy Clerk Diane J. Nice. The workshop was called to order at **2:03 P.M.** (Commissioner D'Aprile was not present for the workshop.)

Chairman Devos requested a moment of silence to remember tsunami victims followed by the Pledge of Allegiance to the Flag.

I. Presentation by David Schlobohm, Utilities Director, on the Peace River Authority Plant Expansion and Additional Potential Water Supply Sources

David Schlobohm, Utilities Director, gave a slide presentation based upon information in the packet indicating more than 1,000 people move to Florida each day; the rapid growth has created current and future water supply challenges as depicted on charts reflecting significant increases in projected demands compared to the existing water supply and potential water alternatives from 2005 to 2025 with a shortfall starting in 2008; summarized short-term alternatives for 2005 through 2009 including Interconnects with Cape Coral and Lee County and Recovery of Water from Sarasota County pursuant to the 2 mgd agreement that expires in 2010 with discussions to recover the water earlier; advised Cape Coral has a plant that will come on line the end of 2007 or early 2008 when Charlotte County's critical need will occur and the County has had discussions to provide bulk service to the North Cape for the next three years based upon the excess capacity at the Burnt Store facility; stated costs on each alternative, a summary of all costs with the cost per 1,000 gallons, maps, and schedules have been provided; discussions are being held with Sarasota County officials to recover the 2 mgd within the next six months at an approximate current cost of \$1.3 million; and reported the Lee County Interconnect with the

plant that will be coming on line later this year would provide infrastructure to allow Charlotte County to utilize that water throughout the entire system. Mr. Schlobohm summarized alternatives with maps, schedules, and projected costs to meet Intermediate Needs from 2010 through 2019; County-wide Brackish Water RO WTPs from several groundwater points, a Punta Gorda Interconnect with a Reservoir and WTP Expansion, a Babcock Ranch RO WTP from 300+ agricultural wells after an assessment as been performed to determine water quantity and quality possibly 20 mgd to 30 mgd, Alligator Creek/Zemel Canal surface water has a potential for 2 mgd but it will be more costly than groundwater treatment as reflected on the cost variations per 1,000 gallons, expansion of the existing Burnt Store RO WTP will be needed regardless of a Cape Coral Interconnect to provide an additional 2 mgd for a total of approximately 3 mgd to 3.5 mgd, Shell Creek Surface WTP would require the County to develop a reservoir and treatment facility rather than the City of Punta Gorda and it would provide an additional 2 mgd, and the Peace River Expansion which may be delayed approximately one year; and the intermediate needs would be in conjunction with short-term alternatives, reclaimed water, and conservation. Mr. Schlobohm detailed the upcoming Peace River WTP expansion starting with establishment of the Authority in 1982, the Statutory responsibility, a map of current Authority interconnects, the Peace River drainage basin covers over 2,350 square miles in over 9 counties, the facility is located in DeSoto County, the Peace River flows are highly seasonal and the Authority may withdraw flows only at certain times and under specific conditions i.e. River diversion from an intake structure to either off-stream storage or the treatment plant and subsequently to above ground storage or aquifer storage and recovery prior to transmission, and schematics of the existing facility and proposed expansion reflecting an increase of the intake structure to 90 mgd, the Raw Water Storage Reservoir increase to 6 billion gallons (approximately 10 times the current size), the WTP from 24 mgd to 36 mgd in Phase 1 and to 48 mgd in Phase 2, and the ASR wells would remain unchanged, with build out at 32.7 mgd. Mr. Schlobohm reported the Authority have agreed that 95% reliability is desired for the system, a model has been developed to achieve the reliability standard based on reservoir size, treatment plant capacity, intake pumping, ASR capacity, and demand; advised reliability is the number of days the Peace River can supply water to meet the Authority Members'

requirements i.e. 85% reliability denotes Members' allocations will be failed to be met in approximately 55 days whereas 95% reliability indicates that Members' allocations will be failed to be met in approximately 19 days; the costs would be significant to achieve reliability above the 95%; reviewed the chart on the Forecasting Model Results on Scenarios involving Future ASR Restrictions and Sensitivity of Reservoir Size and the chart showing four different combinations to meet a demand of 30 mgd at approximately 95% reliability; Permit and Build Out is actually 32.7 mgd and at 95% reliability will require 48 mgd WTP, 6 BG reservoir, and 21 ASR wells; summarized charts on expanding beyond 32.7 mgd yield, the proposed Reservoir Expansion Schedule, the current and proposed Member allocations i.e. Charlotte County for an additional 3.342 mgd in the Allocation Agreement, Estimated Expansion Costs for the Peace River Plant, the Anticipated Expansion Funding Requirement would be \$67,850,000; advised annual operating costs have now been included; and reported the Authority Administrator's Consensus Statement is that "The first expansion will be on-line by 2008 and will not meet projected demand through 2012. Neither shall the second expansion meet the longer term projected demand. Members may need to take independent but coordinated action to develop further resources since Authority expansion may not be adequate for long term demand. Joint projects among members will be encouraged and sought. The Authority will proceed in the context of the Water Alliance plan." Mr. Schlobohm stated the Water Planning Alliance evolved from a request from the Peace River Authority to Southwest Florida Water Management District (SWFWMD) in 2000, summarized the Alliance consists of 13 local governments, the Mission Statement, the 19 projects short listed by the Alliance of which 9 were determined to be feasible including the Charlotte County-wide Brackish Water ground RO project, the long-term status of the Alliance is uncertain, the Alliance identified the Regional Integrated Loop System alternative as being feasible; the System would provide for rotational capacity, reserve capacity, improved reliability and redundancy, allow for better matching of supply and demand, and have the potential to optimize financial investment; and estimated completion in 2010 or 2011. Mr. Schlobohm stated the long-term alternatives for 2019 and beyond include the potential short and mid-term alternatives, reuse, conservation and developing a desalination WTP possibly in Venice but it is in the very preliminary stage and many issues need to be addressed

i.e. disposal of the brine and concentrate and problems like Tampa Bay is having with pre-treatment; referenced the Desalination WTP schedule and estimated costs; the Schedule for Alternatives projecting the preliminary investigation, design and permitting, bidding, construction and start-up, and water availability; and reviewed New Project Costs covered by 100% of increased impact fees, 50% grant funding and the County's cost sharing covered by 100% of increased impact fees, and 50% grant funding and the County's cost sharing covered by 50% of increased impact fees and 50% increase of rates; reported the current Peace River Expansion cost is \$1.87 per 1,000 gallons compared to this Expansion at \$1.69, and stated costs per 1,000 per gallons for the other alternatives range from \$2.82 to \$47.44, the most expensive of which is the Punta Gorda Interconnect; this is not a direct comparison since engineering, legal, and administrative costs have been included and they usually represent 25% to 35% of the total cost of construction and those costs have not been included in the Peace River Expansion cost; and concluded the presentation by offering to answer questions.

II. Discussion - Questions and Answers

Commissioner Cummings requested verification regarding the Lee County Interconnect. Mr. Schlobohm advised estimated costs include line, connection, water purchase, and operations. **Commissioner Cummings** questioned the line size capacity. Shondra Neumuister, an engineering consultant with Southern Technical Solutions, explained each alternative was considered independently, the initial consideration for the Lee County Interconnect was 2 mgd and a 16" line size assuming there is no connection with Babcock Ranch or any other alternative. **Commissioner Cummings** questioned if the costs identified for Babcock Ranch include a connecting pipeline. Ms. Neumuister responded affirmatively and added that each of the alternatives, except the Burnt Store and Peace River Expansion, includes a "trunk or backbone line" throughout the County. **Commissioner Cummings** stated the Babcock Ranch RO WTP cost per 1,000 gallons is estimated at \$3.52 for 10 mgd, recalled projections for 20 mgd, and rationalized the larger portion of construction costs will be for the pipeline not the treatment plant. Ms. Neumuister advised the significant cost component of the alternatives is the pipeline. **Commissioner Cummings** stated it

would be more expensive but opportunities would be created to tie into the Babcock RO WTP and possibly with the Desalination WTP proposed by Lee County on the Caloosahatchee south of the pipeline termination. Ms. Neumuister concurred and offered to reconfigure to take advantage of a future interconnect. **Commissioner Moore** requested an explanation regarding ASR wells. Mr. Schlobohm stated the Florida Department of Environmental Protection (FDEP) may interpret the leaching and slight movement of arsenic solution in ASR wells as a regulatory violation; the arsenic level has been reduced from 50 parts to 10 parts per billion; cycle testing on the Peace River ASR wells reflect that arsenic is leached out and there is no problem with removing it in the treatment process and most of the nine original ASR wells are below the 10 parts per billion limit; if FDEP rules that 10 parts per billion will not be allowed in the distribution system, it can be removed in the treatment process but if FDEP indicates that the arsenic may not be moved, then it would be a violation the moment leaching is done; it has been agreed, because of this uncertainty, that ASR wells would be too risky to proceed with creating the need for the 6 billion gallon reservoir. **Commissioner Cummings** stated, if cost estimates on the Peace River Expansion remain the same, although it is unlikely, Charlotte County should participate; stated uncertainties on the outcome of FDEP's ruling on the arsenic level and regulatory regime changes in the way that water is withdrawn from the Peace River, may significantly increase the cost of future expansions on the Peace River; and suggested seeking support for water reservations in order to protect the Estuary. **Commissioner Cummings** commented on the need to upsize the pipeline for the Cape Coral Interconnect, increase the County's participation with South Florida Water Management District that has an interest in the County supporting the Babcock Ranch acquisition, and concluded the shortest, quickest term would be to secure an agreement with Cape Coral, recover water from Sarasota County, participate in the Peace River Expansion, and start to develop Babcock Ranch as a resource. Mr. Schlobohm agreed as well as the groundwater RO WTP recommended by the Alliance. **Commissioner Moore** asked **Commissioner Cummings** for an opinion on relying on the estimated costs for the Peace River Expansion. **Commissioner Cummings** stated he would not count on it only costing what is currently projected, the bulk of the cost is the water treatment plant rather than the Reservoir under the current scenario, recalled

the \$6.4 million projection for the WTP expansion under the Peace River Option that cost \$26.4 million which was attributed to doubling the expansion increase and water quality type improvements, the Option was the first big expansion done and it included a lot of upgrades. **Commissioner Moore** stated household usage is increasing by 15% to 18%, commented on the difficulty of meeting the water demand for growth, and the lengthy time period to implement projects. **Chairman Devos** commented in support of moving forward with staff's recommendation because there is no other choice, related the Legislation Delegation based upon this morning's meeting is desirous of a regional approach to water issues, expressed disappointment that the Alliance is not simultaneously researching regional alternatives, expressed concern about the critical time moving forward from 2012 to 2008, and stated better planning and attention to habits, growth patterns, and demographics are needed. **Commissioner Cummings** pointed out the \$15.4 million is Charlotte County's share of the \$112 million Peace River Expansion, over the long-term it appears that the Lee County Interconnects are more viable, and expressed concern about the time it has taken to produce cost estimates and the four-years of discussion by the Alliance to get to this point. **Chairman Devos** expressed concern about the lack of developing and implementing water alternatives. Mr. Schlobohm stated water issues and alternatives have become urgent, the study and analysis phase is complete, discussions are being held with Lee County and Cape Coral, and advised a golden rod will be submitted soon to perform a citing study and test wells for the County's RO groundwater system to determine the quality and quantity of available water. **Commissioner Moore** stated regionalism is a good thing, direction to implement staff's recommendation may give the impression the Board is no longer interested in a regional approach but water issues are serious for the County and it is time to move forward. **Chairman Devos** agreed, stated it has been easy to look to the Peace River to resolve water problems but it cannot withstand any more, and expressed concern that no regional alternative is in the development stage. **Chairman Devos** announced Board consensus to move forward with staff's recommendation to participate in the 14.7 mgd expansion of the Peace River Facility which would result in an additional 3.342 mgd allocation. **Commissioner Moore** requested clarification of the direction i.e. to participate in the expansion or to move forward with a design

project of \$1.7 million. Mr. Schlobohm expressed understanding that an item is on the Peace River Board agenda for tomorrow regarding consideration of a \$1.7 million contract for 30% of the design of the reservoir. **Commissioner Cummings** stated his priority concern is about the \$1.7 million contract since he made a commitment to the Authority to make a decision tomorrow and suggested supporting approval of the design contract especially since the project has not gone to bond. **Commissioner Moore** expressed no objection to the \$1.7 million contract of which Charlotte County's share would be \$400,000. **Commissioner Cummings** reiterated a suggestion to secure reservations to protect the Estuary, pointed out the current agreement directs that the WTP will not be expanded until minimum flows and levels have been established all the way to the I-75 bridge, the County's relationship with the Authority has changed since the agreement, and suggested modification of the agreement to establish long-term protections for the Estuary. **Chairman Devos** announced Board consensus. **Commissioner Cummings** expressed appreciation to staff for all of their efforts over the Holidays. Mr. Schlobohm thanked his staff for all of their work. **Chairman Devos** concurred. **Commissioner Cummings** stated he will be looking for refinement of long-term options instead of just incremental options i.e. a larger pipeline between Lee County and Babcock Ranch, opined the Board still believes in regionalism, and the Board's action is not a departure from that concept.

MEETING ADJOURNED: 3:15 P.M.

Signature on file in Commission Minutes

Sara Devos
Chairman

ATTEST:

**BARBARA T. SCOTT, CLERK
OF THE CIRCUIT COURT AND
EX-OFFICIO TO THE BOARD
OF COUNTY COMMISSIONERS**

**By: Signature on file in Commission Minutes
Deputy Clerk**

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