



Meeting Summary

DATE: June 15, 2010

FROM: Jerry M. Salsano

TO: Coquina Coast Representatives (via email only)

CC: Staff and Interested Parties (via email only)

SUBJ: Coquina Coast Seawater Desalination Alternative Water Supply Project Governance and Business Meeting Summary, June 2, 2010

Purpose

Conduct business as required to accomplish the Coquina Coast Seawater Desalination Alternative Water Supply Project PDR. The meeting agendas are at Attachment 2.

Action Items

Person/Agency	ACTION ITEM(s)	Due/Status
Pirnie/Salsano	For both Suppliers and Ex Officio Members collect required data and generate all cost data so that all Parties can determine whether to participate in Phase 2A.	Ongoing
SJRWMD	Seek STAG funds for Phase 2 of the project at this time, with the option to pursue funds for subsequent design or construction phases.	Ongoing
Suppliers	Examine how conservation is treated on Supplier websites and consider increasing the prominence of that process.	Ongoing
Palm Coast	Amend Consultant contract to allow work beyond February 10, 2010, to support transition effort.	Complete
Salsano	Provide revised scope and fee for outside PM activities.	Complete
Fitzgerald	Convey to Governance Team Stan Niego's, suggestion that a strategy could be employed to take out options on multiple tracts early in the process to mitigate the potential for speculation. The MOA could be modified to allow such for the benefit of the Suppliers.	ASAP
Pirnie	Provide bullet list of project points for partners' use with their lobbyists.	ASAP
Phase 2 Team	Coordinate and resolve outside PM services scope and fee.	6/2/10 TBD
Pirnie/SKM	Provide partners common operating pressure data on most recent RO plants.	6/2/10 TBD
Fitzgerald	Provide partners District study on the effectiveness of conservation strategies (Currently in draft form, with no firm plans for publication)	TBD

Note: The author prepared this work product from notes taken during the meeting or teleconference. The work product is not intended to be verbatim text of the conversations, but a summary of the important points covered. If an addressee finds that an error in fact was made please contact the author and corrections will be made with a revised version circulated.

Person/Agency	ACTION ITEM(s)	Due/Status
Phase 2 Team	Resolve matter of whether rate escalation is authorized in Consultant contract. Adjust/revise fee accordingly during final negotiation following execution of revised MOA.	TBD
Suppliers	Take action as and when appropriate to publicly notice site options in order to minimize/avoid land speculation.	TBD
Partners	Execute the revised MOA in 5 originals and send to Linda Shelley's office	7/22/10
Team	Post final signed version of Phase 2A MOA to project website.	TBD

GOVERNANCE MEETING

Welcome and Introductions

The governance meeting started at 9:15 a.m. Linda Shelley welcomed attendees who introduced themselves.

Public Comments

John Mampe asked if the Coquina Coast group has the legal authority to encumber funding. Linda noted that under the MOA the District has the legal authority to encumber funds as do each of the utilities. There is no entity formed by the MOA; it is only an agreement among the partners to accomplish the project.

The following is a summary of the planned participation in Phase 2A

Phase 2A Parties	
Partner	Status
Leesburg	Supplier
Palm Coast	Supplier
DeLand	Ex Officio
St. Johns County Util.	Ex Officio

Not Participating in Phase 2A
Partner
Bunnell
Clay County UA
Dunes CDD
Flagler Beach
Flagler County
Mt. Dora
Marion County

Phase 2A Revised Scope and Fee Discussion

Chris Hill noted the major elements that were delayed to Phase 2B and that result was that the total fee for Phase 2A decreased from \$3.3 million to \$1.8 million. Jim Landon asked that focus be maintained on alternative energy as Phase 2A moves forward. Chris acknowledged that discussion with the power provider will include that issue.

MOA Discussion

Linda noted that payment timing was changed to allow payment in either or both fiscal years 2010 and 2011 and that the contingency was reduced from 20% to 5%. She also noted in

addition to the \$25k annual cost to offset Palm Coast administrative costs there was the \$91.2k annually for outside project management (PM) services. Jim Landon noted that the outside PM services should be noted as a not-to-exceed amount since negotiations on that work have not been completed.

Linda further noted that the governance discussion would take on increased importance as the partners transition from 2A to 2B. To that end the partners recognized that no further governance meetings would be required during Phase 2A.

The partners agreed that, by July 22, 2010, the revised MOA is to be executed in 5 originals and sent to Linda's office. **ACTION ITEM**

Cost Share Review

Jerry Salsano showed the current cost share computations and the Ex Officio cost share, which will be reflected in the final version of the MOA provided to the partners for signature.

Confirm next meeting(s) and agenda(s)

No governance meetings planned during Phase 2A.

Public Comments—Kermit Prime asked that when the final version is completed it be posted to the web site. He was advised that it would. **ACTION ITEM**

Member Comments—Jim Landon asked if wholesale arrangements between Palm Coast and other utilities still qualified the project for District support and funding. Tom Bartol responded that it does.

Adjourn Governance Meeting—9:50 a.m.

BUSINESS MEETING

Welcome and Introductions

The business meeting convened at 10:15 a.m. Richard Adams, Chairman, Palm Coast, welcomed the attendees.

Public Comments—none.

Phase 2A Revised Scope and Fee Review and Discussion

Chris Hill noted that all NEPA work has been moved to Phase 2B, that the legal review meetings were deferred and that the new scope accounted for reduced meeting frequency and fewer participants.

Keith Riger expressed concern that Phase 2A should include an active search for outside funding. Specifically, for those partners so far from the source that the transmission system capital costs represent a significant hurdle. Ray Sharp agreed and stressed that the project needs to be economically viable for it to succeed. Ray also noted that this concern likely extends to any utility that may want to join back in for Phase 2B or beyond. Richard noted that this group had agreed that we would not do lobbying work under this agreement and that any such work must be done outside of the MOA. There was recognition that lobbying could be accomplished under the consultant contract as long as the work is not cost-shared by the District. Tom Bartol noted that recent developments in the water supply planning process suggest that there will be

increased need for AWS in the NEF area and in the northern CFCA area. The District's goal is to publish the draft DWSP in the August/September time frame. There will be some changes in the need for AWS.

Chris also noted that several of the technical memoranda have been changed to letter reports, thereby reducing the costs of production. Also, the roughly quarterly meetings will be supplemented with teleconferences at the 6-week interval between meetings. Also, both the geotechnical and hydrodynamic work are deferred to 2B, while plans for both will be developed in 2A. Site selection in 2A involves moving to a short list.

Richard asked if there were any additional comments or questions on the scope and fee. There were none.

Outside PM Services discussion/decision

Richard asked for input on how to move forward with discussion/negotiations on outside PM work. Ray Sharp noted that the PM role is well understood, noted that he supports that work and defers decisions on that issue to Palm Coast. Richard noted that he would advise his contracts office to proceed with negotiations with the PM. He asked Jerry Salsano to provide updated scope and fee ASAP. **ACTION ITEM.**

Execution of MOA

Group recognized that July 22nd is the deadline for the fully executed MOA. Each partner provided an estimate of when their approval would be received:

- Leesburg—June 28th or July 12th
- St. Johns County—July 13th
- Palm Coast—workshop June 8th, final approval June 15th or July 8th
- Deland—June 2nd or July 8th

Confirm next meeting(s) and agenda(s)

- Next Business Meeting—Wednesday, August 11, 2010, 9:00 a.m., by teleconference.
Review and approve Pirnie Scope and Fee 15minutes
Review and approve Outside PM Scope and Fee 15minutes
- Following Business Meeting—(Ph 2A Kick-off meeting)—Wednesday, September 8, 2010, 9:00 a.m., Palm Coast Community Center
Project Kick-off.....Entire meeting

Member Comments—none.

Public Comments—none.

Adjourn Business Meeting—meeting adjourned 11:05 p.m.

Attachments

1. Attendance Lists and Appointee Attendance List
2. Agenda

Governance Meeting Attendance List			
Name	Affiliation	Name	Affiliation
Richard Adams	Palm Coast	Jon Netts	Palm Coast
Jim Ailes	DeLand	Ryan Popko	Palm Coast (CPH)
Bill Hall	Blue Spring	Kermit Prime	Prime Solutions, LLC
Chris Hill	Malcolm Pirnie	Keith Riger	DeLand
Jim Landon	Palm Coast	Jerry Salsano	SJRWMD (Taurant)
Ying Lee	Palm Coast (CPH)	Ray Sharp	Leesburg
John Mampe	Hammock CCC	Craig Wells	McKim & Creed
Brian Matthews	Palm Coast	Bill Young	St. Johns County
Andrew Miller	Deltona		

Business Meeting Attendance List			
Name	Affiliation	Name	Affiliation
Richard Adams	Palm Coast	Brian Matthews	Palm Coast
Jim Ailes	DeLand	Andrew Miller	Deltona
Mauro Chiaverini	None Provided	Ryan Popko	Palm Coast (CPH)
Bill Hall	Blue Spring	Kermit Prime	Prime Solutions, LLC
Chris Hill	Malcolm Pirnie	Keith Riger	DeLand
Jim Landon	Palm Coast	Jerry Salsano	SJRWMD (Taurant)
Ying Lee	Palm Coast (CPH)	Ray Sharp	Leesburg
John Mampe	Hammock CCC	Neal Shinkre	

COQUINA COAST SEAWATER DESALINATION ALTERNATIVE WATER SUPPLY PROJECT																							
Business Meeting Appointee Attendance																							
	Phase 1													Transition									
	14-Jan-09	11-Feb-09	11-Mar-09	25-Mar-09	8-Apr-09	22-Apr-09	13-May-09	27-May-09	10-Jun-09	8-Jul-09	12-Aug-09	9-Sep-09	14-Oct-09	12-Nov-09	9-Dec-09	16-Dec-09	13-Jan-10	10-Mar-10	14-Apr-10	12-May-10	2-Jun-10		
Suppliers															Cancelled								
City of Bunnell,	★	★	★	★	★	★	★	★						★					★	★	★		
Dunes CDD	★	★	★	★	★		★	★	★	★	★			★		★	★	★	★	★	★		
Flagler County		★	★					★	x	★	★	x	x					x	x				
City of Leesburg	★	★	★	★	★	★	★	★	★	★	★	★	★	★			★	★	★	★	★	★	★
City of Mt. Dora	★		★	★	★	★	★				★	★	★	★					★		★		
City of Palm Coast	★	★	★	★	★	x	★	x	★	★	★	★	★	★		★	★	★	★	★	★	★	★
St. Johns County	★	★	★	★	★	★	★	★	★	★	★	★	★	★		★	★	★	★	★	★	★	★
Ex Officio Members																							
City of DeLand	★	★	★	★	★		★	★	★	★	★	★	★	★		★	★	★	★	★	★	★	★
City of Flagler Beach			★	★	★				★	★			★			★	★				★		
Marion County	★	★	★	x	★		★		★	x	x	x	★	★		x	x						
Water Authority of Volusia	★	★	★	★	★	★	★	★	★	★													

★ Appointed member(s) present
 Appointed member(s) not present
 x Appointed member(s) not present, with advance notice
Note: Water Authority of Volusia officially withdrew from project effective August 19, 2009.

Governance and Business Meeting Agendas

Wednesday, June 2, 2010, 9:00 a.m. – 1:00 p.m.

City of Palm Coast City Council Chambers
160 Cypress Point Pkwy. Suite B-106, Palm Coast, Fl 32164

<u>ITEM</u>	<u>WHO</u>	<u>START</u>
<u>Governance Meeting</u>		
• Welcome and Introductions	Shelley	9:00
• Public Comments	Shelley	9:05
• Poll partners for Phase 2A election	Shelley	9:10
• Phase 2A Revised Scope and Fee Discussion	Pirnie	9:40
• MOA Discussion	Shelley	10:00
• Cost Share Review	Salsano	10:50
• Confirm agenda for next meeting(s)/ next tasks	Shelley	11:10
• Member Comments	Shelley	11:15
• Adjourn Governance Meeting.....	Shelley	11:20
<u>Business Meeting</u>		
• Welcome and Introductions	Chair	11:30
• Public Comments	Chair	11:35
• Phase 2 scope and fee review	Pirnie	11:40
• Scope and Fee discussion/ decision, if necessary	Chair	12:20
• Outside PM Services discussion/ decision, if necessary	Chair	12:35
• Confirm agenda for next meeting(s)/ next tasks	Chair	12:50
• Member Comments	Chair	12:55
• Adjourn Business Meeting.....	Chair	1:00