



Tohopekaliga Water Authority
101 North Church Street, 2nd Floor
Kissimmee, FL 34741
www.tohowater.com

Board of Supervisors

Bruce R. Van Meter, Chairman
John E. Moody, Supervisor
James W. Wells, Vice - Chairman
Robert J. Bornstein, Supervisor
Richard L. Hord, Supervisor
Raul S. Banasco, Supervisor

Brian L. Wheeler, Executive Director
Mike Davis, Attorney
Nilsa C. Díaz, Executive Assistant

AGENDA

February 10, 2010
5:00 PM

1. MEETING CALLED TO ORDER
2. INVOCATION AND PLEDGE OF ALLEGIANCE
3. APPROVAL OF THE AGENDA
4. AWARDS AND PRESENTATIONS
5. PUBLIC HEARING
6. HEAR THE AUDIENCE (The Board will hear audience concerns)
7. CONSENT AGENDA

The Consent Agenda is a technique designed to expedite handling of routine and miscellaneous business of the Board of Supervisors. The Board of Supervisors in one motion may adopt the entire Agenda. The motion for adoption is non-debatable and must receive unanimous approval. By request of any individual member, any item may be removed from the Consent Agenda and placed upon the Regular Agenda for debate.

- A. APPROVAL OF THE BOARD MEETING MINUTES FOR JANUARY 27, 2010

- B. APPROVAL OF THE ANNUAL FINANCIAL REPORT FOR THE AUTHORITY FOR FISCAL YEAR 2008
 - C. APPROVAL OF DEVELOPER SERVICE AGREEMENT AMENDMENT FOR SECRET LAKE CONDOMINIUM
 - D. APPROVAL TO AWARD THE CONTRACT TO T & G CONSTRUCTORS FOR CONSTRUCTION OF A STORAGE BUILDING AT TOHO'S BVL WATER TREATMENT PLANT
 - E. APPROVAL FOR AWARD OF UTILITY CONSTRUCTION CONTRACT TO JR DAVIS FOR OLD LAKE WILSON ROAD PRELIMINARY ROAD IMPROVEMENTS
 - F. APPROVAL OF AMENDED AND RESTATED EASEMENT (FORM) AND RELEASE OF FORMER EASEMENT
8. INFORMATIONAL PRESENTATIONS (Require no action)
- A. QUARTERLY INVESTMENT REPORT BY PFM GROUP - QUARTER ENDING DECEMBER 31, 2009
9. UNFINISHED BUSINESS:
- A. APPROVAL OF AMENDMENT TO THE TOHO WATER AUTHORITY LOCAL VENDOR PREFERENCE POLICY
10. NEW BUSINESS:
- A. APPROVAL OF TENTATIVE POINCIANA WATER USE PERMIT CONDITIONS
 - B. CONSTRUCTION MANAGER AT RISK PROCESS MODIFICATIONS
11. STAFF REPORTS:
- A. MONTHLY FINANCIAL REPORT DECEMBER 2009 FY 2010
 - B. JOHN YOUNG PARKWAY – CARROLL STREET INTERSECTION WATER SYSTEM INCIDENT JANUARY 28, 2010
 - C. TWA ADMINISTRATIVE BUILDING UPDATE
12. TWA BOARD OFFICIALS
13. ADJOURNED

Description	Regular meeting of the Tohopekaliga Water Authority Board of Supervisors. Present at the meeting were Attorney Mike Davis, Supervisor Jim Wells, Supervisor Bob Bornstein, Chairman Bruce Van Meter, Supervisor John Moody, Supervisor Raul Banasco, Executive Director Brian Wheeler, Executive Assistant Nilsa Diaz, Commissioner Jerry Gemskie, and Commissioner Michael Harford. Commissioner Jean Reed and Supervisor Dick Hord were not present.		
Date	1/27/2010	Location	City of Kissimmee Commission Chambers
Time	Item	Minutes	
5:03:34 PM	MEETING CALLED TO ORDER	Chairman Van Meter called the meeting to order.	
5:03:40 PM	INVOCATION AND PLEDGE OF ALLEGIANCE	Executive Director Wheeler gave the Invocation and Supervisor Jim Wells led the audience in the Pledge of Allegiance.	
5:03:43 PM	APPROVAL OF THE AGENDA	Staff requested the addition of an item under New Business, 10A. APPROVAL OF JANITORIAL SERVICES CONTRACT Supervisor Moody moved for approval of the Agenda as amended. Supervisor Wells seconded the motion. Motion passed 5 to 0.	
5:04:10 PM	AWARDS AND PRESENTATIONS	None	
5:04:13 PM	PUBLIC HEARING	None	
5:04:20 PM	HEAR THE AUDIENCE	No one came forth	
5:04:29 PM	CONSENT AGENDA	Staff requested to pull item 7D. APPROVAL FOR APPROVAL CONSTRUCTION FUNDING ON THE POINCIANA BOULEVARD PHASE 2 PROJECT Supervisor Moody moved for approval of the Consent	

		<p>Agenda Items 7A, 7B, and 7C. Supervisor Banasco seconded the motion. Motion passed 5 to 0</p> <p>7D. APPROVAL FOR APPROVAL OF CONSTRUCTION FUNDING ON THE POINCIANA BOULEVARD PHASE 2 PROJECT</p> <p>Mr. Wheeler advised the Board that Staff discovered today that the County had not followed the Authority's Local Vendor Preference Policy in the selection of the local contractor for the Poinciana Boulevard Phase 2 utility work. Staff is of the opinion that the Interlocal agreement with Osceola County for the project specifies that the Authority's policy will be used in the contract award process. The Executive Director removed the item from the agenda to request the Board delay action on the contract approval until staff has had a chance to resolve the local vendor preference policy application.</p> <p>Approval for construction funding on the Poinciana Boulevard Phase 2 of construction will be continued until the next Board meeting.</p>
5:10:07 PM	INFORMATIONAL PRESENTATIONS	None
5:10:29 PM	UNFINISHED BUSINESS	<p>9A. APPROVAL OF THE ANNUAL FINANCIAL REPORT FOR THE AUTHORITY FOR FISCAL YEAR 2009 – Mr. Dan O'Keefe gave a PowerPoint presentation summarizing the Comprehensive Annual Financial Report for FY2009 and fielded questions from the Board. Mr. O'Keefe explained that an error had been found in the final draft and the final corrected document would be submitted for approval at the next meeting.</p>

9B. APPROVAL OF AMENDMENT TO THE TOHO WATER AUTHORITY LOCAL VENDOR PREFERENCE POLICY

In the last several months since the Board of Supervisors adopted a Local Vendor Preference Policy in January 2009, staff has observed a drop in the number of non-local contractors bidding and has also received comments from non-local contractors that they won't bid TWA work as long as the policy is in force. A reduction in the number of vendors/contractors bidding the Authority's work by fewer non-local vendors/contractors participating will result in less competitive pricing. Staff proposes to amend the Local Vendor Preference Policy to require a local vendor's bid to be within a specified range or percentage of the low bid to qualify the local vendor for the local preference.

The Board discussed the Local Vendor Preference Policy, its implementation over the past year, and its application to various sizes of contracts, \$0.25 million up to \$2.0 million. The Authority experiences a higher level of local vendor/contractor participation on smaller value contracts, less than \$1.0 million, than on larger contracts. There was discussion of the alternatives for establishing a percentage or range of percentages of a low bid that a local vendor's bid must fall within to be eligible to receive the local vendor preference. Supervisor Wells expressed a desire to have some consistency between the proposed change in the Authority policy and the percentage or range of percentages specified in the Osceola County and City of St. Cloud local vendor preference policies. Staff did not have information on the City of St. Cloud policy. Supervisor Wells made a motion to continue the agenda item until the next Board meeting to allow staff to report back to the Board on the City of St Cloud policy. Supervisor

		<p>Moody seconded the motion. Attorney Davis said that any modification would have to be done through a resolution. Motion passed 5 to 0.</p> <p>9C.ACTION ON THE PROPOSED SUSPENSION OF CONSTRUCTION OF THE CYPRESS LAKE TEST WELL NO. 2</p> <p>The Executive Director reported to the Board that the Authority's environmental attorney had received communication from representatives of South Florida Water Management District indicating that the District staff was willing to work with the Authority's consultants on modifying the model for the Cypress Lake Wellfield water use permit application to incorporate data from the test wells and to modify some problems with the model's application to the project. Based on this feedback, the staff is recommending that the work on the No. 2 test well continue and no action is required by the Board.</p>
6:00:25 PM	NEW BUSINESS	<p>10A. APPROVAL OF JANITORIAL SERVICES CONTRACT</p> <p>Jani-King of Orlando has been providing janitorial services to various Toho locations since 2007. In December 2009, an RFP was prepared and advertised and of the four firms that were short listed, Jani-King was ranked as number one.</p> <p>Supervisor Moody motioned for approval of the Janitorial Services contract to Jani-King of Orlando. Supervisor Wells seconded the motion. Motion passed 5 to 0.</p>
6:03:05 PM	STAFF REPORTS	<p>A. TWA ADMINISTRATIVE BUILDING UPDATE –</p> <p>Robert Pelham provided a PowerPoint presentation outlining progress on the construction of the administrative building. One of the items discussed was the commemorative plaque and what names it</p>

should include; the Board asked that all past Board members' names be placed on the plaque and that Mr. Van Meter be recognized as the Chairman. The logo should also be put on the plaque.

Staff has received submittals from a number of vendors interested in providing the interactive display for the lobby of the administrative building. The staff has narrowed the list of vendors for the Board to consider to five. A recommendation was made to have a Friday afternoon workshop for the vendors to make presentations to the Board. The workshop would be scheduled in conjunction with a tour of the administrative building. The Board discussed the potential to allocate more funding to the lobby display either through left over project funds or additional incremental allocations through the budget process. The Board then discussed the flooring alternatives again between tile and terrazzo. Staff was requested to find out from the contractor whether construction had progressed to the point that terrazzo could not be considered without significant modifications to existing completed work. After discussion, the Board agreed upon Friday, February 12, 2010 as the date for the tour of the building and the workshop on the presentations by vendors on the lobby display.

February 12th. Staff and the Board will meet at 11:30 AM for the building tour and begin the workshop for the vendor presentations at 1:30 PM. The attorney advised the Board that no discussions were permitted amongst the board members during the tour. Supervisor Wells suggested inviting the ex-officio members. Mr. Pelham asked the Board if they were agreeable to dropping the \$50,000 category from the interactive display budget and there was consensus to eliminate this budget level because it would be inadequate for the size of the lobby. The idea of portable units that can be taken to the schools was briefly discussed.

Mr. Pelham presented some information on the dais design and cost as requested from the previous meeting. Supervisor Wells suggested waiting until

		<p>Supervisor Hord was present to discuss the dais and make a final decision.</p> <p>Mr. Van Meter volunteered his wife, Jeannie, for the Artwork Selection Committee. Supervisor Moody will also participate.</p> <p>Executive Director Wheeler said that staff is working on alternative solutions for the situation in Poinciana with the incomplete lift station which receives flow from three homes. The Board did not approve completing construction of the lift station as presented at the last meeting which will require the Authority to continue to pump and transport the sewage to another location.</p>
6:51:13 PM	BOARD OFFICIALS	
6:51:40 PM	ADJOURNED	<p>There being no further business to come before the Board, Chairman Van Meter adjourned the meeting.</p> <hr/> <p>Bruce R. Van Meter, Chairman</p> <hr/> <p>John E. Moody, Secretary</p>

CATEGORY: Consent

Attachment(s): 2009 Comprehensive Annual Financial Report

APPROVAL OF THE ANNUAL FINANCIAL REPORT FOR THE AUTHORITY FOR FISCAL YEAR 2008

Explanation: On January 26, 2010, Dan O’Keefe and William Blend from Moore Stephens Lovelace, P.A. presented the final draft of the Comprehensive Annual Financial Report for the year ended September 30, 2009. A final review of the draft document last week uncovered the need for a reclassification between long and short term debt. That change has been incorporated into the document and is now ready for Board approval. Below is a repeat of the agenda item prepared two weeks ago.

The year-end audit resulted in an unqualified opinion for the Authority; this means the financial statements conform to generally accepted accounting principles and present fairly, in all material respects, the financial position of the Authority and the results of its operations.

The report covers the full fiscal year from October 1, 2008 to September 30, 2009. During this fiscal year, the Authority had operating income of approximately \$0.5M; net assets increased by 3% to approximately \$17M.

The *Schedule of Findings and Recommendations* of the auditors for the Authority are contained on the last pages of the report. These recommendations are based on the Authority having completed its sixth year of operation. These findings and recommendations along with management’s response are summarized below:

PRIOR YEAR FINDINGS:

2007-01 Accounting and Financial Reporting Policies and Procedures

Finding

The Authority continues to experience growth as evidenced by the acquisition of the Poinciana System and planned capital expansion and system improvement projects. This growth increases demands on staff for maintaining the growing number of day-to-day transactions in addition to evaluating and developing appropriate policies and procedures to ensure adequate controls over financial transactions and accounting and reporting.

Criteria

A control environment should be adequate for the size of an organization and the complexity of its transactions.

Recommendation

We recommend that management evaluate the growth of the organization and implement a formal plan to ensure that adequate staffing levels are achieved to ensure proper controls over financial transactions and reporting. We also recommend that a formal plan be implemented for the updating and preparation of appropriate policies and procedures to be consistent with the current level and types of transactions of the Authority.

Current Year Status

This finding is not considered to be fully corrected. The Authority took several steps in planning to address all aspects of this finding; however, due to a software conversion and plans to relocate all administrative functions to a newly constructed administration building, they have not fully documented all significant accounting and reporting policies and procedures. Therefore, we have consolidated this finding into our current-year finding 2009-01, which will better reflect the status of this issue.

Management Response: *Concur. Please see current-year finding 2009-01 for the full management response.*

2007-02 Controls over Investments

Finding

During audit procedures of Authority investments, we noted that investments in U.S. Treasury instruments transferred to the Authority from the City of Kissimmee when the Authority was created were actually investments in Repurchase Agreements backed by U.S. Treasury Securities. The apparent misclassification appears to have been the result of information provided by the Authority's investment advisor. While the Authority's investment policy allows for investments in repurchase agreements and the investment advisor is knowledgeable about this policy, the level of investments in these agreements would appear to exceed the intent of the investment policy.

Criteria

Investments should be in compliance with the intent of Authority's investment policy and with management's goal of maintaining minimal risk and maximum return while managing the liquidity needs of the Authority.

Recommendation

We recommend the Authority reevaluate its investment policy and refine this policy to ensure clear direction regarding the types and value of allowed investments by individual category. We also recommend that the Authority implement adequate risk management reviews of all third party controlled investments as well as regular reporting of investment holdings and gains and losses to either the full board or to a board designated investment committee.

Current Year Status

This finding has been fully addressed. The client has taken several steps to correct this finding, including implementation of a new investment policy and segregation of duties related to the accounting and review of investment activities and reconciliations. In addition to our original recommendation, we believe the Authority may want to consider engaging a third-party investment advisor to review investment activities, as well as investment earnings, to ensure compliance with all aspects of the Authority's investment policy, as well as review of performance. This third party should be independent of any brokers or dealers who manage and/or hold Authority investments.

Management Response: *Concur. **This finding has been fully addressed.** The additional recommendation to engage a third-party investment advisor to review of investment activities and returns is prudent. Staff supports this step to further bolster the internal control over investments and provide an interim audit of investment activities and returns during the fiscal year.*

2008-01 Accounts Receivable Aging

Finding

During audit procedures for evaluating customer receivables, we noted a significant increase in accounts aged 90 days and greater. It was determined

that this was the result of a lack of enforcement of the Authority's service cutoff policy.

Criteria

Authority service cutoff policies should be enforced unless proper approvals have been obtained or the Board of Supervisors temporarily suspends or permanently changes them.

Recommendation

We recommend that the Authority implement a review process of delinquent accounts to ensure that the cutoff policies are being properly enforced.

Current Year Status

Our current-year testing indicated that the vendor appears to be enforcing the Authority's cutoff policy. Therefore, we consider this finding to be fully corrected. We did note, however, that receivables aged 90 days and greater had a modest increase of approximately 2% in the current year. We recommend that the Authority continue to monitor this and consider using a third-party collection agency for the collection of these receivables.

Management Response: *Concur. **This finding has been fully corrected.** The Authority contracts with third party vendors to provide customer service, meter reading, and billing services. Staff regularly meets with these vendors to cover customer service and fiscal matters. Additional tasks have been implemented by Staff to improve communication, oversight, and to focus attention on aging receivables. These tasks include a detailed monthly review of aging receivables reports provided by third party vendors and requiring explanations of accounts aged beyond 90 days to ensure cutoff policies are properly enforced and exceptions properly documented. In addition, the Authority has taken steps to employ property tax assessments as a collection tool, where appropriate.*

2008-02 Entity Risk Assessment and Monitoring

Finding

At present, the Authority does not have formalized processes in place for risk assessment and monitoring internal control activities entity wide on an ongoing basis.

Criteria

There are five key components of internal control: control environment, risk assessment, information and communication, control activities, and monitoring. The presence of all five internal control components is required to minimize the risk of misstatement of financial information. A deficiency in any of these components could result in an increased risk of misstatement of the Authority's financial information.

Recommendation

This finding has not been fully corrected. Therefore, we have incorporated those aspects into our current-year finding 2009-01.

Management Response: *Concur. Please see current-year finding 2009-01 for the full management response.*

CURRENT YEAR FINDINGS:

2009-01 Organizational Changes and Their Effect on Internal Controls

Finding

The Authority continues to progress from its reliance on third parties to provide various administrative and operational functions, such as Production, Billing, Human Resources, Information Technology ("IT") and others, to a fully independent functioning utility. Some recent changes have included start-up of an IT department, purchase of new accounting software, evaluations of various services contracts, and the construction of a new administrative building. These changes, and the ones that will follow in the future, all need to be evaluated as to their effect on internal controls. In order to ensure that controls are operating efficiently and effectively, controls must be updated for the impact of related changes to the organization's accounting and reporting environment, including those related to grant reporting.

Criteria

There are five key components of internal control: control environment, risk assessment, information and communication, control activities, and monitoring. The presence of all five internal control components is required to minimize the risk of misstatement of financial information. A deficiency in any of these components could result in an increased risk of misstatement of the Authority's financial information. The issues discussed under our findings result in changes to the organization, which can impact all or some of the various components of internal control. Therefore, when significant changes like these occur, it is vital to the organization that the impact on internal control be evaluated and controls modified to properly address the changes.

Recommendation

We recommend that the Authority address changes to the accounting and reporting environment and update all policies and procedures that are impacted by those changes as soon as possible.

Management Response: *Concur. Staff will formalize a process to address the five key components of internal control: control environment, risk assessment, information and communication, control activities, and monitoring.*

In 2008, the Authority has engaged an independent third party to assist with formalizing policies and procedures for all significant accounting and reporting areas. In 2009, the engagement was suspended to allow for the successful implementation of a new Financial Information System. Staff is committed to fully addressing this finding in 2010.

Recommendation: Staff recommends approval of the Comprehensive Annual Financial Report for the Authority for the fiscal year ending September 30, 2009.

7B-2009 Comprehensive Annual Financial Rpt.02.10.10.rh

CATEGORY: Consent

Attachment(s): Developer Service Agreement Amendment

APPROVAL OF DEVELOPER SERVICE AGREEMENT AMENDMENT FOR SECRET LAKE CONDOMINIUM

Explanation: The Secret Lake Condominium project, developed by VILLAGE AT SECRET LAKE LP is located on Secret Lake Drive/Funie Steed Road and is required to enter into a standard Developer Service Agreement (“DSA”) with the Tohopekaliga Water Authority (“TWA”) as a condition for water and sewer service.

On June 22, 2009 the DSA was fully executed by the Developer and the Authority. After the DSA was executed, the developer completed the work necessary to participate in the Water Conservation Incentive Program. The Water Conservation Incentive Program works to encourage and assist developers/builders of projects (other than single family homes), to incorporate water conserving features by providing financial incentives. Under this program an approved water conservation plan for the project would require the Authority to credit the Developer for 20 percent of the total \$711,328.08 water impact fee which amounts to \$142,265.62. The credit would be payable only after Toho review and acceptance of the project. Upon final acceptance and approval of the Project a check will be issued to the DEVELOPER for the approved credit amount.

The Special Conditions of the DSA Amendment contain conditions which require:

1. The irrigation system shall be installed so that each zone waters only one plant type (St Augustine or Bahia or ornamental plant beds). Irrigation of ornamental plant beds around the residential buildings shall be drip or micro irrigation.
2. A Hunter ET System with mini weather station will be installed and the irrigation system will be managed according to programmed plant needs and weather conditions.
3. Crop coefficients programmed into the Hunter ET System for each zone shall match the plant needs; crop coefficients for Bahia and ornamental bed zones shall be lower than for zones watering St Augustine.
4. Sod around the perimeter of the site will be planted with Bahia. Crop coefficients for the 12 zones that water Bahia will be no greater than 50%.
5. Annual average use of irrigation water shall not exceed three million gallons per year.
6. Bathroom faucets shall be retrofit with 1.0 gpm aerators.

All other terms, conditions, and covenants of the Developer's Service Agreement as recorded in OR BK 3851/Pgs 718-731 shall remain in full force and effect.

Recommendation: Staff recommends approval of the Developer Service Agreement Amendment for the Secret Lakes Condominium project.

C-DSA Secret Lakes Condominium.02.08.10.LB

CATEGORY: Consent

Attachment(s): Architect Letter of Bid Award Recommendation

APPROVAL TO AWARD THE CONTRACT TO T & G CONSTRUCTORS FOR CONSTRUCTION OF A STORAGE BUILDING AT TOHO'S BVL WATER TREATMENT PLANT

EXPLANATION: The Storage Building at the BVL Water Treatment Plant was destroyed by hurricane Charlie during the 2004 Hurricane season. This facility was used by Operations not only for storage of repair parts and maintenance equipment but also as a remote field shop. Replacing the Storage building will reduce staff travel time from the BVL Service Area to the Field Operations facility on Alaska Ave. in Kissimmee and subsequently improve the effectiveness of staff in the BVL area. Daniel Bumpus and Associates an architectural firm was retained by TWA to carry out the detailed design in late 2009.

The project was publicly advertised in Demand Star on December 17 & 20, 2009. The bid opening was held January 21, 2010. Eight bids were received. The bids are summarized below:

BIDDER	TOTAL BID AMOUNT
T & G Constructors	\$113,839.00
Ruby Builders	\$114,760.00
Core Construction Group	\$118,380.75
Pillar Construction Group, LLC	\$120,803.00
INSTAR Services Group	\$122,700.00
Tucker Construction & Engineering, Inc.	\$123,241.61
Mercon Construction	\$138,579.00
Allegiance Contracting	\$139,877.00

INSTAR was the only local construction company that submitted a bid however its bid was not executed (signature sheet was not submitted). Staff reviewed this with TWA's Attorney and it was recommended that the bid be declared non-responsive. Therefore INSTAR bid was rejected and the Board Local Vendor Purchasing Preference Policy could not be applied to this project.

Based on the bids received and elimination of INSTAR's bid, the low bidder is T & G Constructors. Daniel Bumpus and Associates (DBA), has reviewed the bids and recommends award to T & G Constructors (TGC). DBA has also contacted owners from previous projects constructed by TGC and has received favorable references.

The work will be funded by TWA FE 0904

RECOMMENDATION: Staff recommends approval of the contract award to T & G Constructors, Inc. in the amount of \$113,839.00 and approximately 5% contingency (\$6,000.00) for construction of the Storage Building at Toho's BVL Water Treatment Plant.

Storage Bldg at BVL WTP Bid Award Approval.02.10.10.kd

CATEGORY: Consent

Attachment(s): None

APPROVAL FOR AWARD OF UTILITY CONSTRUCTION CONTRACT TO JR DAVIS FOR OLD LAKE WILSON ROAD PRELIMINARY ROAD IMPROVEMENTS

Explanation: The Board is requested to award Jr. Davis a continuing construction contract, in the amount of \$135,384 plus 5% contingency, for utility work related to drainage improvements on Old Lake Wilson Road.

The County has initiated limited drainage improvements construction related to the widening of Old Lake Wilson Road in advance of initiating the roadway construction project. These improvements consist of installation of portions of the storm system in advance of the road widening project is scheduled to be initiated spring 2010.

The County's CMAR, WG Mills, has reviewed these improvements with TWA staff and has determined two locations where TWA utility relocation work is necessary or advantageous to avoid conflicts or reduce future construction costs.

The utility improvements include construction of a 30" water main deflection and installation of three dry lines, including an 8" force main, 24" water main, and 16" reuse main. The 30" water main diversion is required to avoid a conflict with a proposed storm structure and includes line stops to isolate the water main and a construction of stub out to provide service for future development. The dry lines are to be installed under proposed dual 36" concrete storm pipes. Installation of the dry lines at this time will prevent future excavation or directional boring under the storm pipes during installation of the future road widening project.

The County's CMAR has worked with TWA staff to obtain bids from three of the TWA continuing contractors for the construction of the utility work. All three bidders are local vendors as defined by the TWA Local Vendor Preference Purchasing Policy. Three bids were submitted, with the results summarized below.

Jr Davis Construction	\$135,384
Garney Construction	\$136,690
VK Jensen Enterprises	\$148,324

The remaining utility relocations and improvements will be included in the County's CMAR contract. Bidding is scheduled in February and construction initiation in April.

TWA will contract directly with Jr Davis Construction to perform the work. Jr Davis will be required to coordinate the work with the County's CMAR.

This project will be funded by 110009.

Recommendation: Staff recommends award of the construction contract, in the amount of \$135,384 plus 5% contingency in the amount of \$6,800, to Jr Davis for the construction of utility improvements in conjunction with the preliminary Old Lake Wilson Road improvements.

OLWR Contract Award-Utility Adjustments Preliminary.02.10.10.ge

Category: CONSENT

Attachment(s): Amended and restated easement and form of release

APPROVAL OF AMENDED AND RESTATED EASEMENT (FORM) AND RELEASE OF FORMER EASEMENT

Explanation: Representatives of RaceTrac Petroleum, Inc. on behalf of the affected landowner(s) have requested a slight relocation of an existing easement to cover the relocation of an existing gravity sewer line and two related manholes. The relocation is necessary due to conflicts that arose during plan review with proposed utilities and structures on the affected site. The relocated gravity sewer will position the main outside of the private property line and into a private road way, necessitating the need for an easement over the line and manholes. Staff and counsel have requested an appropriate legal description, survey, and graphic showing the relocation. An amended and restated easement is necessary. The result is that the existing easement is relocated and TWA has been requested to release the former easement. The landowner(s) will appropriately reconnect all utility facilities and TWA project engineering staff is amenable to the relocation. The form of easement is acceptable to general counsel. The landowner(s) and/or the RaceTrac Petroleum, Inc. representatives will provide an appropriate title insurance commitment verifying that the new easement is granted from the current landowner and that there are no affected lien holders or mortgagees. If there are lien holders or mortgagees, the release of the existing easement will not be executed and delivered until appropriate subordinations have been obtained.

Recommendation: Staff recommends approval of the amended and restated easement, direction and authorization for the Executive Director to execute a release of the former easement in substantially the form attached hereto; pending delivery of the title work and executed new easement, review by general counsel of the appropriate title insurance commitment, and the provision of any necessary consents or subordinations by lien holders or mortgagees.

RaceTrac Amended and Restated Easement .02.10.10.DT

CATEGORY: Informational Presentation

Attachment(s): Investment Report for the Quarter Ending December 31, 2009

**QUARTERLY INVESTMENT REPORT BY PFM GROUP - QUARTER ENDING
DECEMBER 31, 2009**

Explanation: On March 11, 2009, the Board approved an investment strategy outlined by Staff and Investment Advisor, The PFM Group.

A representative from The PFM Group will present the investment report for the quarter ending December 31, 2009 and be available to answer any questions.

Recommendation: No action required

Investment Report Presentation for QE Dec 31.02.10.10.rh

CATEGORY: Unfinished Business

Attachment: TWA Local Vendor Preference Policy

City of St. Cloud Local Vendor Preference Policy

Agenda Item from January 27, 2010 meeting

Proposed Resolution Amending the Local Vendor Preference Policy

APPROVAL OF AMENDMENT TO THE TOHO WATER AUTHORITY LOCAL VENDOR PREFERENCE POLICY

Explanation: At the January 27, 2010 meeting, the staff proposed amending the Authority's Local Vendor Preference Policy to add a requirement that a local vendor must submit a bid within a specified percent of the low bid to be eligible to receive the local vendor preference. The agenda item and back-up from that meeting are attached. The Board continued the item to the February 10, 2010 meeting and requested staff to review the City of St. Cloud Local Vendor Preference Policy to see if that policy specified percent ranges of the low bid that a local vendor must meet which corresponded to either of the staff recommendations. A copy of the City of St. Cloud policy is attached. Unfortunately, the St. Cloud policy utilizes a range of percentages for different bid ranges that is different from the County. Additionally, the policy requires the low local bidder to be the second low bidder and be within their specified percent range of the low bid. The St. Cloud policy appears to be more complicated to administer and; therefore, the staff does not recommend adopting the percent ranges from their policy. The staff proposes for the Board to consider one of the two alternatives recommended at the January 27th meeting as outlined below:

1. Adopt the specified percentage ranges from the Osceola County policy of:
 - a. 5% for bids up to \$249,999.99
 - b. 4% for bids from \$250,000 to \$999,999.99
 - c. 3% for bids from \$1,000,000 to \$2,000,000
2. Adopt a single specified percentage for all bids of 5%

The Board also discussed eliminating the local vendor preference for contracts of greater than \$1.0 million or \$0.5 million. If the Board chose to reduce the contract size eligible for the local vendor preference, the staff would recommend adopting the single percentage range of 5%.

Recommendation: Staff recommends adopting a Resolution to amend the Authority's Local Vendor Preference Policy specifying a percentage of the low bid that a local vendor must meet to receive the Authority's local vendor preference.

Local Preference Amendment.02.10.2010blw

CATEGORY: New Business

Attachment(s): None

APPROVAL OF TENTATIVE POINCIANA WATER USE PERMIT CONDITIONS

Explanation: An application for a Water Use Permit (WUP) for the former Poinciana Utilities service area was submitted in 2008 to the South Florida Water Management District (SFWMD) for a withdrawal of 10.1 million gallons per day (mgd) representing existing demand and projected demand increases anticipated to occur by 2013. These projections were based on the Bureau of Economic and Business Research (BEBR) 2006 population projections. The 10.1 mgd Poinciana allocation will increase the total TWA 2013 water use permit allocation from 36.5 mgd to 46.6 mgd.

Upon issuance of the Poinciana WUP, the Authority will submit an application to consolidate the Poinciana WUP with the Toho WUP issued in 2007. A combined permit will provide increased flexibility in providing potable water in areas of growth within the service area and not restrict a specific allocation to the Poinciana or Toho I, II, III systems.

The permit process has been on-going over the past two years through a number of requests for additional information from the SFWMD. TWA's consultants handling the permit application on behalf of the Authority, primarily Austin Environmental and Tetra Tech have provided information, had a number of communications and conducted site visits with the District to address concerns with the permit issuance. Most of the issues related to the permit issuance have been resolved. The three most significant issues relative to the permit are: groundwater allocation, identification of wetlands harm past and projected future due to Poinciana groundwater withdrawals and future wetlands monitoring.

Groundwater Allocation

The proposed groundwater allocation of 10.1 mgd has been agreed upon for sometime between SFWMD and TWA staff and its consultants. Based on 2006 BEBR projections the allocation should be adequate for the immediate future. As stated earlier, this allocation represents the 2013 projected demand and the limit on groundwater withdrawal after 2013. Because of the economic recession and its impact on growth, there is some expectation that the 2013 date will be extended to 2014 to 2016.

Wetland Impacts

The permit review process included inspections by representatives of TWA, its consultants, and SFWMD of 36 wetlands in the Poinciana area to assess changes to wetlands from a 1978 base year, the predevelopment condition. Wetlands quality has declined since 1978 predominantly due to local development alterations of geographic features near wetlands and regional groundwater withdrawal. Based upon the inspections, the total impact to wetlands for the base year was determined by the SFWMD and Austin Environmental representing TWA.

The wetlands impacts caused by local development was determined by inspecting each wetland and evaluating topography changes influencing wetland health. This evaluation was also performed by Austin Environmental in conjunction with SFWMD staff.

The existing wetland impact component related to groundwater withdrawals was determined by modeling wetlands drawdowns using a hydrogeological model developed by St. Cloud, TWA, Orange County, Polk County and Reedy Creek Improvement District (STOPR) during their WUP application process that resulted in permits issued by the SFWMD in 2007. The model was revised to reflect specific geological features in the Poinciana Service area. Once the total impacts due to wetlands withdrawal were determined from regional groundwater withdrawals, the Poinciana withdrawal impacts were calculated as a ratio of Poinciana groundwater withdrawal to cumulative (regional) groundwater withdrawal.

The total wetlands impacts based upon the 1978 base year was determined to have a UMAN score of 55 functional units (FU). The topographic changes in areas of wetlands was determined to have a UMAN score of 31 FU and regional groundwater withdrawals were assigned a score of 24 FUs.

The Poinciana groundwater withdrawal component of the regional withdrawal was determined to be 1.5 FU and based on the Poinciana percent of the total.

The wetlands impact analysis also considered the impact of future groundwater withdrawals based upon the projected 10.1 mgd withdrawal requested in the permit. The impact of 10.1 mgd, a 1.86 mgd increase over the existing modeled withdrawal was assigned a UMAN score of 0.5 FU.

Therefore, the total wetland impact, existing harm and future harm for a groundwater withdrawal of 10.1 mgd in the Poinciana area is 2.0 FU (1.5 FU existing pumping plus 0.5 FU future pumping).

As a comparison, the STOPR water use permits issued in 2007 assigned a wetlands impact of 20.28 FU to TWA for 26.8 mgd assigned to existing impacts and future harm for increased demand of 9.72 mgd.

Functional Units compensation to the SFWMD may be satisfied by purchasing wetland bank credits and/or creating a wetlands dedicated site. TWA created a wetlands mitigation site on property owned by the Authority in addition to providing funding towards SFWMD to purchase a conservation area to satisfy its allocated FU payment related to its TWA system WUP issued in 2007. The wetlands site created by TWA may have approximately 1 FU that may be applied to the Poinciana FU payment and will purchase an approximate 1 FU to satisfy the balance of the FU payment.

The FUs will be purchased to fund the SFWMD's Catfish Creek Preserve Park. These FUs are substantial discounted based upon the FUs purchased to satisfy TWA's Toho System WUP at a cost of \$83,500. The cost of the FU will require confirmation with the SFWMD.

Wetland Monitoring

The SFWMD will require monitoring of wetlands to document future impacts to wetlands. Monitoring requires gaining access to wetlands, installing monitoring equipment, collecting data and submitting the collected data to the Water Management District. TWA and the Water Management District have identified wetland sites suitable for monitoring. Two sites have been recommended by TWA vs. four originally requested by the SFWMD. TWA is in the process of acquiring access to these sites. TWA will be responsible for wetlands monitoring. As a comparison, the STOPR permits collectively require monitoring of 39 wetlands.

The wetlands mitigation requirements of the Poinciana WUP are significantly less by comparison than the requirements of the TWA WUP of 2007. As outlined above the Authority has provided an over 100 acres wetlands mitigation/restoration site to SFWMD and committed to pay approximately \$1,693,000. Present negotiations with SFWMD could result in a total proposed mitigation requirement of approximately one tenth of that experienced in 2007 and perhaps as low as one twentieth.

Recommendation: Staff recommends approval of the present proposed permit conditions of no more than 2 Functional Units for wetlands mitigation and two additional monitoring sites in Poinciana for the Poinciana WUP.

Poinciana Water Use Permit Conditions .02.10.2010.rfp

CATEGORY: New Business

Attachment(s): None

REVISED CMAR PROCESS

Explanation: The Toho Water Authority (TWA) and its predecessor, the City of Kissimmee's Department of Water Resources, have successfully utilized the Construction Manager at Risk (CMAR) construction delivery process to build water and wastewater treatment facilities since the mid-1990s.

Water and wastewater facilities are complicated and incorporate multiple construction disciplines, some of which are site work, concrete construction, mechanical construction, electrical construction, instrumentation and control and are performed under a general contractor.

The CMAR assumes the role of the general contractor and also performs valuable services during the project design including, value engineering, quality control and constructability reviews, scheduling and cost estimating. The historical CMAR process selects the CMAR based on qualifications and the CMAR general conditions, fee (profit), bonds, insurance and preconstruction services are negotiated between TWA and the CMAR. The work is performed by prequalified subcontractors and awarded based on competitive bid.

Based upon Board feedback concerning the competitiveness of the negotiated CMAR services, staff has developed a revised CMAR process to competitively bid the CMAR's preconstruction services, general conditions, CMAR fee, bonds and insurance between prequalified CMAR firms. Competitive bidding of subcontract work by the CMAR will remain unchanged. The revised process will also apply only to TWA water and wastewater treatment facility construction. TWA's collection and distribution system project, excluding projects constructed with Osceola County, will be competitively bid; the CMAR process will not be utilized.

Recommendation: Staff recommends approval of the revised CMAR process, competitively bidding preconstruction services, general conditions, CMAR fee, bonds and insurance for water and wastewater treatment facilities.

CMAR Process-rfp.02.10.10

10B

Memo

To: TWA Board of Supervisors
From: Brian L. Wheeler
Date: 2/8/2010
Re: John Young Parkway – Carroll Street Intersection Water System Incident

On Thursday, January 28, 2010, the Eastern Water System of the Toho I System experienced a major failure and pressure loss that resulted in a Boil Water Notice for approximately 55,000 customers. The pressure loss was experienced between Michigan Avenue to the East and the Town of Celebration to the West. The system failure resulted from a cap and twenty inch valve blowing off the end of a stub out from a twenty four inch main which effectively was the same as an open discharge from a twenty four inch main. The location of the pipe failure was the northeast corner of John Young Parkway and Carroll Street. In 1992 when John Young Parkway was widened to six lanes from Carroll Street to US192, a 24 inch water main was extended south from the North Bermuda WTP along the east side of John Young Parkway. At the Carroll Street intersection, a 20 inch tee was installed with a joint of 20 inch pipe stubbed out east on the north side of Carroll Street with a valve and cap on the end. The valve was restrained with a fitting known as a Uni-flange to hold the valve and cap on the end of the pipe under pressure. During the present construction on John Young Parkway of the Osceola Parkway “fly over”, the contractor, JR Davis, had to excavate and expose the 20 inch stub out and valve to adjust the pipe because of improvements to be constructed in the intersection. Shortly after the contractor exposed the pipe and valve, the pressure in the pipe without the resistance of the earth when buried pushed the cap and valve off the end of the pipe.

Almost immediately after the valve and cap were blown off the end of the 20 inch stub out, the discharge pressure or water pressure at the North Bermuda WTP dropped to 4 psi. At the time of the incident, the plant had two pumps operating with capacities of 4,500 gallons per minute (GPM) each. Five minutes later a third pump (4500 GPM) started but only raised the pressure to 10 psi. Five minutes later, a fourth pump (4500 GPM) started and increased the pressure to 17 psi. At this point, the fifth pump

available should have started but failed to start. An operator at the plant observed the failure and started the pump manually. This occurred 14 minutes after the fourth pump started automatically. With the fifth pump operating, the pressure in the system gradually rose back to normal levels (65 psi) within several minutes. It took approximately fifteen minutes from the time of the pipe failure to get all five operational pumps operating and approximately 24 minutes from the failure to restore system pressure.

The cause of the failure appears to be the improper installation of the valve restraining fitting, the Uni-flange, during construction in 1992. Observation of the pipe stub out after the incident seemed to show evidence that the restraining fitting was not properly secured to the pipe and may not have been properly located on the pipe. Apparently the pressure and resistance from the six feet of earth cover over the pipe and valve fitting had been adequate to compensate for the poor construction until the pipe was exposed.

Damage resulting from and duration of the pipe failure was minimized by actions and procedures of our Field Operations and Engineering staff. Prior to work being initiated in the intersection, Field Operations located all of the valves in the area and insured they were working. This is a standard requirement on construction anytime work will be done on our water system or in an area where there are concerns. When the pipe failure incident occurred fortunately the employees who had performed the valve locates were in the area and able to respond quickly and find the valves to isolate the affected area.

This incident exposed some vulnerability within the TWA water system. First, obviously, a major break in a main transmission line of 20 to 24 inches and greater can cause a significant service disruption to a major portion of the water system. The TWA water systems have several major transmission mains of 20 inches in size and greater up to 30 inches. A second area of vulnerability is the response capability of the pump controls at the water plants. There is pumping capacity within the Toho I Eastern Water System capable of overcoming the loss of water from a 24 inch water main break and maintaining system pressure if the pumps could be brought on line fast enough. As stated above, approximately 24 minutes lapsed from the time of the pipe failure until enough pumps had come on line overcome the rate of water loss from the pipe failure. This length of time resulted from two problems, a programmed five minute time lag between pump start-ups and the failure of one pump to start automatically. These control and electrical issues have been addressed. The lag time between pump starts to avoid cycling in normal operation has been reduced to ___ minutes and the electrical control failure corrected on the pump that failed to start. To better understand the scope of the water system vulnerability to breaks or failures in our major transmission lines the engineering department will be performing some scenario modeling of breaks to major transmission lines throughout the system to gauge the level of impact and the potential ability of the system handle such a break.

After the incident staff conducted an “after incident review” to evaluate our response and to develop recommendations for actions to be taken to improve the response and/or prevent or mitigate future incidents. Those recommendations or actions are as follows:

1. Construction Inspections:
 - a. Restrained fitting installations will require more detail inspection to insure proper installation.
 - b. Construction work around critical restrained piping and fittings will require more physical on-site inspection.
2. Valve Program:
 - a. All valves on transmission mains of 16 inches or greater will be located, a GPS location established within the GIS, and put on a routine periodic operating schedule. Field Operations has already initiated work in this area prior to the incident.
 - b. Continue the requirement to locate and verify operation of all valves within an area of construction prior initiation of construction in the vicinity of the water mains. For work around major transmission mains secondary isolation valves will be located and operation verified in case a major failure prevents access to the primary valves.
3. Water Plant Controls
 - a. Pump control sequencing delays adjusted for quicker response to major pressure drops. This has already been done.
 - b. Investigate the benefits of installing remote pressure monitoring throughout the water distribution system to detect major incidents remote from the water treatment facilities.
4. Parkway Water Plant
 - a. Use the system hydraulic model to evaluate the response of the Parkway WTP to the system pressure drop. The pressure drop on the eastern side of the Eastern System was only around 12 psi. The small pressure drop in this portion of the system compared to the drop experienced throughout the rest of the system could be the result of some closed valves or a poor hydraulic connection.
 - b. Based upon the results of the modeling and any subsequent field investigation an action plan will be developed to address any deficiencies discovered.
5. Scenario Planning
 - a. Utilizing the hydraulic model the engineering staff will model a range of water system failures at various locations in the water systems (Toho I- IV) to evaluate the potential system response and identify potential solutions to weaknesses.
6. Public Information

- a. Develop a Standard Operating Procedure for handling the customer call volume with similar incidents.
 - i. Identify and designate additional personnel resources
 - ii. Provide phone capacity for call volume
 - iii. Provide a recorded message of incident status to divert calls.
 - iv. Provide scripts for call response.
- b. Develop a "Call List" of entities to be called under significant incidents.
 - i. Designated employee will make calls separately
- c. Investigate purchasing some Public Service Announcement (PSA) to insure message is delivered.
- d. Co-ordinate with Osceola County Emergency Management of Significant Incidents.
- e. Review media contact list and update.
- f. Investigate utilization of other media/social media such as Twitter, E-mail, Facebook, etc.