

CHARLOTTE HARBOR WATER ASSOCIATION
Board of Directors Meeting
May 19, 2020, 2:00 p.m.
Minutes

Meeting was held in person and via Teleconference.

Called to order at 2:05 p.m.

Stephen Vieira conducted a roll call.

Directors in attendance and constituting a quorum were:

Stephen Vieira, President
William Lemna, Treasurer – via phone
Ned Rose, Secretary
Stephen Schwarz, Director – via phone

Director not in attendance:

Richard Guimond, Vice President – excused

Staff in attendance:

Scott Baker, Superintendent
Lisa Kolar, Accountant – via phone

Others in attendance:

Brett Messner, Tetra Tech
Danny Nelson, Tetra Tech
Christian Colarusso, Tetra Tech

APPROVAL OF MINUTES

1. Approval of minutes for the Board of Directors regular meeting, April 21, 2020:

**Motion to approve the minutes for the April 21, 2020 Board of Directors regular meeting
made by Ned Rose, seconded by Stephen Schwarz, vote 4-0. Motion Passed.**

OLD BUSINESS

1. Sunseekers Agreement Update

The local newspaper reported that Allegiant Airlines announced that they have halted all non-airline projects. CHWA attorney Derek Rooney has been in contact with Sunseeker attorneys both local and in Las Vegas and they don't think the investors will halt the Sunseeker project. The Sunseeker Agreement for connection to the water system that was approved at the April 2020 Board of Directors meeting has been signed by CHWA but not by Sunseekers. CHWA staff would like to send a letter to Sunseekers giving them 90 days to sign the Agreement with the offer that they pay an initial deposit of \$753,000 and then pay equal installments every six months until the \$2.9 million is paid. If they do not agree to the terms in the letter, then the Agreement will be pulled and would be later revised and calculated at the current rate per ERU. Discussion was held concerning the 90-day time frame and it was decided that Sunseekers would be given until July 1, 2020 to sign the Agreement per the terms of the letter that is to be sent.

2. Water Tank Site – ROW vacate update

CHWA attorney Derek Rooney is working on the County process that should be wrapped up over the summer. Director Stephen Schwarz questioned if the tank would still be needed and if the size of the tank needed to remain at 500,000 gallons if there is no Sunseeker Resort. It was explained that the current elevated tank is past its useful life and needs to be replaced. It was also explained that in order to increase water pressure and ensure fire protection on the west end of the distribution system that the 500,000 gallon tank would still be needed and that the property would still need to go through the county process to ready the land for the tank.

3. Charlotte County Surplus Property purchase update

Payment has been sent to the County for the purchase of the property located at 2415 Dumont Dr. and the deed has been prepared. Final filing and documentation should be complete by early next week.

NEW BUSINESS

1. **USDA Projects Report – Questions and Answers – Brett Messner, Tetra Tech lead the discussion**
 - a. **Distribution System Improvements (DSI) project** – 100% plans were submitted to the USDA and just today Tetra Tech received a list of comments to be addressed, none of which are major concerns.
 - b. **Reverse Osmosis Water Treatment Plant (ROWTP) and Deep Injection Well (DIW) project** – The USDA National Office has issued concurrence with providing funding for the ROWTP project. They sent a Letter of Conditions related to the proposed USDA financing. In it the USDA is offering a funding amount of \$6,153,000 loan and \$4,510,000 grant (39.5% grant). The Letter also states that \$753,000 must be contributed by CHWA. The current loan interest rate is 1.875%. The financing was approved based on the 10 Year Projection Plan that was submitted to them.

For the record, Richard Guimond wanted to let it be known that he is comfortable with the financing. He feels that the USDA did their due diligence when reviewing our submissions.

2. **Authorize the agreement with Tetra Tech’s Task for Task #20 – Reverse Osmosis Water Treatment Plant (ROWTP) Design Phase in the amount of \$373,768.**

It was discussed that now that the Letter of Conditions for the USDA funding has been received that the next step is the Design Phase of the project. Concern was expressed by some of the Board members about spending so much money with so much uncertainty of Sunseeker Agreement money. Scott reminded them of the original financial planning that did not include Sunseeker Agreement at all and that the USDA already owes us over \$500,000 in reimbursements that we will get once the DSI project loan is closed.

Motion to authorize the agreement with Tetra Tech’s Task for Task #20 – Reverse Osmosis Water Treatment Plant (ROWTP) Design Phase in the amount of \$373,768 made by Stephen Vieira, seconded by Ned Rose, vote 4 – 0. Motion passed.

3. **Authorize the agreement with Tetra Tech’s Task for Task #21 – Deep Injection Well (DIW) Design Phase in the amount of \$90,750.**

It was discussed that now that the Letter of Conditions for the USDA funding has been received that the next step is the Design Phase of the project. It was also discussed that the Deep Injection Well would be needed based on the fact the FDEP is only allowing discharge into the canal for another five years and alternative method would need to be in place by then.

4. **Motion to authorize the agreement with Tetra Tech’s Task for Task #21 – Deep Injection Well (DIW) Design Phase in the amount of \$90,750 made by Stephen Vieira, seconded by William Lemna, vote 4 – 0. Motion passed.**

FUTURE BUSINESS

1. **Upcoming meetings:**
 - a. **June 16, 2020 – 2:00 pm – Regular Meeting - Audit Report with Thomas Cramer, CPA**
 - b. **July 21, 2020 – 2:00 pm – Regular Meeting – Water Rate review with Andrew Woodcock, Tetra Tech**
 - c. **August 18, 2020 – 2:00 pm – Regular Meeting**

REPORTS

1. **Manager’s report**
 - a. **Well #2** – disinfection has been complete and the well is back on line
 - b. **Well #9** – the well was pumping up sand and is now clear and is in the 2nd day of water analysis testing. Last sample will be on Friday and the well should be up and running. There is sand in the line from the

well to the plant that will need to be cleared. Part of the future ROWTP project will address the sand separation.

- c. **COVID-19 update** – Scott has spoken with the Charlotte County Utilities and would like to follow their plan for collection of past due bills once Phase III of the Governor’s plans to open back up after the pandemic has been announced. CHWA will send a letter out in the June bills to past due customers to explain the process and payment plan options.
 - d. **10 Year Projection** – a new 10 Year Projection was updated pushing Sunseeker collection of connection fees back 18 months and adding the financing terms from the USDA for the ROWTP project.
2. **Financial reports– April 2020 Financial Reports (including: Budget vs Actual; Balance Sheet; Income Statement and check list).** William Lemna questioned the budget for the Interest Income because the actual is significantly lower due to the fact that the anticipated Sunseeker money has not been received.

Motion to Approve the April 2020 Financial Reports made by William Lemna, seconded by Ned Rose, vote 4-0. Motion passed.

MEMBER INPUT

William Lemna asked about whether there are future plans for a sewer project. It was explained that once the Distribution System Improvement construction has started then we should have time to look into the possibility of apply for funding to do a feasibility study for sewer.

MOTION TO ADJOURN

Motion to Adjourn at 3:05 p.m. made by Stephen Schwarz, seconded by Stephen Vieira, accepted 4-0.

Minutes approved without / with amendments on July 21, 2020.

Motion by: Ned Rose 2nd by: Richard Gulmand Vote: 5-0

President’s Signature 