

Minutes of Board of Directors Meeting
PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY
DeSoto County Administration Building
Commission Chambers, First Floor
201 East Oak Street, Arcadia, Florida

July 31, 2019

Board Members Present:

Commissioner Elton Langford, DeSoto County, Chairman
Commissioner Ken Doherty, Charlotte County, Vice Chairman
Commissioner Alan Maio, Sarasota County
Commissioner Priscilla Trace, Manatee County

Staff Present

Patrick Lehman, Executive Director
Doug Manson, General Counsel
Mike Coates, Deputy Director
Kevin Morris, Engineering & Projects Manager
Ann Lee, Finance & Administration Manager
Richard Anderson, System Operations Manager
Terri Holcomb, Senior Engineer
Rachel Kersten, Agency Clerk

Others Present:

A list of others presents who signed the attendance roster for this meeting is filed with the permanent records of the Authority.

CALL TO ORDER

Commissioner Langford called the meeting to order at 9:30 a.m.

INVOCATION

Commissioner Langford offered the invocation.

PLEDGE OF ALLEGIANCE

The Board led the Pledge of Allegiance to the Flag of the United States.

WELCOME GUESTS

Welcoming remarks were made by DeSoto County Planning Manager, June Fisher.

Commissioner Langford recognized Authority Staff, Kevin Morris who eulogized his son, Zach Morris, who died recently in a tragic vehicle accident.

PUBLIC COMMENTS

No public comments were made.

PUBLIC HEARING

1. Open Public Hearing

Commissioner Langford opened the public hearing at 9:41 a.m.

2. Presentation of Budget for FY 2020

Mr. Lehman presented the proposed final Budget for FY 2020 in accordance with the ‘Second Amended Interlocal Agreement Creating the Peace River Manasota Regional Water Supply Authority’ and the ‘Master Water Supply Contract’. The final budget includes all anticipated expenditures of the Authority for its projects and activities for the ensuing fiscal year, including, but not limited to, operating and maintenance costs, management and planning costs, and debt service.

The Tentative Budget for FY 2020 was approved by the Board on May 29, 2019. There have been no comments received nor changes to the proposed final budget. The final proposed Budget for FY 2020 is \$61,859,484.

3. Public Comment

There were no public comments.

4. Close Public Hearing

Motion was made by Commissioner Doherty, seconded by Commissioner Maio, to close public hearing. Motion was approved unanimously.

Commissioner Langford closed the public hearing at 9:50 a.m.

BUDGET FOR FY 2020

1. Adoption of Budget for FY 2020

Mr. Lehman recommended approval of the proposed final Budget for FY 2020 in the amount of \$61,859,484.

Commissioner Doherty stated that he was very pleased and expressed his appreciation for all the hard work that went into preparing this year’s budget with the workshops, one on one meetings and discussions with member staffs and management teams.

Commissioner Maio commented that for members of the public that may be watching this meeting, it probably seems as though we are just quickly voting on this and moving on. But the truth of it is that there has been many, many meetings, workshops, and effort hours put into this budget to get us to this point. Mr. Lehman and his staff do an extremely excellent job of moving us through all of this and that should be acknowledged.

Motion was made by Commissioner Doherty, seconded by Commissioner Trace, to approve the Budget for FY 2020 in the amount of \$61,859,484. Motion was approved unanimously.

2. Resolution 2019-05 ‘Resolution Setting Forth Rates, Fees and Charges for FY 2020’

Resolution 2019-05 formalizes the Board adoption of the Budget for FY 2020 and establishes the rates, fees and charges by the Authority for FY 2020 in accordance with the ‘Second Amended Interlocal Agreement Creating the Peace River Manasota Regional Water Supply Authority’ and the ‘Master Water Supply Contract’.

Motion was made by Commissioner Doherty, seconded by Commissioner Trace, to approve Resolution 2019-05 ‘Resolution Setting Forth Rates, Fees and Charges for FY 2020’. Motion was approved unanimously.

CONSENT AGENDA

Commissioner Doherty requested Consent Item 8 be removed for discussion.

1. Approve minutes of May 29, 2019 Board of Directors Meeting.
2. Approve and authorize Executive Director, or designee to execute U.S. Geological Survey Joint Funding Agreement #20MCJFA0102.
3. Approve Resolution 2019-06 ‘Florida Water Professionals Month’.
4. Approve the ‘Annual Regulatory Plan 2019-2020’.
5. Approve the ‘Special District Public Facilities Report [July 2019].
6. Approve the t of \$500,000 from the General Fund to the Utility Reserve Fund.
7. Letters of Appreciation to Randy Maggard and Bryan Beswick for their Service on the Southwest Florida Water Management District Governing Board

Motion was made by Commissioner Doherty, seconded by Commissioner Trace, to approve the Consent Agenda, with the exception of Item 8. Motion was approved unanimously.

8. Resolution 2019-07 Authorizing Issuance of a Line of Credit

Commissioner Doherty asked for clarification on the terms for the line of credit being requested, as well as the payment structure and how that will be coordinated with the individual county management teams.

Ms. Lee stated that the line of credit has a three-year term that will commence this year on October 1, 2019 and go through September 30, 2022. The line allows the Authority to borrow and repay funds as needed. The interest rate will be 79% of LIBOR plus thirty-six basis points, which currently equates to about 2.2% APR with those interest payments being due semi-annually to coincide with the Authority’s bond payments.

In regards to the question concerning member county payment coordination, Ms. Lee explained that the reason we chose to go with the line of credit is to allow the flexibility on how the line is repaid. The minimum commitment will be the interest charges, but we are collecting funds through the budget for these projects and those amounts can be applied towards the interest with any additional funds going towards the principal to keep the line balance low. This provides flexibility in structuring payments from individual Customers.

Motion was made by Commissioner Doherty, seconded by Commissioner Maio to approve Consent Item 8, Resolution 2019-07, A Resolution Of The Board Of Directors Of The Peace River/Manasota

Regional Water Supply Authority With Respect To Issuance Of A Tax-Exempt Series 2019 Non-Revolving Credit Note In An Aggregate Principal Amount Not To Exceed \$5,000,000 To Finance Certain Capital Improvement Projects; Approving The Form And Authorizing The Execution And Delivery Of A Non-Revolving Credit Agreement With Respect To Such Note; Making Certain Covenants And Agreements In Connection Therewith; Providing Certain Other Details With Respect Thereto; Providing For Severability; And Providing An Effective Date For This Resolution. Motion was approved unanimously.

REGULAR AGENDA

1. Water Supply Conditions – Staff Presentation

Richard Anderson presented the Water Supply Conditions at the Peace River Facility as of July 11, 2019.

- Water Supply Quantity: Excellent
- Treated Water Quality: Excellent

May Water Demand	26.10 MGD
May River Withdrawals	10.98 MGD
<u>Storage Volume:</u>	
Reservoirs	4.59 BG
ASR	<u>10.98 BG</u>
Total	12.29 BG

Mr. Anderson also reviewed the current demand and supply for each of the members/customers for the month of May 2019 and the cumulative historical annual average usage of the region.

Mr. Lehman added that the Board should expect changes in the coming months related to Sarasota County’s usage. With their Carlton Facility being out of service for rehab for the next 18-24 months, their self-supply numbers will be decreasing.

Commissioner Maio commented that the Carlton Facility rehabilitation is something that Sarasota County has been debating on for years, but it is much needed. He added that costs of the Carlton facility rehab are all being paid for by Sarasota County directly.

2. Filter Covers Project at the Peace River Facility

- a. **Construction Contract with Garney Companies, Inc.**
- b. **Construction Services Contract with TKW Consulting Engineers, Inc.**

Kevin Morris presented the Board with an update on the Filter Covers Project at the Peace River Facility. This project involves the construction of screen structures and impervious roofing systems to enhance the design of all 26 filters at the Peace River Facility. The Project is included in the Authority’s 5-year CIP at a total cost of \$4.275M.

Motion was made by Commissioner Maio, seconded by Commissioner Trace, to approve and authorize Executive Director to execute a construction contract for the Filter Covers Project with Garney Companies, Inc. for an amount not-to-exceed \$3,853,000. Motion was approved unanimously.

Motion was made by Commissioner Maio seconded by Commissioner Trace, to confirm consultant ranking and authorize the Executive Director to execute the Agreement for Construction Phase Services with TKW Consulting Engineers, Inc. for the Filter Covers Project for an amount not-to-exceed \$275,339. Motion was approved unanimously.

3. **Regional Integrated Loop System Phase 3B Interconnect Project [SR 681 to Clark Road]**
 - a. **Construction Contract with Garney Consulting, Inc.**
 - b. **Construction Services Contract with King Engineering Associates, Inc.**

Mr. Morris presented the Board with an update on the Regional Integrated Loop Phase 3B Interconnect Project. This project will install 5 miles of 48” and 36” diameter drinking water transmission main in Sarasota County. The project will increase supply availability in northern Sarasota County and advance the regional system toward a future connection with Manatee County. The Project is included in the Authority’s 5-year CIP at a total cost of \$16.7M.

Commissioner Maio asked Mr. Morris to confirm that we are comfortable saying that Garney Companies has the capacity to perform on both of these projects.

Mr. Morris stated that yes, we believe that they do.

Motion was made by Commissioner Maio, seconded by Commissioner Trace, to approve and authorize Executive Director to execute construction contract for the Regional Integrated Loop System Phase 3B Interconnect Project with the Garney Companies, Inc. for an amount not-to-exceed \$12,092,000. Motion was approved unanimously.

Motion was made by Commissioner Maio, seconded by Commissioner Trace, to approve and authorize Executive Director to execute ‘Work Order No. 3 – Construction Phase Services’ with King Engineering Associates Inc. for the Regional Integrated Loop System Phase 3B Interconnect Project for an amount not-to-exceed \$1,355,508. Motion was approved unanimously.

Mr. Lehman commented on the State budget which allocated \$40 million to Water Sustainability Trust and these funds were allocation to the DEP. The DEP in turn decided this week to allocate those funds thru the water management districts like they did in the past. Mr. Lehman stated that the DEP stated that the projects (for which the funds are allocated) must be 1) an alternative water supply, which the 3B project is per our funding agreement with SWFWMD, 2) it needs to be regional, which this project is and 3) most importantly, the project needs to be shovel ready, which the Project is with the Board just approving the two motions. Mr. Lehman stated that he would like to submit on behalf of the Board a request to SWFWMD for use of the Water Sustainability Trust Funding toward the Phase 3B project.

Motion was made by Commissioner Trace, seconded by Commissioner Doherty, to approve and authorize the Executive Director to submit the stated request on behalf of the Peace River Manasota Regional Board of Directors. Motion was approved unanimously.

4. **Novation of Contracts from King Engineering Associates Inc., to Ardurra Group Inc.**

Mike Coates informed the Board that on July 26, 2019, the Authority was formally notified that King Engineering Associates, Inc., has become Ardurra Group, Inc. The notifying correspondence provided details on the name change and associated mergers and acquisitions, and requests novation of the all Authority contracts with King Engineering Associates to Ardurra Group, Inc.

Motion was made by Commissioner Doherty, seconded by Commissioner Trace, to approve and authorize Executive Director to execute novation of existing contracts from King Engineering Associates, Inc. to Ardurra Group, Inc. Motion was approved unanimously.

GENERAL COUNSEL'S REPORT

Mr. Manson stated there was no additional updates to report.

EXECUTIVE DIRECTOR'S REPORT

Mr. Lehman presented this status report for the Board's information with updates pertaining to the June 27, 2019 Coordinating Committee meeting with Polk Regional Water Cooperative and the June 25, 2019 SWFWMD Governing Board meeting.

ROUTINE STATUS REPORTS

There were no Board comments on routine status reports.

BOARD MEMBER COMMENTS

There were no additional Board member comments.

PUBLIC COMMENTS

There were no additional public comments.

ANNOUNCEMENTS

Chairman Langford announced the following:

Next Authority Board Meeting

Wednesday, October 2, 2019 @ 9:30 a.m.
Charlotte County Administration Center
Commission Chambers, Room 119
18500 Murdock Circle, Port Charlotte, Florida

Future Authority Board Meeting

December 4, 2019 @ 9:30 a.m. - Manatee County

ADJOURNEMENT

There being no further business to come before the Board, the meeting adjourned at 10:27 a.m.

BOARD APPROVED

OCT - 2 2019

Peace River Manasota
Regional Water Supply Authority



Commissioner Elton A. Langford
Chairman