

Minutes of Board of Directors Meeting
PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY
Manatee County Administration Building
Honorable Patricia M. Glass Chambers, First Floor
1112 Manatee Avenue West, Bradenton, Florida
April 6, 2022 @ 9:30 a.m.

Board Members Present:

Commissioner Alan Maio, Sarasota County, Chairman
Commissioner Elton Langford, DeSoto County, Vice Chairman
Commissioner Bill Truex, Charlotte County
Commissioner George Kruse, Manatee County

Staff Present:

Mike Coates, Executive Director
Doug Manson, General Counsel
Richard Anderson, Director of Operations
Terri Holcomb, Director of Engineering
Jim Guida, Director of Water Resources & Planning
Ann Lee, Finance & Budget Sr. Manager
Mike Knowles, Engineering & Projects Sr. Manager
Ford Ritz, Project Engineer
Rachel Kersten, Agency Clerk

Others Present:

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

CALL TO ORDER

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

INVOCATION

Commissioner Bill Truex offered the invocation.

PLEDGE OF ALLEGIANCE

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

WELCOME GUESTS

HOST COUNTY REMARKS

Kevin Morris, Manatee County Utilities Deputy Director made welcoming remarks.

PUBLIC COMMENTS

Public comment was made by Bruno Kapacinskaskas, Government Affairs Regional Manager, Southwest Florida Water Management District

ELECTION OF OFFICERS

1. Election of Chairman and Vice-Chairman for 2022

Doug Manson, General Counsel, conducted the election of officers for chairman and vice-chairman and opened the floor for nominations.

Commissioner Kruse moved to nominated Commissioner Maio as Chairman.

Commissioner Truex moved to nominated Commissioner Langford as Vice-Chairman.

Mr. Manson received the nominations and consent to close nominations. Nomination of Commissioner Maio for Chairman and Commissioner Langford for Vice-Chairman was approved unanimously.

CONSENT AGENDA

- 1. Approve Minutes of February 2, 2022 Board of Directors Meeting**
- 2. Approve Resolution 2022-01 ‘Recognition of the Month of April as Water Conservation Month’**
- 3. Approve Resolution 2022-02 ‘Recognition of National Drinking Water Week’**
- 4. Approve Award of Contracts for Purchase of Water Treatment Chemicals**
- 5. Approve Property Insurance Renewal for Authority Facilities**
- 6. Approve Change Order No. 1 for Contract with Poole and Kent for Trains 5 and 6 Rehabilitation Project at the Peace River Facility**
- 7. Approve Declaration of Surplus**

Motion was made by Commissioner Truex, seconded by Commissioner Kruse, to approve the Consent Agenda. Motion was approved unanimously.

Commissioner Truex expressed his surprise that there was not more competition for the property insurance coverage but understanding how unique the Water Supply Authority’s assets are and how difficult it is to write policies on those assets and learning about the current provider’s reputation and how they have served us well in the past, he was comfortable with this.

REGULAR AGENDA

1. Water Supply Conditions

Richard Anderson presented Water Supply Conditions at the Peace River Facility as of March 17, 2022.

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

March Water Demand	31.76 MGD
March River Withdrawals	8.23 MGD
<u>Storage Volume:</u>	
Reservoirs	5.23 BG
ASR	<u>8.66 BG</u>
Total	13.89 BG

2. Legislative Update

The Authority’s lobbyist, Laura Donaldson, from Manson, Bolves, Donaldson and Varn updated the Board about legislative actions on the Authority’s adopted legislative priorities for the 2021-2022 Florida legislative session that ended on March 11, 2022.

3. 20-Year Demand Projections

Terri Holcomb presented the updated 2022 Authority Customer 20-year water demand projections for the Board’s information.

Each year Authority Customers are required to provide the Authority with an updated 20-year water demand (annual average, peak month, maximum day) projection and identify the portion of their demand they require the Authority to fulfill. The 2022 Customer projections (reflecting the 2023-2042 planning period) requested delivery of approximately 31.6 MGD (average day) from the Authority in 2023. Customer demand projections for the 20-year planning period show requested delivery of 55.8 MGD (average day) from the Authority in 2042, approximately 21.1 MGD more than the current Contract allocation of 34.7 MGD. Based on the Customer’s projections, the overall regional water supply demands increase approximately 2.24% per year, from about 86 MGD in 2023 to 130 MGD in 2042.

Current average day supply capacity for the Authority and Customers is approximately 103 MGD. Projections show a need for an additional 27 MGD in new supply development in the next 20 years. The new supply need is expected to be met through a combination of source development by individual Customers and Authority new supply development including the PR³ and PRF Expansion projects. Based on these projections, development, and interconnection of the additional capacity proposed is expected to be sufficient to meet Customer-projected demands and provide sufficient rotational (reserve) capacity for the regional system during the next 20 years.

4. 5-Year Capital Improvements Plan & 20-Year Capital Needs Assessment

Ms. Holcomb presented the Authority’s draft 5-Year Capital Improvements Plan & 20-Year Capital Needs Assessment document for Board information and discussion. No Board action was required.

The draft 5-Year CIP and 20-Year CNA document summarizes the number, type, and timing of water supply, regional transmission, and other capital projects planned over these periods pursuant to the Integrated Regional Water Supply Plan 2020 Update. There are two schedule horizons in the Authority’s capital planning efforts: the 5-Year Capital Improvements Plan (CIP) which includes projects that are relatively certain and well-defined, and the 20-Year Capital Needs Assessment (CNA) that includes the 5-Year CIP and also looks out beyond that period to years 6 – 20 years where projects are less certain and defined.

The 5-Year CIP beginning in FY 2023 through FY 2027 currently includes the following:

Regional Transmission Projects	\$ 160,945,324	29%
Water Supply Projects	\$ 374,930,706	67.5%
Other Projects	\$ 19,850,000	3.5%
Total	\$555,726,030	100%

And the 20-Year CNA beginning in FY 2023 through FY 2042 includes the following:

Regional Transmission Projects	\$ 371,179,330	42%
Water Supply Projects	\$ 495,418,476	56%
Other Projects	\$ 19,850,000	2%
Total	\$ 886,447,806	100%

Capital planning has also identified \$307 million in offsetting cooperative grant funding opportunities for these collective projects based upon past generous participation by the Southwest Florida Water Management District.

5. Owners Agent Services for 5-Year CIP

Mike Knowles stated that the Authority has requested proposals from firms for the purpose of providing Owner’s Agent services. Services to be provided by the Agent to the Authority will generally include program/project management, technical design reviews, procurement assistance, and construction engineering & inspection (CEI).

The Owners Agent will provide professional services needed for various aspects of work to complete Capital Improvement Plan (CIP) and various other projects. The Authority would issue separate work orders for professional services to be provided by Agent, with each work order individually negotiated between the Authority and Agent. Specific examples may include procurement & bidding assistance, authoring design criteria packages, quality control reviews on contract documents and/or designs, value engineering, construction engineering & inspection, hydraulic modeling, public engagement, project management, and land acquisition assistance.

Mr. Knowles stated that the Owner’s Agent RFP was advertised on March 22, 2022 with interviews scheduled for May 16, 2022. A recommendation on award of a contract for Owners Agent is expected at the June 1, 2022 Board meeting.

6. Phase 3C Regional Interconnect

Mr. Anderson presented a project overview and update on the Phase 3C Regional Integrated Loop Pipeline Project. The Feasibility and Routing Study for the project has been completed. The project recommendations include construction of the Phase 3C Interconnect from the existing terminus of the regional system at Clark Road near the National Cemetery, north, to the vicinity of Blue-Lake and Lorraine Roads, a total distance of approximately 10.0 miles. A regional pumping and storage facility would also be included in the project. Construction of this portion of the Integrated Regional Loop system will meet Sarasota County water supply needs in the north county area and advance the regional transmission system toward a future interconnection with the Manatee County water system.

a. Recommended Route and Resolution 2022-03

Tom Wilson, Project Manager from the Authority's engineering consultant Wade Trim discussed the Phase 3C pipeline route analysis, pipe size, pumping and storage facility considerations, updated probable costs for the project, and identified the recommended route for the pipeline. Mr. Wilson stated that Board approval of Resolution 2022-03 will enable the Authority to begin the surveying and property acquisition work needed for construction of the project.

Motion was made by Commissioner Langford, seconded by Commissioner Truex, to approve the recommended pipeline route B-1, for Phase 1 of the Project, as identified in the Feasibility and Routing Study for the Regional Integrated Loop Phase 3C Pipeline and, to approve Resolution 2022-03 "A Resolution Determining The Necessity To Construct A Transmission Pipeline And Appurtenant Facilities And Route Selection For A Project Known As The Regional Integrated Loop Phase 3C Pipeline Project Which Includes The Installation Of A Pumping And Storage Facility And A 42-Inch Diameter Pipeline Between State Road 72 And The Intersection Of Lorraine Road And Blue-Lake Road." Motion was approved unanimously.

Commissioner Truex thanked the staff and consultant for the ease of understanding in the reports and presentations. It is all very detailed and involved information, but it was clear and easy to follow. Well done.

b. Interlocal Agreement for Regional Integrated Loop System Phase 3C Interconnect [Segment from SR 72 to Fruitville Road] between the Peace River Manasota Regional Water Supply Authority and Sarasota County.

Mr. Manson reviewed the presented Interlocal Agreement (IA) recommended for approval between the Authority and Sarasota County for the first phase of the Regional Phase 3C Interconnect Project which includes installation of approximately 10.0 miles of 42-inch diameter pipeline between State Road 72 and intersection of Lorraine Road and Blue-Lake Road, and a pumping and storage facility. This IA covers financial, ownership, capacity, property use, coordination, and other pertinent requirements of the project. Execution of the IA will enable the Authority to advance the project financing, design, and construction to meet the March 2025 completion date.

Motion was made by Commissioner Truex, seconded by Commissioner Langford, to approve Interlocal Agreement for the Regional Integrated Loop Phase 3C Pipeline between the Peace River Manasota Regional Water Supply Authority and Sarasota County. Motion was approved unanimously.

7. Phase 2B/2C Regional Interconnect

Ford Ritz presented a project overview and update on the Regional Integrated Loop Phase 2B/2C Pipeline Project. The Feasibility and Routing Study for the project has been completed. Project recommendations include a 42-inch diameter regional transmission main extending from Serris Boulevard, generally west and south in Charlotte County crossing the Myakka River, and then extending west and north to the Sarasota County Carlton Water Treatment Facility, a total distance of approximately 33 miles. The project will proceed in two phases. Phase 2B will extend from Serris Boulevard to the Charlotte County Gulf Cove Booster Pump Station, a distance of approximately 13 miles. Phase 2B preliminary design will begin in FY 2023. Phase 2C is proposed to extend from Charlotte County's Gulf Cove Booster Station west and north to the Carlton Water Treatment Facility, a distance of about 20 miles. Design on this Phase of the Project will begin at a later date.

a. Feasibility and Routing Study Results – Phase 2B Recommended Route

Doug Eckmann, Project Manager with the Authority's Consultant Kimley Horn presented the recommended route for the Phase 2B pipeline and provide an overview of the project, including, pipe sizing, pumping and storage facility considerations, project delivery and probable costs for the project.

Motion was made by Commissioner Truex, seconded by Commissioner Langford, to approve the recommended route for Regional Integrated Loop System Phase 2B Interconnect from the terminus of the Regional System at Serris Boulevard to the Charlotte County Gulf Cove Water Booster Pump Station. Motion was approved unanimously.

b. Interlocal Agreement for Regional Integrated Loop System Phase 2B Interconnect between the Peace River Manasota Regional Water Supply Authority and Charlotte County

Mr. Manson reviewed the presented Interlocal Agreement (IA) recommended for approval between Charlotte County and the Authority covers the Phase 2B portion of the project. Mr. Manson noted that this IA was similar to the Phase 3C IA with the exception that it included a cost indexing feature that would permit an adjusted recovery value based on how the cost of the project would increase with time as though it were new at the time the next customer ties in or when a connection is made. The IA also demonstrates to SWFWMD that there is a local match for requested District FY 2023 cooperative funding on this project, and as such is a requirement for receipt of co-funding dollars. The IA was approved and executed by Charlotte County on March 22, 2022, and with Board approval of the IA, the Authority will move forward with the consultant selection process for Preliminary Engineering. Phase 2B construction is anticipated to be completed in the third quarter of 2026.

Commissioner Truex thanked Mr. Coates and Mr. Manson for their indulgence and ability to dig into this item at the Charlotte County Board of County Commissioners meeting.

Mr. Manson expressed his thanks to the Charlotte County legal team for their cooperation in getting this document prepared.

Motion was made by Commissioner Truex, seconded by Commissioner Langford, to approve Interlocal Agreement for the Regional Integrated Loop System Phase 2B Interconnect between the Peace River Manasota Regional Water Supply Authority and Charlotte County. Motion was approved unanimously.

TENTATIVE BUDGET FOR FY 2023

1. Tentative Budget for FY 2023

In accordance with the 'Second Amended Interlocal Agreement Creating the Peace River Manasota Regional Water Supply Authority', the Authority is required to establish a tentative budget no later than May 15th of each ensuing year. Mr. Coates presented the Authority's proposed Tentative Budget for FY 2023 in the amount of \$76,415,527 for the Board's consideration.

The Tentative Budget for FY 2023 is posted on the Authority's website and distributed for continued review by Authority members, customers, and the public. A public hearing is scheduled at which time the Board will adopt the final budget for FY 2023 during a regularly scheduled meeting on August 3, 2022.

Commissioner Maio commented that he has served as the primary signatory on all checks for the majority of the past 8 years and he has watched the struggle with the chemical costs and the FPL power bills rise.

He noted that the most recent FPL bill was for \$175,000 and he believed we might see a \$200,000 monthly bill later this year.

Commissioner Truex said there was a \$23M increase in the budget but it is mostly driven by capital projects so that is understandable. He feels like given all the factor's involved staff has done a fantastic job keeping all the numbers tight. He also said salary increases for staff made sense, it is a problem everywhere, costs and rents are rising faster than wages so it is hard to keep good people.

Motion was made by Commissioner Langford, seconded by Commissioner Kruse, to approve Tentative Budget for FY 2023 in the amount of \$76,415,527. Motion was approved unanimously.

2. Resolution 2022-04 'Resolution Setting Forth Preliminary Schedules of Rates, Fees and Charges for FY 2023'

Mr. Coates presented Resolution 2022-04 which formalizes the Board's adoption of the Tentative Budget for FY 2023 and establishes its intent to set rates, fees and charges based upon the tentative budget. A public hearing is scheduled at which time the Board will adopt the final schedule of rates, fees and charges for FY 2023 during a regularly scheduled meeting on August 3, 2022.

Motion was made by Commissioner Langford, seconded by Commissioner Kruse, to approve Resolution 2022-04 'Resolution Setting Forth Preliminary Schedules of Rates, Fees and Charges for FY 2023'. Motion was approved unanimously.

GENERAL COUNSEL'S REPORT

1. Master Water Supply Contract Update

Mr. Manson provided an update on the Master Water Supply Contract Update process for the Board's information.

EXECUTIVE DIRECTOR'S REPORT

Mr. Coates recommended a Board workshop immediately following the scheduled June 1, 2022 Board Meeting. There are items that would be better covered in a Workshop format including reviewing the suggested clean-up changes to the Master Water Supply Contract and the future water supply procedure that is included in the Contract. Board consensus was received, and the Workshop will be scheduled as such.

Mr. Coates also introduced the Authority's newest senior and executive staff members: Mike Knowles, P.E. joined the Authority in January as our Engineering & Projects Senior Manager. Jim Guida, P.G. joined the Authority in April as the new Director of Water Resources & Planning.

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

Next Authority Board Meeting

June 1, 2022 @ 9:30 a.m.

Charlotte County Administration Center

Commission Chambers

18500 Murdock Circle, Port Charlotte, FL

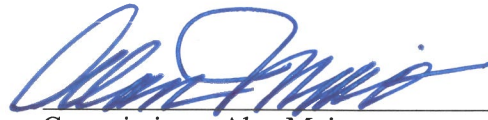
ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 11:40 a.m.

BOARD APPROVED

JUN - 1 2022

**Peace River Manasota
Regional Water Supply Authority**



Commissioner Alan Maio
Chairman