

Minutes of Board of Directors Meeting
PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY
Peace River Facility
Water Quality Training Center
8998 County Road 769, Arcadia Florida 34269
February 2, 2022 @ 9:30 a.m.

Board Members Present:

Commissioner Alan Maio, Sarasota County, Chairman
Commissioner J.C. Deriso, DeSoto County
Commissioner Ken Doherty, 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
Ann Lee, Finance & Budget Senior Manager
Mike Knowles, Projects
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

Doug Manson offered the invocation.

PLEDGE OF ALLEGIANCE

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

WELCOME GUESTS

Commissioner Maio recognized and welcomed Commissioner J.C. Deriso from DeSoto County as Commissioner Langford's alternate, and Commissioner Ken Doherty from Charlotte County as Commissioner Truex's alternate.

HOST COUNTY REMARKS

Mike Coates, Executive Director, made welcoming remarks.

PUBLIC COMMENTS

Public comment was made by Mr. Tim Ritchie and Mr. Erik Howard.

AWARDS/RECOGNITIONS

1. Recognition of Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for FY 2020 Award

Mike Coates announced that for the third consecutive year the Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to Peace River Manasota Regional Water Supply Authority for its annual comprehensive financial report for the fiscal year ended September 30, 2020, and recognized Ms. Ann Lee and the Authority's finance & budget department for their work in achieving this award.

2. Florida Section/American Water Works Association (AWWA) Awards

Emily Moore, Chair of the Florida Section of the American Water Works Association presented the following awards:

- a. 2021 Outstanding Water Treatment Plant Award – for the Peace River Facility
- b. AWWA Operator Meritorious Service Award – to Sam Stone
- c. Volunteer of the Year (MAC Daddy Award) – to Richard Anderson

3. Recognition of the Authority BBQ Team for Achievement at the Florida Section AWWA 2021 Annual Conference

Richard Anderson recognized the Authority's BBQ Team consisting of Shawn Lewis, Donald Morton and Tim Grannell for taking first place in BBQ Ribs and second in BBQ Chicken at the AWWA 2021 Annual Conference in Orlando.

CONSENT AGENDA

- 1. Approve Minutes of the December 2, 2021 Board of Directors Meeting**
- 2. Approve to Receive and File Year-End Financial Status and Semi-Annual Investment Reports for FY 2021**
- 3. Approve 'Peace River Manasota Regional Water Supply Authority Statement of Organization and Operation'**
- 4. Approve DeSoto County Request for Capacity Allocation Increase**
- 5. Approve Work Order with AECOM for Engineering Services for Clarifier Components Replacement**
- 6. Approve Financial Advisory Services Contract with Public Resource Advisory Group (PRAG)**

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

REGULAR AGENDA

1. Water Supply Conditions Report

Richard Anderson presented Water Supply Conditions at the Peace River Facility as of January 18, 2022.

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

November Water Demand	30.09 MGD
November River Withdrawals	15.38 MGD
<u>Storage Volume:</u>	
Reservoirs	6.33 BG
ASR	<u>8.66 BG</u>
Total	14.99 BG

2. FY 2021 Annual Comprehensive Financial Report and Independent Auditors’ Report

Ann Lee along with Tiffany Mangold, CPA, with the firm of Purvis Gray & Company presented findings of the completed annual audit of the Authority’s financial records for the fiscal year ending September 30, 2021. There were no matters involving the internal control over financial reporting or significant deficiencies in operation noted in the audit that would be considered a material weakness.

Staff recommended the Board ‘receive and file’ the Annual Comprehensive Financial Report and Independent Auditors’ Report of the Authority for period ending September 30, 2021 and approve its submittal to the GFOA Certificate of Achievement for Excellence in Financial Reporting Program, pending the changes related to GASB 68.

Motion was made by Commissioner Doherty, seconded by Commissioner Deriso, to receive and file the ‘Peace River Manasota Regional Water Supply Authority FY 2021 Annual Comprehensive Financial Report and Independent Auditors’ Report’ as submitted and approve its submittal to the GFOA Certificate of Achievement for Excellence in Financial Reporting Program, pending the changes related to GASB 68. Motion was approved unanimously.

3. Budget Considerations for FY 2023

Mr. Coates presented the budget considerations for Board direction in preparation of the FY 2023 budget.

Concerning SWFWMD cooperative funding availability, Commissioner Maio commented on how great a funding partner the District has been in the past. He said that in the future folks will look back on what we did and brag about it. But he said we are not immune to inflation. He also expressed concern that we would be approaching the bond market with higher interest rates than we have enjoyed over the past few years.

Commissioner Dougherty offered that this was a good presentation, but it was concerning to hear cooperative funding might be in doubt. But he said he understands that the funding pie just might not be big enough for the challenges we are collectively facing as a state. With the third reservoir coming in at close to \$400M, it will be important to stay focused on Tallahassee and any opportunities there.

Commissioner Deriso asked if perhaps with the cost of power increasing if we should have a look at the feasibility of solar projects again. Mr. Coates said, yes but another legislative development could also be a game changer – the power companies are supporting legislation that would significantly decrease financial payments back to those who sell part of their residential solar power back to the grid. That may compel users to install large battery systems to reap the full benefit of the power they generate by their solar investment. Mr. Coates said we will continue to monitor developments in Tallahassee. Commissioner Deriso added that no matter how we harvest water it requires pumping and that takes energy.

4. Peace River Reservoir No. 3 Project (PR³) – Preliminary Design

Terri Holcomb presented a project overview and discussed next steps for the Peace River Reservoir No. 3 (PR³) Project including the Work Order No. 2 for Preliminary Design Services with project consultant HDR, and the co-funding agreement with SWFWMD for Preliminary Engineering and Third-Party Review of the Peace River Reservoir No. 3 Preliminary Design.

The Siting and Feasibility Phase Study for the Peace River Regional Reservoir (PR³) is complete and the Consultant, HDR presented their findings and recommendations for the sizing, siting, and configuration of the project components to the Board at the December 1, 2021 meeting. Work Order No. 2 ‘Peace River Regional Reservoir (PR³) Project Preliminary Design, Permitting and Third-Party Review’ will advance the project through the preliminary design phase and will include robust geotechnical, surveying and bathymetry investigations to inform the design development. This phase of the project will include the submittal of the Environmental Resource Permit (ERP) and 404 Permit applications which will correlate to approximately 60% design for civil and geotechnical disciplines, with other disciplines developed to approximately 30% level of design. The fee for Work Order No. 2 is \$7,249,699. Funding for year 1 of the Authority share of the project is included in the FY 2022 budget. Additional funds will be required from the Authority in the FY 2023 budget to complete the Preliminary Design Services work order.

The draft agreement with SWFWMD will provide 50% cooperative funding (up to \$3,625,000) for the project. The final version of the Agreement was not available at the time of the Board packet was produced.

Commissioner Maio remarked that this was by far the most complex project he had ever seen, and it was hard to describe to people sometimes because many people just see a reservoir as “a simple hole in the ground”. He said that the team has done a great job.

Motion was made by Commissioner Doherty, Seconded by Commissioner Kruse, to approve and authorize the Executive Director to execute Work Order No. 2 - ‘Peace River Regional Reservoir (PR³) Project Preliminary Design, Permitting and Third-Party Review’ for an amount not to exceed \$7,249,966.00. Motion was approved unanimously.

Motion was made by Commissioner Doherty, Seconded by Commissioner Kruse, to approve draft co-funding agreement 22CF0003781 for ‘Peace River Regional Reservoir (PR³) Project Preliminary Design, Permitting and Third-Party Review’ for an amount not to exceed \$3,625,000 and authorize Executive Director to execute the final Agreement pending review and approval by General Counsel. Any significant changes to the final version of the Agreement will be returned to the Board for consideration. Motion was approved unanimously.

5. Regional Integrated Loop Phase 3C Interconnect

Mr. Anderson along with Tom Wilson, Project Manager with the Authority’s engineering consultant Wade Trim provided an update on the Regional Phase 3C Interconnect project Routing and Feasibility Study that is nearing completion. Findings to-date for the pipeline route analysis, pipe size, pumping and storage

facility considerations, and project phasing were discussed, and an update of probable costs for the project was provided.

The Regional Phase 3C Interconnect project envisions a regional transmission main connection extending north from the existing terminus of the regional system at Clark Road near the National Cemetery, to the vicinity of Fruitville and Lorraine Roads, then west to the Sarasota County University Pump Station near the intersection of University Blvd and Lockwood Ridge Rd., a total distance of about 20 miles. The pipeline is expected to be completed in two phases, with the first phase supporting Sarasota County's water needs from Clark Road north, and the second phase connecting the regional system with the Manatee County water system at the University Pump Station.

Sarasota County has requested that the first phase of the Regional Phase 3C Interconnect Project which includes installation of about 10 miles of 42-inch diameter pipeline between State Road 72 and Fruitville Road, and a pumping and storage facility be completed by spring 2025.

Mr. Manson discussed that advancing the project will require an Interlocal Agreement (IA) between the Authority and Sarasota County. The IA covers financial, ownership, capacity, property use, coordination, and other pertinent requirements for the first phase of the project. The IA also demonstrates to SWFWMD that there is a local match for requested District cooperative funding on this project, and as such is a requirement for receipt of co-funding dollars. With Authority Board approval, the IA for the Phase 3C Interconnect [Segment from SR 72 to Fruitville Road] will be transmitted to Sarasota County for review and approval. Any significant changes to the IA by the County will be returned to the Authority Board for consideration.

Commissioner Dougherty remarked that he had used both CMAR contracts and DB contracts to deliver sports venue projects, so he was very familiar with them and the advantages they offer. He asked Mr. Anderson if they could just pivot into CMAR since they already had Wade Trim on board the team as the engineer? Mr. Anderson said no, the contract for the Feasibility Study was not a cradle-to-grave contract and we will need to select a team from scratch, but he offered that the Wade Trim team was not precluded from competing. Commissioner Dougherty asked how much he thought the DB would be able to compress schedule and Mr. Anderson said that there would be opportunities to get a jump on long lead time tasks and procurement of materials.

Commissioner Maio reiterated that this was a schedule driven project being sponsored Sarasota County.

Commissioner Deriso asked if it made sense to pursue property acquisition separately? Mr. Manson indicated that was exactly what they had been thinking, using a separate firm to get a move on property acquisition. He also indicated one of the challenges was defining how to craft into the Interlocal Agreement the ability to sell hydraulic capacity in lines later to customers that do not participate in the original construction and how that will have to be coordinated with the Master Water Supply Contract.

Commissioner Dougherty commented that although these comments were offered under the Phase 3C project, he felt it timely given the tenor of the dialogue to publicly thank folks that came to the Charlotte County BOCC meeting to share their views. He thought it would be good to leave the door open in the future if the City of North Port should change their minds and want to buy into the project but regardless of what others want, Charlotte County is ready to proceed on Phase 2B and looked forward to hearing about that project in a few moments.

6. Regional Integrated Loop Phase 2B/2C Interconnect

Ford Ritz along with Doug Eckmann, Project Manager with the Authority's consultant Kimley Horn presented an update on the Regional Phase 2B/2C Interconnect Project Routing and Feasibility Study that is nearing completion. Findings to-date for the 2B and 2C alignments, analysis, pipe size, pumping and storage facility considerations, and project phasing were discussed, and an update of probable costs for the project was provided.

The Regional Phase 2B/2C Interconnect Project envisions a 42-inch diameter regional transmission main extending from the existing terminus of the regional system west of I-75 along Veterans Blvd., generally west and south in Charlotte County crossing the Myakka River, and then extending west and north to the Sarasota County Carlton Water Treatment Plant, a total distance of about 33 miles. The project will improve Regional Water Supply System reliability and meet growing needs in Charlotte and Sarasota Counties. The project is expected to be completed in two phases. Phase 2B is proposed to begin preliminary design in FY 2023 and will extend westerly from the existing terminus of the regional system in Charlotte County, crossing the Myakka River and terminating at the Charlotte County's Gulf Cove Booster station, a distance of about 13 miles. Phase 2C is proposed to extend from the Gulf Cove Booster Station north and west to the vicinity of the Carlton Water Treatment Facility in Sarasota County, a distance of about 20 miles. The timing for Phase 2C is under evaluation.

Mr. Manson discussed the need for an Interlocal Agreement (IA) between Charlotte County and the Authority to cover the Phase 2B portion of the project. The IA covers financial, ownership, capacity allocations, property use, project coordination and other pertinent requirements of the project. 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.

Mr. Manson explained that meetings with Charlotte County Staff for development of the language for this Interlocal Agreement have been very productive and he expects it to be returned to the Authority Board for consideration at the next scheduled Board meeting in April.

Commissioner Kruse asked if we were forward thinking in deciding between the routes and considering life cycle costs, for example, one route could have a lower initial capital cost but have higher pumping costs that over time make it less favorable. Mr. Ritz responded that factors other than initial capital cost weigh heavily into the selection process and in fact he believed the option with the higher initial capital cost was actually the leading candidate when you considered all of the benefits offered to various stakeholders. Commissioner Kruse followed up with a comment that some routes were clearly located in areas near population centers in areas that customers might be interested in hooking up to in the future if they were not interested now.

Commissioner Desiro asked if we had considered our long-term water needs and Mr. Manson responded that our Water Use Permit extends 50 years and had been based on population projections extending out that far but when it appears we might need more, we would just seek a permit modification.

7. Preliminary Evaluation of Capacity Expansion Options at the Peace River Facility

Mr. Anderson, along with Chris Kuzler from the Authority's Consultant, Ardurra, Inc. provided the Board with a project overview, preliminary expansion options, and comparative conceptual level cost estimates.

The Authority's Integrated Regional Water Supply Plan 2020 and our Customer demand projections have identified a need for additional water supply in the 2028-2030 timeframe. To meet that need, the Authority's

CIP/CNA Plans include a capacity expansion of the Peace River Facility intended to yield 15-18 MGD (average day) of supply that can be allocated to Authority Customers for future needs. That expansion will include construction of a new reservoir on RV Griffin, a new intake on the Peace River and expanded water treatment capacity at the Peace River Facility, all of which must be completed at approximately the same time to provide the intended yield (15-18 MGD).

To support an increase in treatment capacity at the Peace River Facility, Authority consultant Ardurra, Inc. has evaluated treatment capacity expansion options and conceptual costs at the Peace River Facility. Results of this analysis were presented for review and discussion. The treatment capacity expansion options evaluated ranged from approximately 4 MGD to 24+MGD to create a “menu” of choices with which to meet customer needs.

Commissioner Maio referred to the recent population explosion we have seen and asked how soon we need to commit to this project? Ms. Holcomb responded that this project had been a part of every Master Planning iteration since 2010 and would be the companion project to Reservoir 3 (PR³)

Commissioner Maio asked how soon we could know the costs for this project? Mr. Anderson said there was a phase 2 engineering study effort that should be completed within the next 90 days. He said the CIP has a cost placeholder of \$47M but that needs update and refreshing to reflect the currently understood scope. Mr. Coates offered that we would need to synchronize the Water Treatment Plant Expansion project with the PR³ project so they come online together and so he believed the design needed to commence by 2024.

GENERAL COUNSEL’S REPORT

1. Master Water Supply Contract Revisions

Mr. Manson shared that work was still underway to update the Master Water Supply Contract and the plan was to bring this back to the professional staff and then to the Board in April or June.

2. Exclusive Provider Customer Status

Mr. Manson discussed how DeSoto County’s role as an “exclusive provider customer” is unique among Authority Customers, and how in that role they rely solely upon the Authority to plan and provide for their water needs. He said that the MWSC requires the Authority to meet DeSoto’s supply needs by any means we deem appropriate, and that the County’s requested increase in capacity can be met from available pool water if the Authority chooses. Mr. Manson further explained that for an Exclusive Provider Customer, it is probably not appropriate to apply any Conservation Charge for exceeding their contract supply allocation since it is the Authority’s responsibility to provide the water the County needs whether it’s within DeSoto’s contract allocation or not. There was Board consensus agreement on that opinion.

EXECUTIVE DIRECTOR’S REPORT

1. Legislative Update

Mr. Coates updated the Board on Legislative funding priorities: For the Phase 3C Pipeline the sponsors are Will Robinson and Jim Boyd and for Reservoir Mitigation it is Michael Grant and Joe Gruters. Mr. Coates said we would be watching the developing legislation regarding solar energy paybacks, and we were supporting reappointment of several SWFWMD Board Members. He also shared that we have received a \$2M State resiliency grant for the Reservoir 3 Project.

2. Authority Purchase of Project Prairie Pumping and Storage Facilities

Mr. Coates said that the acquisition of the Project Prairie pumping station from DeSoto County was completed and we are also looking forward to beginning construction on the Water Resources and Land Management Office later this year.

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
April 6, 2022 @ 9:30 a.m.
Manatee County Administration Center
Commission Chambers, Room 119
1112 Manatee Avenue West, Bradenton, FL

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 12:30 p.m.

BOARD APPROVED

APR - 6 2022

Peace River Manasota
Regional Water Supply Authority



Commissioner
Chairman