

Minutes of Board of Directors Meeting
PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY
Peace River Facility
Water Quality & Training Center
8998 SW County Road 769, Arcadia, FL 34269
February 7, 2024

Board Members Present:

Commissioner Elton Langford, DeSoto County, Chairman
Commissioner Joe Tiseo, Charlotte County, Vice Chairman
Commissioner Jason Bearden, Manatee County
Commissioner Mike Moran, Sarasota County

Staff Present:

Mike Coates, Executive Director
Doug Manson, General Counsel
Richard Anderson, Deputy Director
Terri Holcomb, Director of Engineering
Jim Guida, Director of Water Resources & Planning
Ann Lee, Finance & Budget Sr. Manager
Mike Knowles, Engineering & Projects Sr. Manager
Rachel Kersten, Executive Assistant & 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 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

Executive Director Mike Coates offered host remarks and welcomed guests to the Peace River Facility.

PUBLIC COMMENTS

Richard Russell and Erik Howard made public comment.

ELECTION OF OFFICERS

1. Election of Chairman and Vice-Chairman for 2024

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

Commissioner Moran moved to nominate Commissioner Langford as Chairman and Commissioner Tiseo as Vice-Chairman.

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

CONSENT AGENDA

- 1. Approve Minutes of the December 6, 2023, Board of Directors Meeting**
- 2. Approve Year-End Financial Status and Semi-Annual Investment Reports for FY 2023**
- 3. Approve Novation of Two Contracts from Janicki Environmental to Environmental Science Associates (ESA)**
- 4. Approve Professional Services Contract for Information Technology Support and Management Services**
- 5. Approve Phase 3C Regional Interconnect Easement Agreements**
- 6. Approve Phase 2B Regional Interconnect Resolution of Necessity for Pipeline Easements**
- 7. Approve Treatment Trains 7 and 8 Rehabilitation Project – Phase 1 Work Orders**
- 8. Approve Phase 3C Regional Interconnect Resolution of Necessity 2022-03 – Amendment No. 3**
- 9. Approve Operating Protocol Agreement between the Authority and the Polk Regional Water Cooperative for Water Supply Operations on the Peace River**

Motion was made by Commissioner Tiseo, seconded by Commissioner Bearden, to approve the Consent Agenda. Motion was approved unanimously.

REGULAR AGENDA

1. Water Supply Conditions Report

Richard Anderson presented the Water Supply Conditions at the Peace River Facility as of January 19, 2024 for the Board’s information:

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

December Water Demand	26.31 MGD
December River Withdrawals	21.77 MGD
<u>Storage Volume:</u>	
Reservoirs	6.79 BG
ASR	<u>8.72 BG</u>
Total	15.41 BG

Commissioner Bearden asked what the max capacity the Authority can supply from the facility today. Mr. Anderson explained that we have a permitted capacity of 51MGD. We have a contractual obligation to our customers through the Master Water Supply Contract of 34.7MGD.

2. FY 2023 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, 2023. There were no matters involving internal control over financial reporting or significant operational deficiencies 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 the period ending September 30, 2023, and approve its submittal to the GFOA Certificate of Achievement for Excellence in Financial Reporting Program, pending the changes related to GASB 68.

Commissioner Tiseo stated that he had a question concerning the financial section of the audit report, specifically concerning investments. Is there a finance committee with someone from the Authority Board on it that works with the audit firm? Ms. Lee replied that no, the Authority does not have a finance committee. Commissioner Tiseo explained his concern that specific lender information was not included in the audit report and stated that he would like to see this information in the future. He continued by asking about the bond line items that show losses. Ms. Lee and Ms. Mangold explained that these are paper losses. Commissioner Tiseo stated that this is not how he is reading the report and would like to see the actual schedule for these investments. Ms. Lee agreed to send these to Commissioner Tiseo following the meeting.

Commissioner Tiseo continued by asking about the terms surrounding the \$100M line of credit with PNC Bank. What does this fee schedule look like? Is it competitive to the market? Ms. Lee explained that all the Authority's borrowings did go through a competitive process, including the \$100M line of credit. She stated that she would happily provide Commissioner Tiseo with all the schedules and documents to bring him up to speed on these items.

Motion was made by Commissioner Tiseo, seconded by Commissioner Moran, to receive and file 'Peace River Manasota Regional Water Supply Authority FY 2023 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 and 75. Motion was approved unanimously.

3. FY 2025 Budget - Schedule and Budget Considerations

Mr. Coates presented the budget considerations for Board direction in preparation of the FY 2025 budget.

Concerning member contributions, Commissioner Tiseo asked for clarification on the debt service component and each member's portion of this. How was this rate method determined? Is this methodology created in-house? Mr. Manson explained that the Master Water Supply Contract designates the debt service methodology.

Commissioner Moran stated that he would like to see the insurance renewals in March. Having a background in insurance and with his experience, there are ways to maximize the savings on these policies, and he believes we need to look at this a little closer. Mr. Coates agreed and ensured that this would be brought to the Board when the time came.

GENERAL COUNSEL’S REPORT

1. Update on PFAS settlement and case issues.

Mr. Manson provided an update on the PFAS settlement agreement. The parties have put this agreement in front of the federal judge for consideration. After the judge rules that the settlement is approved, there is a time for appeals. If there are no appeals, it will then be opened for further claims. After that formula is applied, payments will be made. Mr. Manson stated that he will continue to keep the Board updated on the process as it moves along.

2. Clarification for FRS on Executive Director Compensation

There has been a question from FRS concerning the Executive Director’s employee contract and monies designated by the employer as differed compensation. Mr. Manson asked for a letter signed by the Chair clarifying the intent of the employment agreement to FRS. The Board consented unanimously.

EXECUTIVE DIRECTOR’S REPORT

Mr. Coates had no further updates for the Board.

CHAIRMAN’S REPORT

1. Recognition of Commissioner Bill Truex

The Authority wishes to express gratitude to Commissioner Truex for his service to the Authority over the past two (2) years.

Motion was made by Commissioner Tiseo, seconded by Commissioner Moran to approve Resolution 2024-02 ‘Recognition of Commissioner Bill Truex for Service to the Region as a Member of the Peace River Manasota Regional Water Supply Authority Board of Directors’. Motion was approved unanimously.

ROUTINE STATUS REPORTS

There were no Board comments on routine status reports.

BOARD MEMBER COMMENTS

There were no additional Board Member comments.

PUBLIC COMMENTS

No additional public comments were made.

ANNOUNCEMENTS

Next Authority Board Meeting
April 3, 2024 @ 9:30 a.m.
DeSoto County Administration Building
Commission Chambers, First Floor
201 East Oak Street, Arcadia, FL

Future Authority Board Meetings
June 5, 2024 - Manatee County
August 7, 2024 - Sarasota County
October 2, 2024 - Charlotte County
December 4, 2024 - DeSoto County

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:50 a.m.

BOARD APPROVED

APR - 3 2024

Peace River Manasota
Regional Water Supply Authority



Commissioner Elton Langford
Chairman