

Minutes of Board of Directors Meeting
PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY
Manatee County Administration Building
Honorable Patricia M. Glass Commission Chambers
1112 Manatee Ave. West, Bradenton, FL
June 5, 2024

Board Members Present:

Commissioner Elton Langford, DeSoto County, Chairman
Commissioner Joseph Tiseo, Charlotte County, Vice Chairman
Commissioner Jason Bearden, Manatee County
Mark Cunningham, Assistant County Administrator, Sarasota County Alternate

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 Authority's permanent records.

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

Commissioner Langford welcomed guests and recognized Mark Cunningham, Sarasota County Assistant County Administrator as Commissioner Moran's alternate.

HOST COUNTY REMARKS

Evan Pilachowski, Assistant County Administrator offered the host remarks and welcomed everyone to Manatee County.

PUBLIC COMMENTS

Public comment was made by Tim Ritchie.

AWARDS/RECOGNITIONS**1. Recognition of Commissioner George Kruse's Service to the Authority**

Mike Coates presented and expressed gratitude on behalf of the Authority to Commissioner George Kruse for his service to the Authority over the past three (3) years.

Motion was made by Commissioner Tiseo, seconded by Commissioner Bearden, to approve Resolution 2024-03 'Recognition of Commissioner George Kruse for Service to the Region as a Member of the Peace River Manasota Regional Water Supply Authority Board of Directors'. Motion was approved unanimously.

CONSENT AGENDA

1. Approve Minutes of the April 3, 2024, Board of Directors Meeting
2. Approve Set a Public Hearing for FY 2025 Authority Budget for August 7, 2024
3. Approve Mid-Year Financial Status and Semi-Annual Investment Reports for FY 2024
4. Approve Award Sludge Loading and Hauling Services Contract
5. Approve Phase 3C Regional Interconnect – Amendment No. 2 to Interlocal Agreement
6. Approve Water Infrastructure Finance and Innovation Act (WIFIA) Loan Application Fee
7. Approve Declaration of Surplus

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**

Jim Guida presented the Water Supply Conditions at the Peace River Facility as of May 18, 2024 for the Board's information:

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

May Water Demand	33.22 MGD
May River Withdrawals	0.00 MGD
<u>Storage Volume:</u>	
Reservoirs	4.99 BG
ASR	<u>8.68 BG</u>
Total	13.67 BG

2. Fiscal Year 2025 Tentative Budget Update

Richard Anderson provided an update on FY 2025 budget items. The Authority's FY 2025 Tentative Budget was approved at the April 3, 2024, meeting. At that time, the Board discussed annual staff salary increases and requested additional information and a comparison between 5% and 7% salary increases at a future Board meeting.

Mr. Anderson reviewed that, at the Board's direction, the Authority's current policy is to conduct a Pay and compensation Plan update every 3-5 years. Evergreen Solutions conducted the most recent update, which was approved by the Board in August 2023.

Commissioner Tiseo asked for clarification on the CPI Index being used for the current proposed salary increases and going forward. Will the Authority continue to tie these increases to the Tampa index each year, or will another pay scale study be done at some point?

Mr. Anderson explained that the index being used, as recommended by the consultant, is the US Bureau of Labor Stats from the Tampa Bay area market. The only other local market area in FL for CPI specifically is Miami. Again, the recommendation is to complete a pay study every 3 to 5 years, but this is at the Board's discretion. If conditions change and the Board would like it done earlier, we can do that as well.

Commissioner Langford confirmed with the Board members that there were no further questions or comments requiring further discussion on the budget items update.

Board consensus was given for staff to proceed with finalizing the FY 2025 Budget with the 7% salary increase as included in the FY 2025 Tentative Budget and approved by the Board on April 3, 2024

3. 5-Year Capital Improvement Plan & 20-Year Capital Needs Assessment (2025-2044)

Mike Knowles presented the Authority's 2025-2044 5-Year CIP and 20-Year CNA for the Board's formal consideration and approval. The CIP/CNA document summarizes the number, type, and timing of water supply, regional transmission, and other capital projects planned over the 20-year planning period pursuant to the Integrated Regional Water Supply Plan 2020 Update. Mr. Knowles explained the 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), which includes the 5-year CIP and looks out beyond that period to years 6 – 20 years where projects are less certain and defined.

The 5-Year CIP, beginning in FY 2025 through FY 2029, currently includes the following:

Regional Transmission Projects	\$ 73,279,606	12.0 %
Water Supply Projects	\$ 504,042,665	82.8 %
Other Projects	\$ 31,400,100	5.2 %
Total	\$ 608,722,371	100%

The 20-Year CNA, beginning in FY 2025 through FY 2044, includes the following:

Regional Transmission Projects	\$ 341,442,166	29.3 %
Water Supply Projects	\$ 792,116,081	68.0 %
Other Projects	\$ 31,400,100	2.7 %
Total	\$1,164,958,346	100%

Mr. Knowles also indicated \$146 million in offsetting cooperative grant funding opportunities for projects within the 5-year CIP projects based on the Southwest Florida Water Management District's past generous participation.

Motion was made by Commissioner Tiseo, seconded by Commissioner Bearden, to approve the 5-Year Capital Improvement Plan and 20-Year Capital Needs Assessment for 2025-2044. Motion was approved unanimously.

4. Design Build Contractor for Peace River Water Treatment Plant Expansion

Mr. Knowles discussed the Peace River Water Treatment Plant Expansion Project and the status of the Progressive Design Build solicitation process and contractor selection recommendation for the Board's consideration.

Mr. Knowles indicated that a Request for Statements of Qualifications (SOQs) for Professional Design Build Services for the Peace River Facility Expansion Project—Final Design, Permitting & Construction was advertised on March 8, 2024. Three (3) SOQs were received by the April 22, 2024, submittal deadline, and all three (3) SOQs were deemed responsive. He said that the Professional Services Evaluation Committee (PSEC) held a Public Meeting on May 5, 2024, and reviewed the SOQs based on the 1st Stage Evaluation Criteria, and at the conclusion of this meeting, the PSEC elected to invite all respondents to move on to the 2nd Stage Technical Presentations held on May 20, 2024. Mr. Knowles stated that following the Technical Presentations, the PSEC ranked the three respondents, with team Wharton-Smith, Inc. being ranked the highest.

Staff recommends that the Board approve the PSEC ranking and authorize the Executive Director to execute the contract for Phase 1 Services with Wharton-Smith, Inc. for Professional Design-Build Services for the Peace River Facility Expansion Project-Final Design, Permitting & Construction for a not to exceed cost of \$7,985,696. The scope of work under the Phase 1 Preconstruction Services includes developing a 60% Design, drafting permit applications, with additional design milestones.

Commissioner Tiseo stated that he was glad we had three aggressive bidders and that this was a robust process. In other communities, some of them see one bid, sometimes no bid and it's just not a healthy environment. He continued that in his experience with Wharton Smith, specifically in Charlotte County, they are very professional and have always delivered as promised. He is comfortable and confident with with the recommendation as presented by staff.

Motion was made by Commissioner Tiseo, seconded by Commissioner Bearden, to approve the Professional Services Evaluation Committee recommendation and authorize the Executive Director to execute the contract for Phase 1 Services with Wharton Smith, Inc for Professional Design-Build Services for the 'Peace River Facility Expansion Project- Final Design, Permitting & Construction' Project for a not to exceed cost of \$7,985,696. Motion was approved unanimously.

5. Work Order for Phase 1B Construction Manager-at-Risk Services

Mr. Knowles presented the Work Order for Phase 1B Construction Manager-at-Risk Services for the Board's consideration and approval and provided a brief PR3 Project Update.

Mr. Knowles reviewed that the current Board-approved water supply project to meet member demands, the Surface Water Supply Expansion Project (SWSEP), consists of two major infrastructure component expansions: the Peace River Regional Reservoir No. 3 (PR3) Project and the Peace River Facility Expansion Project. The PR3 Project is comprised of a new 9-billion-gallon reservoir, a new 258 MGD river intake pump station, a new reservoir pump station, and conveyance piping connecting these new components to the Authority's existing facilities.

He stated that at the October 4, 2023, Board meeting, Archer Western Contractors, LLC was selected as the Construction Management at-risk (CMAR) Contractor to provide (1) Phase I Preconstruction Services, and (2) Phase II Construction Services for the PR3 Pumping and Conveyance Facilities. Mr. Knowles continued that the Phase I Preconstruction Services (Package 1A) Scope provided the Authority with constructability reviews, value engineering evaluations, risk reviews, and schedule estimates for the PR3

Project through the 30% design milestone. In addition, the CMAR developed conceptual cost estimates for the 30% designs of the PRF Expansion Project and the Brackish Groundwater Reverse Osmosis (BWRO) project, as well as a 30% cost model for the PR3 Project Components.

The Phase I Preconstruction Services (Package 1B) Scope continues the preconstruction services and includes design coordination through Value Engineering, Constructability, Risk, Schedule, and Cost Workshops in collaboration with the Authority and Designer. The CMAR will provide ongoing assessments of market conditions at each design milestone, 60%, 90%, and 100% submittals, and will prepare, review, and submit cost models, respectively. The CMAR will prepare and submit a Phase II Guaranteed Maximum Price (GMP) for the work contained in the construction phase of the project. The CMAR Fee for the Phase I Preconstruction Services (Package 1B) Scope is \$680,966. The schedule for delivery of the Package 1B Services is approximately 9 months through March 2025, with delivery of the Phase II GMP by March 14, 2025.

Commissioner Tiseo added that he would like to recognize the various agencies helping to fund this project. It is critical for the future of our water supply, and their participation makes this all happen. The money ultimately goes back down the line and helps our ratepayers. We recognize these agencies and look forward to their continued and future assistance.

Motion was made by Commissioner Tiseo, seconded by Commissioner Bearden, to approve the Phase 1 Preconstruction Services Package 1B Services in the amount of \$680,966 with Archer Western Contractors, LLC, (CMAR) to provide Preconstruction Services for the Peace River Regional Reservoir No. 3 (PR3) Pumping and Conveyance Facilities Project. Motion was approved unanimously.

6. Professional Services Contract and Work Order No. 1 for Partially Treated Surface Water Aquifer Storage and Recovery Project

Mr. Guida presented the Professional Services Contract and Work Order No. 1 with AECOM Technical Services, Inc. for the Partially Treated Surface Water Aquifer Storage and Recovery (PTSW ASR) Project for the Board's consideration and approval.

Mr. Guida reviewed that the Authority recently received an Underground Injection Control (UIC) permit from the Florida Department of Environmental Protection (FDEP) that would allow the use of Partially Treated Surface Water (PTSW) rather than fully treated drinking water for Aquifer Storage and Recovery (ASR) provided that a rigid set of water quality conditions can be met at the ASR wellheads and in the aquifer. Ascertaining whether PTSW ASR is a viable alternative under these permit conditions requires preliminary facility design and pilot testing of the partial treatment process.

He stated that a Request for Statements of Qualifications (SOQs) for Engineering Design and associated professional services for the PTSW ASR Project was advertised in February 2024. One SOQ was timely received (from AECOM Technical Services, Inc.) by the submittal deadline and was evaluated by the Professional Services Evaluation Committee. Mr. Guida continued that at the April 2024 Authority Board meeting, staff received authorization for the Executive Director to negotiate a contract, scope, and fee with AECOM for Engineering design and associated professional services for the PTSW ASR Project.

Staff recommends approval of the draft Professional Services Contract and Work Order No. 1 (Phase I Feasibility Analysis Services) scope and fee with AECOM Technical Services as presented. Funding for this portion of the project (Phase I) are derived entirely from a \$1.0M FDEP grant.

Commissioner Tiseo asked about the cost-benefit analysis of injecting less-quality water than we're doing now and the cost of monitoring it. Presumably, this \$1 million contract will figure that out. But has this been done anywhere else?

Mr. Guida explained that a couple of years ago, the Authority conducted a pilot test under the circumstances and regulations that existed at the time. The DEP has since established a higher level of standards, but preliminary evaluations were done and there are others in the state that were doing the same thing. SWFWMD, for example, was looking at injection at Flatford Swamp, and the City of North Port was also looking into things. So, it is something that's being looked at elsewhere.

Commissioner Tiseo said he understands it's something being looked at elsewhere, but is it actually in practice anywhere else? Mr. Guida replied that he believes we are going to be the first under the circumstances that exist right now under DEP policy to look at this very closely.

Commissioner Langford reiterated Commissioner Tiseo's thoughts about the cost savings of fully treating versus partially treating. I'm not holding anyone to dollars and cents, but are we talking 20%—40% cheaper than what we are doing now? I wish we had that answer now, but if that were the case then we wouldn't have to do the study.

Motion was made by Commissioner Tiseo, seconded by Commissioner Bearden, to approve Professional Services Contract with AECOM Technical Services, Inc. for the Partially Treated Surface Water Aquifer Storage and Recovery Project and Authorize the Executive Director to Execute Work Order No. 1 under that Contract for Phase I Feasibility Analysis Services in an amount not to exceed \$995,888. Motion was approved unanimously.

7. Master Water Supply Contract Revisions Update

Mr. Coates presented the board with a status update on the Master Water Supply Contract revisions for additional Board discussion and direction.

Mr. Coates reviewed that at the April 3, 2024, meeting, staff presented updates to the Master Water Supply Contract (MWSC) that are necessary to support the development of the next water supply source (Surface Water System Expansion Program) and allocation of the 18 MGD annual average day quantity generated by that new supply. Specifically, Exhibits A, B, C, and F in the Master Water Supply Contract will require an amendment to support the new regional water supply allocation. These exhibits deal with capacity allocation at the Peace River Facility and the DeSoto County payment. At the conclusion of the April meeting, the Board directed staff to hold a meeting with the Customer Administrators to discuss the presented changes to the Master Water Supply Contract Exhibits—particularly the methodology for “Exhibit A” (DeSoto Payment)—further and develop a recommendation for the Board’s consideration.

An Administrator Meeting was held on May 17, during which the DeSoto Payment and a concept for changes to that payment were discussed. Staff presented an alternative methodology of a 50/50 contribution split – partially between all four members, and partially by pro-rata capacity allocation in the Peace River Facility. Mr. Coates stated that there was not unanimous agreement, but there was majority agreement among the Administrators for this methodology. There was a lot of discussion surrounding how to gradually increase that partial split between all four members to grow into a number that would be acceptable to everybody, and there is still work to do, and further discussion is needed on it. Mr. Coates asked the Board for their feedback and consensus that we are moving in the right direction and should further the conversation with the Customer Administrators.

Commissioner Bearden expressed concern about Manatee County's member fees. While Manatee County does have a seat at the table, he felt these costs warranted reduction given that the county does not currently have an allocated capacity in the Authority and any projected future allocation is a decade or more away. Mr. Coates said that this was discussed with the Customer Administrators and that Manatee County does have plans to connect and utilize these facilities in the future. The County's demand projections indicate that you will need 5MGD from the Authority in 2036, go up to 8MGD in 2039, and 10MGD in 2042. That supply is in development now. So, although you're certainly correct, you don't have an allocation today. You do benefit from the fact that the facilities exist for your use in the future and the permitted capacity exists. The question was how to raise Manatee's contribution slowly enough so that it works for you and everyone else.

Commissioner Bearden added that Manatee County is still looking for other water sources. They are working some things out regarding water credits and there is a possibility that they may be able to obtain 50MGD. He asked, what happens if Manatee County decides to go a different route and not participate - are they no longer on the Board? Will they get a refund on some of these member fees?

Mr. Manson responded that it was a complicated question that we would have to work through. If Manatee County finally decided at some point that they do not want to be a member of the Authority, then there is a process that would have to be initiated through the contract to be removed. Right now, that process isn't spelled out specifically in the contract. It could be done, but it would take authorization from each one of our four Member counties.

Commissioner Bearden inquired about the deadline for informing the Authority if Manatee County decides to opt-out. Mr. Coates stated that the Authority needs to know this quickly. The MWSC Exhibits revisions need to be completed and approved by everyone before the end of CY 2024, and if Manatee County does not participate, we will need to develop another alternative methodology for the DeSoto County payment.

Commissioner Tiseo prefaced his comments by saying that he did not have direction from his Board of County Commissioners on any of this yet, but his own opinion is that he likes the conceptual components being proposed to address the DeSoto Payment. He said that he likes the fact that we've got certainty now that is crystal clear for all of the Members in terms of what the payment is and how it is going to be laid out, including a cap so that all future Board Members will not have to reopen and readdress this again. Commissioner Tiseo continued recognizing the various County Administrators and Staff who worked together to get us to this point. It cannot be a light lift, this is very complicated, and he appreciates the fact you're able to boil it down to at least what we've got today.

Commissioner Langford stated that you can call it a tax, you can call it a payment, you can call it whatever you want, but a payment is a payment, and he does not think that we're going to let this thing just go away because this facility sits in our County. And it's hypothetical, but there could be some other development or organization sitting there that DeSoto County would be collecting tax revenue for and making money for our County. He continued that he is glad the facility is in DeSoto County, he is not grumbling or griping. But we do not get that tax revenue now, we have and get what we call the DeSoto County payment.

Commissioner Langford added that it is also noteworthy that a lot of the projects that are presented and sent up the food chain in the state, have been DeSoto County projects. As everyone knows, DeSoto County is a smaller county. We are a county of Rural economic concern, it was presented as such, and I think we can contribute a lot of the grants or money that's been given towards this Authority throughout the years can be attributed through DeSoto County because of this.

Board consensus was given to proceed with setting another meeting with the County Administrators to continue working on the Exhibit details with the intention of bringing back a recommendation for Board consideration at the August 7th meeting.

GENERAL COUNSEL'S REPORT

Mr. Manson had no further updates for the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Coates asked that the Board please accept his notice of intent to retire from the Authority at the end of September 2024. He stated that he would work with the Board toward a seamless transition in leadership. Recognizing the professionalism and dedication of the Authority's staff, he is confident that will be achieved.

Mr. Coates continued by saying that it has been his privilege to serve the Peace River Manasota Regional Water Supply Authority for nearly 18 years, including the last three as your Executive Director. This is a remarkable agency, having grown over the last 34 years from a small regional utility into a model for success in regional water supply cooperation in Florida. I'm honored to have played a part in the evolution of the Authority, and grateful to the Board for the opportunity to serve you and the people of this region. Your vision and leadership, along with the dedication of Authority staff, will continue to ensure a safe, reliable, and resilient drinking water supply for the residents in southwest Florida.

CHAIRMAN'S REPORT

Commissioner Langford led the Board in discussing the Executive Director succession plan. He stated that the Authority is moving forward with a major expansion of our water supply and transmission system to meet regional needs. We received a 50-year Water Use Permit to support expansion at the Peace River Facility. The current ongoing expansion work includes two additional regional pipelines, a 9-billion-gallon reservoir, and another water intake on the river. The Authority has been successful in obtaining major funding for our regional projects through partnerships with SWFWMD and the State, totaling over \$216 million for the ongoing projects. Our Strategic Plan has us on the right path, and the Authority is routinely identified as a model for cooperation and successful water supply planning and development in Florida. These successes were made possible through a team effort involving the Board, the executive management, and the Authority's staff, all working with the Authority Customers.

Commissioner Langford said, as we all know now, Coates is officially retiring in September after 18 years with the Authority. While Mike cannot be replaced, there is a Succession Plan in place at the Authority. Our Deputy Executive Director, Richard Anderson, has been with the Authority for 14 years. He was hired in 2010 and was serving as Director of Operations when he was promoted to Deputy Executive Director last year. In addition to directing staff in the day-to-day work of providing all of us with reliable, excellent quality drinking water, Richard was involved in the design, startup, and commissioning of major capital projects including the Phase 1, 1A, 2A, 3A, and 3B Pipeline Projects, 1991 Plant Rehabilitation, Phase 1A and 3A Pumping Stations as well as multiple large R&R Projects at the Peace River Facility. He is an integral part of the ongoing Reservoir 3 `project and Phase 2B and 3C pipeline projects as well.

Commissioner Langford stated that he would like to propose that we continue with the successful program we now have and offer the position of Executive Director to Richard Anderson, and a contract to be negotiated by the Chairman and brought back to the Board for consideration at the August meeting.

Motion was made by Commissioner Tiseo, seconded by Commissioner Bearden, to offer the position of Executive Director of the Peace River Manasota Regional Water Supply Authority to Richard Anderson and authorize the Chairman to negotiate an employment contract with Mr. Anderson for consideration at the next Board meeting. 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 & FY 2025 Budget Public Hearing

August 7, 2024 @ 9:30 a.m.

Sarasota County Administration Center

Commission Chambers, First Floor

1660 Ringling Boulevard, Sarasota, FL

Future Authority Board Meetings

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 11:35 a.m.

BOARD APPROVED

AUG - 7 2024

Peace River Manasota
Regional Water Supply Authority



Commissioner Elton Langford
Chairman