

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, Florida

February 6, 2025

Board Members Present:

Commissioner Joseph Tiseo, Charlotte County, Chairman
Commissioner Ron Cutsinger, Sarasota County, Vice Chairman
Commissioner Elton Langford, DeSoto County, Chairman
Patrick Shea, Utilities Director, Manatee County Alternate

Staff Present:

Richard Anderson, Executive Director
Doug Manson, General Counsel
Jim Guida, Water Resources & Planning Director
Mike Knowles, Engineering Director
Katie Gilmore, Operations Director
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 announced Patrick Shea, Manatee County Utilities Director as Commissioner Bearden's alternate.

HOST COUNTY REMARKS

Richard Anderson, Executive Director, offered the host remarks and welcomed everyone to the Peace River Facility.

PUBLIC COMMENTS

Public comments were made by Tim Richie.

ELECTION OF OFFICERS**1. Election of Chairman and Vice-Chairman for 2025**

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

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

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

CONSENT AGENDA

- 1. Approve Minutes of December 4, 2024, Board of Directors Meeting**
- 2. Approve Receiving and Filing of Year-End Financial Status and Semi-Annual Investment Reports for FY 2024**
- 3. Approve FY 2024 Annual Comprehensive Financial Report and Independent Auditors' Report**

Motion was made by Commissioner Langford, seconded by Commissioner Cutsinger, to approve the Consent Agenda. The motion was approved unanimously.

REGULAR AGENDA**1. Water Supply Conditions Report**

Katie Gilmore presented the Water Supply Conditions at the Peace River Facility as of January 16, 2025 for the Board's information.

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

January Water Demand	28.61 MGD
January River Withdrawals	28.75 MGD
<u>Storage Volume:</u>	
Reservoirs	6.73 BG
ASR	<u>8.81 BG</u>
Total	15.54 BG

Commissioner Tiseo asked if we are performing pre-treatment testing on the water that we withdrawal from the river.

Ms. Gilmore confirmed that, yes, regular testing is done every day, multiple times a day, from the water coming off the river and, of course, in the reservoir system as well. For the storms, we are looking to make sure the salinity is not too high in case there is some storm surge coming up the river. We are also making sure the turbidity has dropped down low. We don't want to pull in water that is going to be more difficult to treat, especially if we don't need it.

Commissioner Tiseo continued that he assumes that different parameters are set for what we are testing for and asked if the tests reveal anything consistent with mining operations.

Ms. Gilmore stated that we are specifically testing for and looking at normal water quality parameters that will flag us if they go high. Being a new Authority employee, she was not prepared to answer beyond that and asked Mr. Anderson if he had anything additional to add regarding this.

Mr. Anderson stated that, in addition to monitoring standard water quality parameters such as conductivity, total solids, turbidity, and color that Katie mentioned, we have an online monitoring system upstream on Horse Creek that serves as an early warning mechanism. If there were to be a release, this device would notify us of elevated turbidity levels, for example, indicating a potential issue. This provides us with ample time to shut off the pumps and prepare to withdraw water from the reservoir. Furthermore, Mr. Anderson noted that the Horse Creek Settlement mandates that we receive a phone call within 24 hours of any discharges on Horse Creek. Fortunately, as Katie pointed out, we have a year's worth of supply in storage, so we are in the luxurious position of being able to shut things off if there are water quality issues. We don't need to take the water if there's even a hint of a problem.

2. FY 2026 Budget - Schedule and Budget Considerations

Mr. Anderson presented the budget considerations and a preview of potential changes from the approved 2025 budget, for the Board's direction in preparing the FY 2026 budget.

Commissioner Tiseo asked for further information and clarification regarding the addition of two new Full-Time Employees (FTE) in FY 2026 for CIP construction activities.

Commissioner Tiseo questioned the addition of two new Full-Time Employees (FTE) in FY 2026 for CIP construction activities. He asked if the Authority had completed some type of analysis to determine if it was cheaper to go in-house with somebody with benefits and things like that as opposed to a consultant, maybe for a one-time construction project.

Mr. Anderson replied yes, we've done this on several pipeline projects over the last three or four years. As recently as last year, which resulted in adding one FTE, a field inspector, for the 2B Pipeline Project.

Commissioner Tiseo asked if the difference was tens of thousands of dollars when the analysis was done. Because when the Project is done, the employee stays on. He continued that in Charlotte County whenever the Administration wants to bring somebody on, regardless of what department it is, they have a process that includes a justification statement that essentially describes the position, the total cost of salary with benefits, and discusses why the position is needed. He stated that he does not have a problem hiring people

but would like to go through that exercise to say this is a good expenditure of, in this case, the ratepayer's money.

Mr. Anderson agreed that staff would work this up and bring it back to the Board to show clear cost savings. Adding the engineering firm's multiplier on top of the employee's cost increases things exponentially. If this was a one-year project, we would certainly farm it out to a contractor but given the length of time we are going to be building things here, it does not make sense to do so.

Commissioner Tiseo asked regarding legislature lobbying requests and state funding for the year; in looking at the Governor's budget, it looks like he bumped up a lot of the water quality funding. Have we had staff analyze the budget proposal to see where the Authority may be able to take advantage of some of that movement?

Mr. Manson answered that yes, we are. Assuming they are going to do that budget, it is 60 million for alternative Water Supplies, which is what we are. We are already in-house with two requests for CIP projects. It's not a huge bump up from last year, but if we can get any portion of the 60 million, we will be happy. It is a competitive year; as you can imagine, there are lots of projects, but we're in the queue, and we are working on it.

3. Owner Direct Purchase for Surface Water Supply Expansion Projects

Mr. Knowles presented the Owner Direct Purchase package for the Surface Water Expansion Projects for the Board's consideration and approval.

He reviewed that the Authority has been successful in two prior large-diameter pipeline projects, the Phase 2B and 3C pipelines, in procuring steel pipe and valves through the owner-direct purchase (ODP) process. Those ODPs represent savings of over \$5 Million combined for both pipeline projects, which is in part due to the tax savings, timing of the steel coil market, and general inflation based on today's non-material costs (i.e., labor, fuel, etc.). He stated that ODP also offers the opportunity to start the procurement of long lead items before the final design is complete or the contractor is selected.

Mr. Knowles stated that the Surface Water Supply Expansion Project (SWSEP) includes several electrical components with a lead time that can vary from 60 to 150 weeks. In addition to sales tax savings, utilizing ODP for approximately \$13M in electrical equipment reserves our position for fabrication and manufacturing, and offers the best opportunity to accelerate the production process to meet the project schedule. In addition to electrical components Archer Western, the Authority's Construction Manager at Risk has also identified the \$2M permanent steel sheeting required for the new reservoir pump station (PR3 Design Volume 3) as another opportunity for the Authority to procure through ODP for tax savings and a potential early works package to begin construction of the intake structure.

Motion was made by Commissioner Cutsinger, seconded by Commissioner Langford to authorize the Executive Director to approve the purchase of materials for the Surface Water Supply Expansion Project not to exceed \$15 million dollars for items which are being procured under Section 5.4.4 of the Authority's Procurement Policy. The motion was approved unanimously.

4. Long-Term Financing Update & Reimbursement Resolution #2025-02

Natalie Sidor, Senior Managing Director with Public Resources Advisory Group (PRAG), the Authority's financial advisors, provided an overview of the current municipal market conditions and tentative financing schedule for 2025 as they relate to the Surface Water System Expansion Project, Phase 2B Regional Interconnect Pipeline, and potential re-financing of the existing debt.

At the recommendation of Bond Counsel, Staff is requesting the Board's approval for Resolution 2025-02 (Reimbursement Resolution). This Resolution provides flexibility in case of changes to costs and schedules. IRS/Treasury Regulations require this Resolution to allow the Authority to reimburse itself with the proceeds of the tax-exempt bond(s) for the projects listed, should the Authority need to do so. Staff anticipates coming back to the Board to request authorization to commence the financing efforts during the spring (anticipated April).

Commissioner Tiseo asked Ms. Sidor for clarification on the bond structure. He stated that he recalls last year when the Authority was going through the financial analysis that we were getting out of some existing bonds we were in and taking losses to get into another bond. Are the market trends looking like we are going to see that again this year?

Ms. Sidor explained that with last year's bond issues, there was a refunding of existing debt, and that actually produced Debt Service savings, so your debt service was lowered in the years that those Bonds were maturing, and then the new Bonds were issued for the phase 3C pipeline. She continued that the Authority does have some existing debt series 2015 bonds. It's a very small amount, there's 6.8 million outstanding that we could roll into these refunding and it looks like they will produce savings, but it's going to be very, very minimal at this point. So, there is not a whole lot of opportunity to take off existing debt this year.

Commissioner Cutsinger asked about the current 100M line of credit and whether extending it may be required and in the best interest of the Authority. Commissioner Tiseo added to this by asking what the policy and process for extending this line would be and if the Authority was already investigating this.

Mr. Anderson replied that we are in the process of looking at upsizing the line of credit. We have had internal discussions with Ann and Natalie about this. It is really a timing issue for us in a lot of ways, as we discussed earlier, permitting has really shifted these projects out in time a little bit where we had hoped to have permanent financing in place a bit earlier. Part of the strategy is to get the financing in place before the line of credit is due. Plan B is to extend the line of credit or increase it. We will know more at the April Board meeting.

Motion was made by Commissioner Langford, seconded by Commissioner Cutsinger to approve Resolution 2025-02 'A Resolution of the Peace River Manasota Regional Water Supply Authority regarding reimbursement of certain costs related to the acquisition and construction of certain water supply and treatment capital improvements, providing an effective date.' The motion was approved unanimously.

GENERAL COUNSEL'S REPORT

1. PFAS Settlement Update

Mr. Manson provided an update on the PFAS settlement agreement. The time frame for appeal has expired,

and the settlements are now final. There is a group appointed by the judge to handle how these payouts occur with an extraordinarily complex mechanism to determine how much the payouts will be. With this, they have extended the time frame for utilities to submit claims. Once that claim period finally closes then the disbursement of the money will begin. The National Council that the Authority is using thinks at this point that the first disbursement of payments will happen sometime in the summer of 2025. There is no way to say what that money will be at this point because all the claims are not in yet.

2. MWSC Update

Regarding the Third Amended Master Water Supply Contract, which was approved by the Board in December 2024 and executed by all members, Mr. Manson said that he would like to amend the contract again now that we know that North Port is, in fact, participating. This would not change the substance of the agreement at all; just removes any potential confusion in the future. The Board gave their consensus to circulate the agreement to the Member attorneys for review and discussion.

3. Disclosure Counsel

Mr. Manson discussed the benefits to the Authority having our own Bond Disclosure Counsel. The Board gave consensus to move forward with signing a retainer agreement to hire a Bond Disclosure Counsel for the Authority to assist with the upcoming bond packages.

EXECUTIVE DIRECTOR'S REPORT

Mr. Anderson had no further updates to the Board.

ROUTINE STATUS REPORTS

There were no Board comments on routine status reports.

BOARD MEMBER COMMENTS

There were no additional Board comments.

PUBLIC COMMENTS

Additional public comments were made by Erik Howard and Tim Ritchie.

ANNOUNCEMENTS

Next Authority Board Meeting

April 2, 2025 @ 9:30 a.m.

Charlotte County Administration Center

Commission Chambers, Room 119

18500 Murdock Circle, Port Charlotte, FL

Future Authority Board Meetings

June 4, 2025 - Sarasota County

August 6, 2025 - Manatee County
October 1, 2025 - DeSoto County
December 3, 2025 - Charlotte County

ADJOURNMENT

With no further business before the Board, the meeting adjourned at 10:50 a.m.

BOARD APPROVED

APR - 2 2025

Peace River Manasota
Regional Water Supply Authority



Commissioner Joe Tiseo
Chairman