

The mission of the Peace River Manasota Regional Water Supply Authority is *“to provide the region with a sufficient, high quality, safe drinking water supply that is reliable, sustainable and protective of our natural resources now and into the future.”*

AGENDA
BOARD OF DIRECTORS MEETING

January 14, 2010

**PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING
SUMMARY AGENDA
11:00 a.m., January 14, 2010**

Peace River Manasota Regional Water Supply Authority
6311 Atrium Drive, Suite 100
Bradenton, Florida

Commissioner Jerry Hill, DeSoto County – Chair
Commissioner John Chappie, Manatee County – Vice Chair
Commissioner Shannon Staub, Sarasota County
Commissioner Dick Loftus, Charlotte County

CALL TO ORDER

PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

WELCOME GUESTS

REGULAR AGENDA

1. REGIONAL INTEGRATED LOOP SYSTEM PHASE 1A INTERCONNECT (KINGS HIGHWAY/SHELL CREEK) MEDIATED SETTLEMENT AGREEMENT

Presenter - Doug Manson, General Counsel

Recommended Action - **Motion** to approve Regional Integrated Loop system Phase 1A Interconnect (Kings Highway/Shell Creek) 'Mediated Settlement Agreement'.

At the Charlotte County Board of County Commissioners (BOCC) meeting on October 13, 2009, the BOCC voted to deny 'Host County' consent of the Phase 1A Interconnect project. By letter dated October 20, 2009, Charlotte County formally notified the Authority of their host jurisdiction denial of project consent. Pursuant to the Master Water Supply Contract, remedial steps to address the project consent denial included staff resolution meetings followed by mediation.

Charlotte County and Authority staffs with Commissioner Skidmore representing Charlotte County and Commissioner Hill representing the Authority met in mediation on December 16th to resolve the 'Host County' issue arising from the denial by Charlotte County BOCC. The result was a 'Mediated Settlement Agreement' signed by both Commissioners and legal counsel for both parties.

The Charlotte County BOCC will address the issue on January 12. Staff recommends approval of the 'Mediated Settlement Agreement'.

MEMBER COMMENTS

PUBLIC COMMENTS

ANNOUNCEMENTS

Next Authority Board Meeting

9:30 a.m., Wednesday, February 3, 2010

County Commission Chambers

DeSoto County Administration Building

201 East Oak Street, Arcadia, Florida

ADJOURNMENT

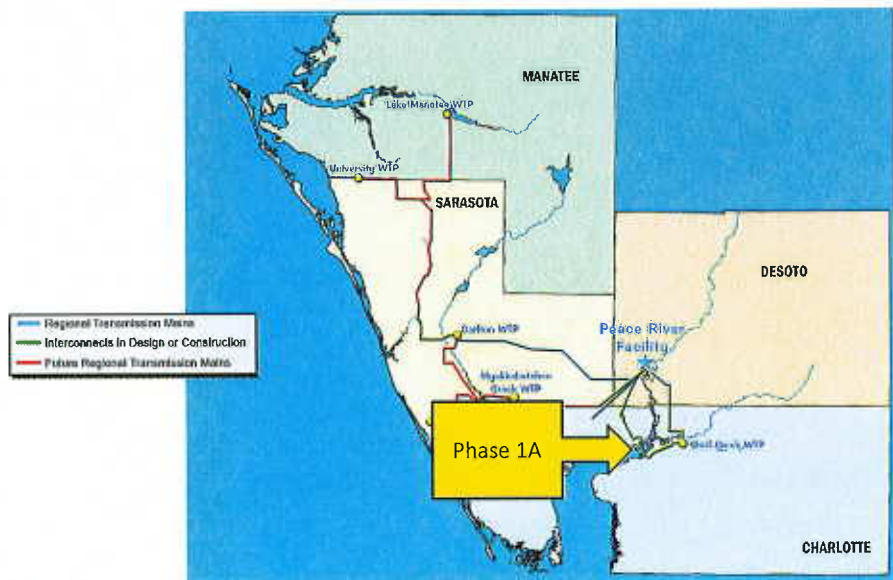
Presentation

Regional Integrated Loop System Phase 1A Interconnect (Kings Highway/Shell Creek)

Mediated Settlement Agreement

Authority Board of Directors Meeting
January 14, 2010

Regional Integrated Loop System 20 Year Plan



Phase 1A Interconnect Project Mediated Settlement Agreement



Phase 1A Interconnect Project Mediated Settlement Agreement

What it Does Not Do:

- Does not change project or 2007 agreement;
- Does not change project funding;
- Does not change 'overall' project hydraulic allocation.

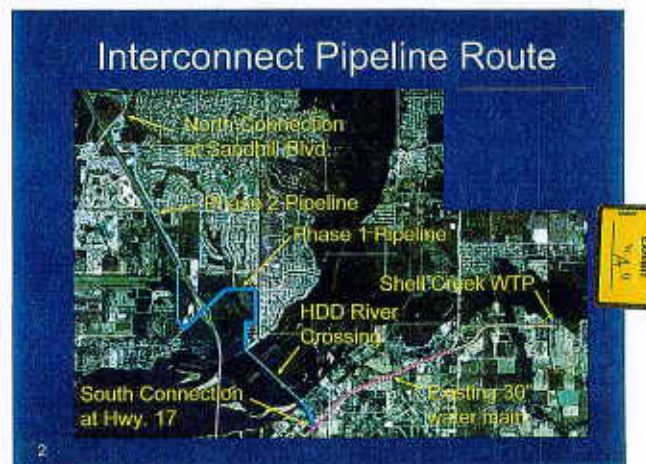
Phase 1A Interconnect Project Mediated Settlement Agreement

What it Does Do:

- Segments project for purpose of hydraulic allocation calculation;

Phase 1A Interconnect Project Mediated Settlement Agreement

[2007 Regional Pipeline Project Agreement – Exhibit A]



Phase 1A Interconnect Project Mediated Settlement Agreement

[2007 Regional Pipeline Project Agreement – Exhibit D]

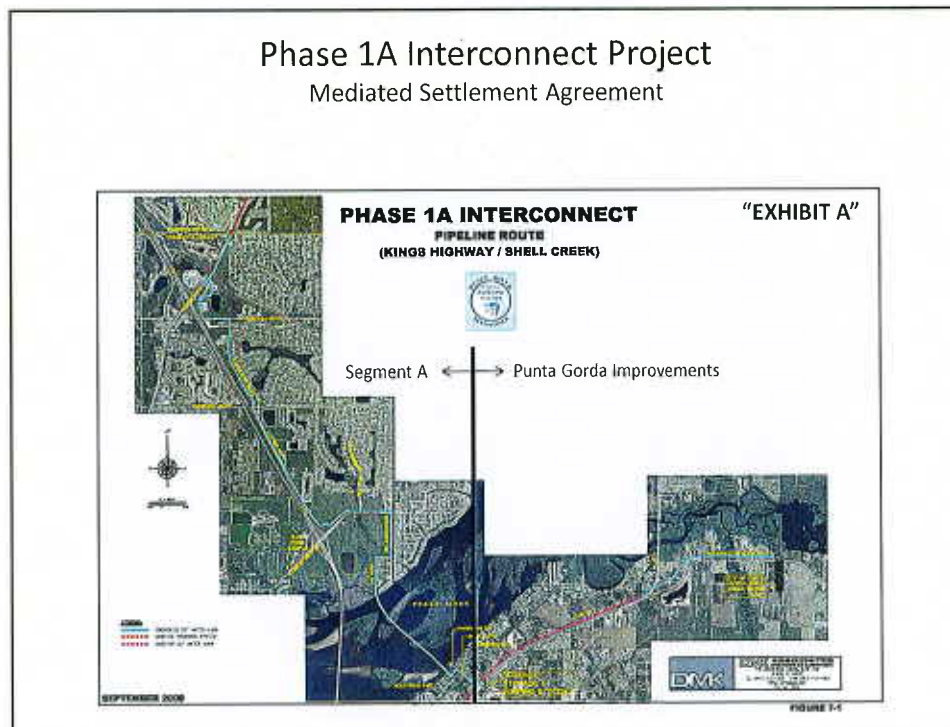
Segment A

PGI

Estimated Project Costs

Phase 1 Interconnect	
24" Water Main (15,200 LF)	\$ 3,040,000
24" Peace River Directional Bore	\$ 6,400,000
Phase 2 Interconnect	
24" Water Main (22,500 LF)	\$ 4,500,000
Punta Gorda Improvements	
2 MG Tank and Pumps	\$ 3,200,000
24" Washington-Loop Water Main	\$ 1,800,000
24" Meter and Appurtenances	\$ 75,000
Total	\$ 19,015,000

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Phase 1A Interconnect Project
Mediated Settlement Agreement

	Segment A	PGI	Total Project
<u>Original Calculation:</u>			
• Funding			
Charlotte County			\$8 M
SWFWMD			<u>\$11 M</u>
			\$19 M
• Hydraulic Allocation			
Charlotte County			42%
Authority			58%

Phase 1A Interconnect Project
Mediated Settlement Agreement

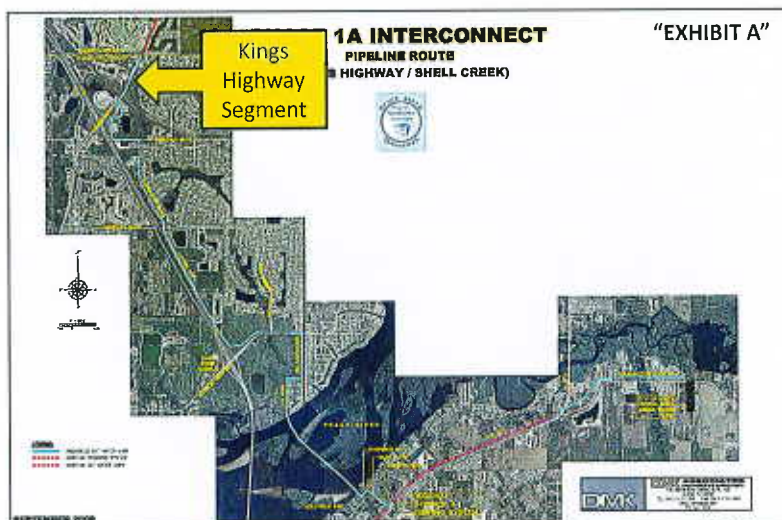
	Segment A	PGI	Total Project
<u>Original Calculation:</u>			
• Funding			
Charlotte County			\$8 M
SWFWMD			<u>\$11 M</u>
			\$19 M
• Hydraulic Allocation			
Charlotte County			42%
Authority			58%
<u>Revised Calculation:</u>			
• Funding			
Charlotte County	\$8 M	\$0 M	\$8 M
SWFWMD	\$6 M	\$5 M	<u>\$11 M</u>
			\$19 M
• Hydraulic Allocation			
Charlotte County	57%	0%	42%
Authority	43%	100%	58%

Phase 1A Interconnect Project Mediated Settlement Agreement

What it Does Do:

- Segments project for purpose of hydraulic allocation calculation;
- Maximize SWFWMD funding;
- Provides purchase of Kings Highway pipeline segment;

Phase 1A Interconnect Project Mediated Settlement Agreement



Phase 1A Interconnect Project

Mediated Settlement Agreement

What it Does Do:

- Segments project for purpose of hydraulic allocation calculation;
- Maximize SWFWMD funding;
- Provides purchase of Kings Highway pipeline segment;
- Provides value of easements donated by Charlotte County;
- Authority to perpetually hold hydraulic allocation in Segment A;
- Monthly construction meetings with County staff;
- Encourages local lodging of out-of-town contractor workers;
- County to reimburse Authority expenditure to-date;
- County responsible for construction cost upon award of contract;
- Charlotte County provides 'Host County' approval.

Mediated Settlement Agreement

**RE: PEACE RIVER MANASOTA
REGIONAL WATER SUPPLY
AUTHORITY-CHARLOTTE
COUNTY, FLORIDA, PHASE 1A
PIPELINE PROJECT**

MEDIATED SETTLEMENT AGREEMENT

Pursuant to the provisions of Section 22.2.3 of the Peace River Manasota Regional Water Supply Authority Master Water Supply Contract ("MWSC") representatives of the Peace River Manasota Regional Water Supply Authority ("Authority") and Charlotte County, Florida ("County") met for mediation on December 16, 2009 in the Charlotte County Administration Building and reached agreement as set forth in this Mediation Settlement Agreement ("Settlement"). The subject of the mediation was whether the County would grant approval, pursuant to Section 22.2.1 of the MWSC, for the Authority to construct the Phase 1A Pipeline Project, as presented to the County on September 29, 2009 and as attached as Exhibit "A", ("Project") in the County and issues related thereto. The party representatives present agreed to recommend to their respective governing bodies that they approve and be bound by the following settlement terms:

1. Exhibit "D" to the July 21, 2007 Peace River Manasota Regional Water Supply Authority, Charlotte County, and City of Punta Gorda Regional Pipeline Agreement ("Agreement") between the Authority, the City of Punta Gorda and the County describes the components of the Project together with estimated costs of those components. For purposes of determining the County's Hydraulic Capacity Entitlement in the Project pursuant to Paragraph 3 of the Agreement, the County's overall contribution to the Project will be attributed only to those portions of the Project described in the Agreement's Exhibit "D" as the "Phase 1 Interconnect" and the "Phase 2 Interconnect" (collectively referred to herein as "Segment A"). The County's

percentage of Hydraulic Capacity Entitlement in these two components of the Project will then be calculated according to formula stated in Paragraph 3 of the Agreement. References in the Agreement to specific mgd of the pipeline shall not govern the County's final Hydraulic Capacity Entitlement for the Phase 1A pipeline, but the formula in Paragraph 3 of the Agreement shall govern. The Authority will retain the Hydraulic Capacity Entitlement in Segment A that is not attributed to the County pursuant to Paragraph 3 of the Agreement. The County's total financial contribution to the Project as required by the Agreement will not change. The Authority will now retain 100% of the Hydraulic Capacity Entitlement in the portion of the Project described in Exhibit "D" as the "Punta Gorda Improvements" and agrees that no additional "gatekeeper" or any other such fee will be charged to the County because of the Authority's 100% ownership of the Hydraulic Capacity Entitlement in the Punta Gorda Improvements.

2. The parties acknowledge that Exhibit "D" to the Agreement represents an estimate of Project costs and the actual costs will ultimately be determined when the Project is completed. If actual costs are less than as estimated in Exhibit "D," then the Authority and the County shall maximize the funding provided by the State Water Resource Action Plan and the Southwest Florida Water Management District, and minimize the funding by the County.

3. The parties have separately negotiated a price (\$653,645.74) for purchase by the Authority of the Kings Highway pipeline from the County. The Kings Highway pipeline is a component of the Project. The parties agree that upon purchase by the Authority of the Kings Highway pipeline, the Hydraulic Capacity Entitlement in that pipeline for the Authority and the County will be the same as the parties' Hydraulic Capacity Entitlement calculated for the Segment A portion of the Project for the Authority and the County.

4. For purposes of determining the total contribution of the County to the Project, the Authority will include the value of easements already obtained by the County that will be used for and are necessary to the Project. For purposes of determining the value of the easements, the County's real estate department will determine the value of the easements and provide the data supporting their determination to the Authority. The Authority will have thirty (30) days to review the County's valuation and if the Authority disputes the County's valuation, it may, at its expense, engage a qualified real estate appraiser to calculate a valuation of the easements. If the Authority's valuation is less than the County's, the parties will confer to see if any difference can be resolved and if the difference cannot be resolved the value will be determined by averaging the two values.

5. For Segment A of the Project, the Authority agrees that it will perpetually hold its Hydraulic Capacity Entitlement.

6. In order to facilitate communication between the parties during the construction phase of the Project, the Project Manager for the Authority will make himself available to meet with representatives of the County, to be designated by the County, on a monthly basis unless the County requests that the meetings be held less often. These meetings will occur on the Friday before the regularly scheduled monthly meetings of the Authority's Board at the Authority's headquarters in conjunction with the Liaison meetings. The purpose of the meetings will be to discuss any issues or concerns that arise during construction of the Project, and for the Authority to receive input on the Project from the County. The parties will use these monthly meetings to inform one another and to resolve any issues that arise during construction of the Project.

7. To the extent permitted by law and by funding agreements for the Project, the Authority will encourage the contractor and subcontractors hired for the Project use lodging

establishments within the County during construction of the Project, when overnight lodging is needed. Further to the extent permitted by law and funding agreements, the Authority will encourage the Contractor to use County based subcontractors qualified to perform work for the Project.

8. The Authority has expended funds for design, engineering and permitting for the Project. The County will reimburse the Authority for the County's proportional share of such costs within thirty (30) days following full execution of this agreement or within thirty (30) days following receipt of an invoice from the Authority for these expenses, whichever occurs later. The County's portion of the expenses incurred to date and to be reimbursed under this paragraph, will be proportionally reduced by any grant funding received by the Authority for such expenses, consistent with the terms of the Agreement.

9. The County will pay the remaining balance of its proportional share of the total Project costs in accordance with the provisions of the Second Amended Interlocal Agreement Creating the Peace River Manasota Regional Water Supply Authority and the Master Water Supply Contract, which shall be after the construction contract is awarded but before it is executed by the Authority.


10. Approval of the terms of this Settlement by the County shall serve as the County's written approval of the Phase 1A Pipeline Project, as shown in Exhibit A, which provides for a regional interconnect from the Punta Gorda water plant to the Authority's existing pipeline at the County and DeSoto County line along Kings Highway, as required by Section 22.2.1 of the MWSC.

Agreed to this 16th day of December 2009.

Charlotte County, Florida



Robert Skidmore
County Commissioner
Charlotte County, Florida




Janette S. Knowlton MB
County Attorney
Charlotte County, Florida
LR #09-43

Peace River Manasota Regional
Water Supply Authority



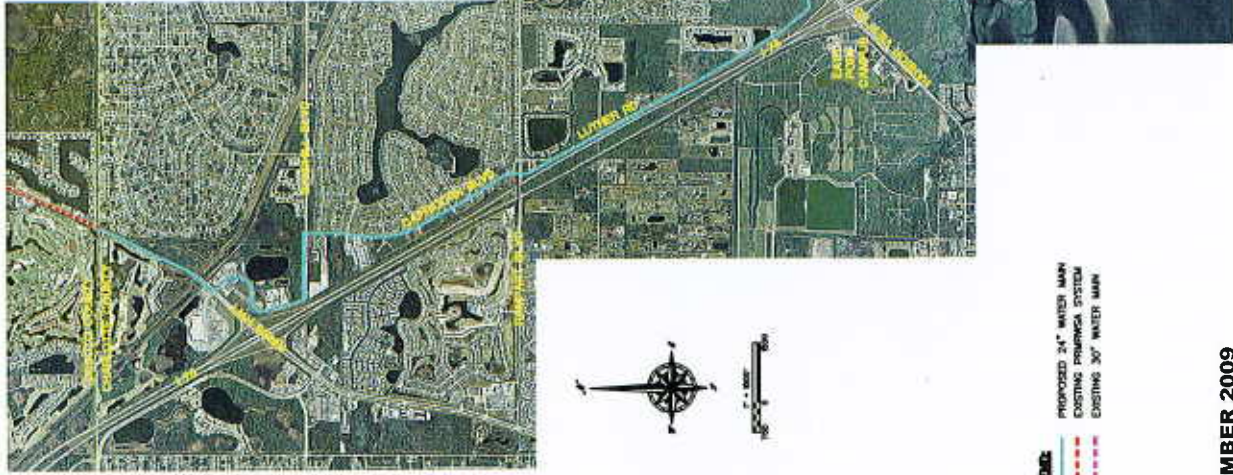
Jerry Hill
County Commissioner
DeSoto County, Florida



Douglas Manson
General Counsel
Peace River Manasota Regional
Water Supply Authority

EXHIBIT "A"

PHASE 1A INTERCONNECT PIPELINE ROUTE (KINGS HIGHWAY / SHELL CREEK)



- LEGEND:**
- PROPOSED 24" WATER MAIN
 - EXISTING PRIMAVERA SYSTEM
 - EXISTING 30" WATER MAIN

DMK ASSOCIATES
A20 COMMERCIAL COURT, SUITE 200
SUITE 100, 10000 101ST AVE. S.E.
REDMOND, WA 98073
TEL: (206) 881-2200 FAX: (206) 881-1043
WWW.DMK-ASSOCIATES.COM

SEPTEMBER 2009

FIGURE 7-1