

Minutes of Board of Directors Meeting
PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY
DeSoto County Administration Building
Commission Chambers, First Floor
201 East Oak Street, Arcadia, FL
August 3, 2022 @ 9:30 a.m.

Board Members Present:

Commissioner Alan Maio, Sarasota County, Chairman
Commissioner Elton Langford, DeSoto County, Vice Chairman
Commissioner Ken Doherty, Charlotte County
Commissioner George Kruse, Manatee County

Staff Present:

Mike Coates, Executive Director
Doug Manson, General Counsel
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, 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

Commissioner Elton Langford 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 Ken Doherty from Charlotte County as Commissioner Truex's alternate.

HOST COUNTY REMARKS

DeSoto County Administrator Mandy Hines made welcoming remarks.

PUBLIC COMMENTS

No public comment was made.

AWARDS/RECOGNITIONS

1. Employee Service Recognition

Ms. Holcomb along with Mr. Coates and the members of the Board presented employee service recognition awards to the dedicated employees who achieved significant milestones in longevity with the Authority.

PUBLIC HEARING – BUDGET FOR FY 2023

1. Open Public Hearing

Commissioner Maio opened the public hearing at 9:45 a.m.

2. Presentation of Budget for FY 2023

Mr. Coates presented the proposed final budget for FY 2023.

3. Public Comment

No public comments were made.

4. Close Public Hearing

Motion was made by Commissioner Doherty, seconded by Commissioner Langford, to close the Public Hearing. Motion was approved unanimously.

Commissioner Maio closed the public hearing at 10:05 a.m.

BUDGET FOR FY 2023

1. Adoption of Budget for FY 2023

Mr. Coates recommended approval of the proposed final budget for FY 2023 in the amount of \$78,327,527.

Motion was made by Commissioner Doherty, seconded by Commissioner Langford, to approve the Budget for FY 2023 in the amount of \$78,327,527. Motion was approved unanimously.

2. Resolution 2022-05 ‘Resolution Setting Forth Rates, Fees and Charges for FY 2023’

Resolution 2022-05 formalizes the Board adoption of the Budget for FY 2023 and establishes the rates, fees and charges by the Authority for FY 2023 in accordance with the ‘Second Amended Interlocal Agreement

Creating the Peace River Manasota Regional Water Supply Authority’ and the ‘Master Water Supply Contract’.

Motion was made by Commissioner Doherty, seconded by Commissioner Langford, to approve Resolution 2022-05 ‘Resolution Setting Forth Rates, Fees and Charges for FY 2023’. Motion was approved unanimously.

CONSENT AGENDA

1. Approve Minutes of June 1, 2022 Board of Directors Meeting
2. Approve Minutes of June 1, 2022 Board of Directors Workshop
3. Approve Resolution 2022-06 ‘Florida Water Professionals Month’
4. Approve Resolution 2022-07 Authorizing the Issuance of an Amended and Restated Line of Credit with PNC Bank for System Wide Benefit Project Funding
5. Approve U.S. Geological Survey Joint Funding Agreement #23MCJFA0101 for Monitoring in the Peace River
6. Approve Change Order No. 2 for Contract with Poole and Kent Company of Florida for Peace River Facility Trains 5 and 6 Rehabilitation Project
7. Approve Filter Valves and Actuators for Peace River Facility Plant No. Four - Owner Direct Purchase
8. Approve Work Order to Hazen and Sawyer for Peace River Reservoir Algae Characterization Study
9. Approve Annual Regulatory Plan 2022-2023
10. Approve First Amendment to Interlocal Agreement for Regional Integrated Loop System Phase 3C Interconnect. between the Peace River Manasota Regional Water Supply Authority and Sarasota County

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

REGULAR AGENDA

1. Water Supply Conditions

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

July Water Demand	27.00 MGD
July River Withdrawals	58.6 MGD
<u>Storage Volume:</u>	
Reservoirs	4.78 BG
ASR	<u>7.91 BG</u>
Total	12.69 BG

Mr. Coates noted that Mr. Anderson was unavailable to provide the Water Supply Conditions update this month, but that supply conditions are good, and there was nothing else of significance to report for this item.

2. Projects for SWFWMD FY 2024 Cooperative Funding Initiative

Terri Holcomb presented on the FY 2024 Cooperative Funding Initiative applications for the Southwest Florida Water Management Districts (SWFWMD) are due October 7, 2022. Five (5) Authority projects are proposed for submittal requesting a minimum of 50% funding of eligible costs for each project. SWFWMD policy requires that an applicant provide a funding order ranking if more than one project is submitted in a funding year. The recommended project ranking is shown in the table below:

Rank	Project	Estimated Project Cost
1	Peace River Reservoir No. 3 Project – Final Design and Construction	\$335,650,000
2	Regional Integrated Loop System Phase 3C Interconnect – Design-Build	\$59,000,000
3	Regional Integrated Loop System Phase 2B Interconnect – Design-Build	\$70,271,000
4	Integrated Regional Water Supply Master Plan 2025	\$700,000
5	Regional Reclaimed Water Supply System – Feasibility Study	\$400,000

Ms. Holcomb explained that the Partially Treated Surface Water Aquifer Storage and Recovery Project that was originally included on the list for submittal was removed following staff discussions with SWFWMD earlier in the week. The district indicated during those discussions that as part of their cooperative funding program requirements moving forward, any projects submitted for co-funding will need to have a 30 percent design review and third-party review on the cost estimates submitted along with the project application. The Partially Treated Surface Water ASR Project will not meet this requirement by the deadline to submit and was therefore pulled from the list.

Motion was made by Commissioner Doherty, seconded by Commissioner Langford, to authorize submittal of the Authority’s FY 2024 Cooperative Funding Initiative Applications to the Southwest Florida Water Management District for five regional projects and approve recommended project cooperative funding ranking. Motion was approved unanimously.

3. Florida Department of Environmental Protection Resilient Florida Program – FY 2023 Grant Request

Ms. Holcomb presented on this item for the Board’s information only. On May 12, 2021, the Governor signed Senate Bill 1954 into law. This comprehensive legislation ensures a coordinated approach to Florida’s coastal and inland resiliency. The new program enhances efforts to protect Florida’s inland waterways, coastlines, and shores, which serve as invaluable natural defenses against sea-level rise. This legislation will yield the largest investment in Florida’s history to prepare communities for the impacts of climate change – including sea-level rise, intensified storms, and flooding.

In 2022 the Authority received a State Resiliency Fund grant for \$2,001,000 for the Peace River Reservoir No. 3 Project (PR³) - Preliminary Design efforts. An application for the FY 2023-24 Statewide Flooding

and Sea Level Rise Resilience Plan Grant is due on August 31, 2022. The Authority will be applying again this year to further support the PR³ Project into Final Design and Construction. This is an informational item and no Board action is required.

4. Regional Integrated Loop System Phase 3C Interconnect Project – Progressive Design-Build Contractor Selection

Mr. Knowles discussed the project and the status of the Progressive Design Build contractor selection process for the Regional Integrated Loop System Phase 3C Interconnect Project. The Regional Integrated Loop Phase 3C Interconnect (Phase 3C) Project includes approximately 9 miles of 42-inch diameter pipe and a new regional pumping and storage facility. The Interlocal Agreement between the Authority and Sarasota County for the Phase 3C Project was also approved by the Board in April of 2022.

Selection of Progressive Design Build Teams for Phase 3C

Mr. Knowles indicated that on May 24, 2022, a Request for Statements of Qualifications (SOQ) for Progressive Design-Build Services for the Regional Integrated Loop Phase 2B and Phase 3C Interconnect Projects was advertised. Four (4) Firms submitted SOQ's that were deemed responsive, and Firms were evaluated by the PSEC on June 30, 2022. Subsequently, one firm withdrew from the process, and the remaining three Firms were shortlisted by the PSEC for presentations that were given on July 14, 2022. Mr. Knowles stated that following presentations, the Garney Companies, Inc. Firm was ranked highest by the PSEC for the for the Phase 3C Interconnect Project (based on the preferred project from presentations). The staff recommends Board approval of Garney Companies, Inc. for the Phase 3C Interconnect Project.

Schedule For Phase 3C Interconnect Project Progressive Design Team

Mr. Knowles reviewed the schedule for the progressive design build on this project which includes:

- **Phase 1 Scope and Fee & GMP for 60% Design Services**
The Phase 3C Progressive Design-Build Team will submit the Progressive Design-Build Contract and which will include the GMP for 60% design and permitting. The Contract will be presented for consideration at the October 5, 2022, Board Meeting.
- **Phase 2 Scope and Fee & Final GMP for Project Completion**
The Phase 3C Progressive Design-Build Team will submit the GMP for final design, construction permitting, construction, testing, commissioning, and turn over services, for consideration at the February 2023 Board Meeting. The Phase 2 GMP will be added to the Contract by Addendum.
- **Interconnect Project Completion**
The Phase 3C Project is scheduled for completion by March 1, 2025.

Commissioner Doherty stated that he was glad to see that the team chosen already had so much experience working together on projects. In his experience, this is the key to success for design-builds teams.

Motion was made by Commissioner Doherty, seconded by Commissioner Langford, to approve the Professional Services Evaluation Committee recommendation of Garney Companies, Inc. for the Regional Integrated Loop System Phase 3C Interconnect Project. Motion was approved unanimously.

5. Regional Integrated Loop System Phase 2B Interconnect Project – Progressive Design-Build Contractor Selection

Mr. Knowles discussed the status of the Progressive Design Build contractor selection process for the Regional Integrated Loop System Phase 2B Interconnect Project. The Phase 2B Interconnect Project (Phase 2B) includes a 42-inch diameter regional transmission main extending from the western end of the Charlotte County Regional Transmission Main and Phase 2A Interconnect near Serris Boulevard, generally west and south in Charlotte County crossing the Myakka River, to the Charlotte County Gulf Cove Booster Pump Station, a distance of approximately 13 miles. The Interlocal Agreement between the Authority and Charlotte County for the Phase 2B Project was also approved by the Board in April. Preliminary design will begin in FY 2023.

Selection of Progressive Design-Build Teams for Phase 2B

Mr. Knowles stated that on May 24, 2022, a Request for Statements of Qualifications (SOQ) for Progressive Design-Build Services for the Regional Integrated Loop Phase 2B and Phase 3C Interconnect Projects was advertised. Four (4) Firms submitted SOQ's that were deemed responsive, and Firms were evaluated by the PSEC on June 30, 2022. Subsequently, one firm withdrew from the process, and the remaining three Firms were shortlisted by the PSEC for presentations that were given on July 14, 2022. Following presentations, the Woodruff & Sons, Inc. Firm was ranked highest by the PSEC for the for the Phase 2B Interconnect Project (based on the preferred project from presentations). Staff recommends Board approval of Woodruff & Sons, Inc. for the Phase 2B Interconnect Project.

Schedule for Phase 2B Interconnect Project Progressive Design Team

Mr. Knowles reviewed the schedule for the progressive design build on this project which includes:

- **Phase 1 Scope and Fee & GMP for 60% Design Services**
The Phase 2B Progressive Design-Build Team will submit the Progressive Design-Build Contract and which will include the GMP for 60% design and permitting. The Contract will be presented for consideration at the October 5, 2022 Board Meeting.
- **Phase 2 Scope and Fee & Final GMP for Project Completion**
The Phase 2B Progressive Design-Build Team will submit the GMP for final design, construction permitting, construction, testing, commissioning, and turn over services, for consideration at the October 2023 Board Meeting. The Phase 2 GMP will be added to the Contract by Addendum.
- **Phase 2B Interconnect Project Completion**
The Phase 2B Project is scheduled for completion by March 1, 2026.

Commissioner Doherty said that he was glad that a team was chosen that already had quite a bit of experience working together on projects like this, and that this experience included other design-build team projects.

Motion was made by Commissioner Doherty, seconded by Commissioner Langford, to approve the Professional Services Evaluation Committee recommendation of Garney Companies, Inc. for the Regional Integrated Loop System Phase 3C Interconnect Project. Motion was approved unanimously.

6. Purchase of Phase 3C Regional Interconnect Pumping Station Site and Associated Easements

Mr. Knowles discussed the purchase of pumping station site and associated easements for the Phase 3C Regional Interconnect Project.

In June 2021 the Authority and Sarasota County executed an interlocal agreement authorizing the Authority to seek and acquire a property suitable for the Phase 3C Regional Interconnect pumping station and a co-located County sewer lift station in the general vicinity of the Fruitville and Lorraine Road Intersection. A suitable property has been identified and agreed upon by Sarasota County Utilities that includes approximately 10.1 acres for the pumping and storage facility and County lift station and two associated easements for regional and County pipeline infrastructure and ingress/egress totaling 3.14 acres and 4.28 acres respectively. Due diligence work is ongoing now to confirm site conditions and support purchase.

Staff recommends Board authorization for purchase of this property and associated easements from the seller for \$2,016,000 pending successful completion of due diligence work on the site. The purchase price is supported by recent appraisals. As time is of the essence, staff also requests Authorization for the Executive Director and the Chairman to execute all documents relating to the Sales and Purchase Agreement including easements and closing documents. Significant changes to the Purchase Agreement would be returned to the Authority Board for consideration. Sarasota County will pay all costs associated with acquiring the property. The Authority will own the subject property and grant easements to the County for its facilities.

Motion was made by Commissioner Doherty, seconded by Commissioner Langford, to approve the Purchase of approximately 10.10 acres of property and approximately 7.42 acres of associated easements between Peace River Manasota Regional Water Supply Authority and RJB Partners, LLC as a Pump Station Site for Phase 3C Regional Interconnect in the amount of \$2,016,000 plus closing costs and authorize the Executive Director and the Chairman to execute all acquisition documents with minor modifications upon successful completion of the due diligence process. Motion was approved unanimously.

7. Initial Funding Program for Phase 2B and 3C Regional Interconnect

Ms. Lee along with Natalie Sidor of PRAG discussed the Initial Funding Program for the Phase 2B and 3C Regional Interconnect Projects.

Initial funding for the Phase 2B and 3C Regional pipelines is needed as the projects commence in the fall 2022. The initial funding is proposed to be a \$100,000,000 revolving line-of-credit (LOC) which is expected to be succeeded by a bond issuance in the 2024/2025 timeframe. The Authority issued a request for proposals to provide the LOC, proposals were due on July 11, 2022 and the 5 proposals were received. Authority staff and Representatives from PRAG recommend the lender selection of PNC Bank, NA and request authorization to proceed with the preparation of the line of credit documents which will be brought back at the next Board meeting on October 5, 2022 for Board action.

Motion was made by Commissioner Doherty, seconded by Commissioner Langford, to approve the recommended lender, PNC Bank, NA, for the \$100,000,000 Revolving Line of Credit and direct staff to proceed with the preparation of the line of credit documents. Motion was approved unanimously.

8. Master Water Supply Contract Revisions (Clean-Up)

Mr. Manson stated that the Authority and Customer staff have been working for the past year on revisions to the 2005 Master Water Supply Contract intended to remove outdated references to completed projects, agreements and financial obligations that have been satisfied, providing a “cleaned-up” Contract that will better support the financing efforts needed for the new supply and transmission system projects in the Authority’s 5-year CIP. He noted that examples of clean-up items in the MWSC had been reviewed with the Board at previous meetings. He asked for Board authorization to provide the revised Contract to Customers for approval by their respective Board of County Commissioners.

Motion was made by Commissioner Langford, seconded by Commissioner Doherty, to approve the revised Master Water Supply Contract language and authorize release of the revised contract to Authority Customers for consideration and approval. Motion was approved unanimously.

9. Surface Water Supply Expansion Project Approval (Reservoir No. 3 + Water Treatment Plant Expansion)

Ms. Holcomb presented on the Surface Water Supply Expansion Project. The Regional water demand projections received from Authority Customers for the 2023-2042 planning horizon show need for new regional water supply capacity beginning in 2028. Customer projected new supply needs reach 6 MGD by 2030, nearly 15 MGD by 2037 and jump to about 24 MGD by 2042. Based on projected needs from the Authority’s 2015 and 2020 Water Supply Master Plan the Authority has been working since 2018 on conceptual and preliminary design of an expansion of the surface water supply system at the Peace River Facility as the first option to meet future needs. Expansion of the Peace River Facilities represents use of an alternative water supply system that has served the region for over 40 years. The expansion leverages existing permits, assets, property and staffing in this location to support additional supply development of up to 18 MGD on an annual average day basis.

Ms. Holcomb noted that the expansion envisions construction of a second intake and pump station on the Peace River to allow withdrawals of currently permitted quantities, a third reservoir (9 BG capacity) on the RV Griffin property, up to 24 MGD expansion of the water treatment capacity at the Peace River facility and installation of associated connecting pipelines between new facilities. The estimated cost of the expansion program is \$447M. The project is eligible for up to 50% co-funding from SWFWMD. Options to stage construction and costs to meet demand growth also exist.

As the Authority moves into Master Water Supply Contract modifications needed to support new supply capacity development, and establishment of financing for new capacity, a formal action by the Board selecting the Surface Water Supply Expansion Project is recommended.

Motion was made by Commissioner Doherty, seconded by Commissioner Langford, to select the Surface Water Supply Expansion Project at the Peace River Facility which includes construction of Reservoir No. 3 and Appurtenant Facilities, and Expansion of the Peace River Water Treatment Facilities to meet requested new regional water supply capacity needs. Motion was approved unanimously.

GENERAL COUNSEL’S REPORT

Mr. Manson had no further update for the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Coates had no further update for the Board.

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 public comment was made.

ANNOUNCEMENTS

Next Authority Board Meeting

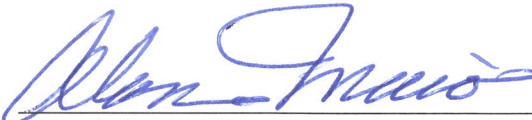
October 5, 2022 @ 9:30 a.m.

Sarasota County Commission Chambers, First Floor

1660 Ringling Boulevard, Sarasota, Florida

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 11:18 a.m.



Commissioner Alan Maio

Chairman

BOARD APPROVED

OCT - 5 2022

**Peace River Manasota
Regional Water Supply Authority**