

Minutes of Board of Directors Meeting  
**PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY**  
Peace River Facility Charlotte County Administration Center  
Commission Chambers, Room 119  
18500 Murdock Circle, Port Charlotte, FL  
April 5, 2023 @ 9:30 a.m.

***Board Members Present:***

Commissioner Elton Langford, DeSoto County, Chairman  
Commissioner Bill Truex, Charlotte County, Vice-Chairman  
Commissioner Ron Cutsinger, Sarasota County  
Commissioner George Kruse, Manatee County

***Staff Present:***

Mike Coates, Executive Director  
Doug Manson, General Counsel  
Richard Anderson, Director of Operations  
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**

Commissioner Langford welcomed guests and recognized Sarasota County Commissioner Ron Cutsinger as Commissioner Moran's alternate.

**HOST COUNTY REMARKS**

Commissioner Truex made welcoming remarks.

**PUBLIC COMMENTS**

Public comment made by Tim Richie; Randy Richie

**PUBLIC HEARING – AMENDED BUDGET FOR FY 2023**

**1. Open Public Hearing**

Commissioner Langford opened the public hearing at 9:40 a.m.

**2. Presentation of Budget for FY 2023**

Ms. Ann Lee presented the proposed amended budget for FY 2023.

**3. Public Comment**

No public comments were made.

**4. Close Public Hearing**

**Motion was made by Commissioner Truex, seconded by Commissioner Cutsinger, to close the Public Hearing. Motion was approved unanimously.**

Commissioner Langford closed the public hearing at 9:47 a.m.

**FY 2023 AMENDED BUDGET**

**1. Adoption of Amended Budget for FY 2023**

Ms. Lee presented the proposed FY 2023 Amended Budget indicating that the original FY 2023 Budget was approved by the Board on August 3, 2022. The proposed FY 2023 Amended Budget incorporates increases to the Authority’s scheduled CIP, electric power and water treatment chemical expenditures.

- FY 2023 Budget                                 \$ 78,327,527
- Proposed Revisions                         \$ 23,627,562
- FY 2023 Amended Budget                 \$ 101,955,089

**Motion was made by Commissioner Truex, seconded by Commissioner Cutsinger, to approve the Amended Budget for FY 2023 in the amount of \$101,955,089. Motion was approved unanimously.**

**2. Resolution 2023-01 ‘Resolution Amending Rates, Fees and Charges for FY 2023’**

Ms. Lee indicated that Resolution 2023-01 formalizes the Board adoption of the Amended Budget for FY 2023 and establishes the amended rates, fees and charges by the Authority for FY 2023.

Motion was made by Commissioner Truex, seconded by Commissioner Cutsinger, to approve Resolution 2023-01 ‘Resolution Setting Forth Amended Rates, Fees and Charges for FY 2023’.  
Motion was approved unanimously.

**CONSENT AGENDA**

1. Approve Minutes of the February 8, 2023 Board of Directors Meeting
2. Approve Resolution 2023-02 ‘Recognition of the Month of April as Water Conservation Month’
3. Approve Resolution 2023-03 ‘Recognition of National Drinking Water Week’
4. Approve Award of Contracts for Purchase of Water Treatment Chemicals
5. Approve Repairs to Hurricane Damaged Roofs at the Peace River Facility
6. Approve Programmable Logic Control Panel – Owner Direct Purchase

Motion was made by Commissioner Truex, seconded by Commissioner Kruse, to approve the Consent Agenda. Motion was approved unanimously.

**REGULAR AGENDA**

**1. Water Supply Conditions Report**

Mr. Anderson presented the Water Supply Conditions at the Peace River Facility as of March 17, 2023 for the Board’s information.

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

March Water Demand	33.20 MGD
March River Withdrawals	9.20 MGD
<u>Storage Volume:</u>	
Reservoirs	6.35 BG
ASR	<u>8.78 BG</u>
Total	15.13 BG

**2. Legislative Update**

Mr. Manson provided an update about legislative actions on the Authority’s adopted legislative priorities for the Board’s information. The 2022-2023 Florida legislative session started March 7<sup>th</sup> and is scheduled to end May 5<sup>th</sup>.

**3. Authority Insurance Coverage Review and Property Insurance Renewal**

Ann Lee along with Michelle Martin of Brown & Brown presented a review of the Authority Insurance coverages and renewal options.

Ms. Lee explained that the Authority’s property insurance expires on April 30, 2023, and although 19 insurers were contacted about a quote, only 1 formal quote was received (from the current incumbent) for property insurance for the upcoming year. The Authority’s independent insurance consultant, Brown & Brown reviewed the quote and recommends continuing to negotiate prior to executing a renewal with the incumbent, Starr Tech/ACE.

Ms. Martin discussed the proposed new policy which has a premium for the recommended 12-month policy (April 30, 2022, thru April 30, 2023) of \$789,865 which reflects a nearly 87% rate increase from the current policy. The rate increase is primarily due to the continued response of the property insurance market to above average losses and unprofitable underwriting results as well as the Authority’s currently open claim from Hurricane Ian. The quote from StarTech also includes a reduction in the named windstorm limit from \$60 million to \$25 million, all other perils limit reduction from the total insured value (\$144 million) to \$25 million as well as change in the percent and application of the deductible from 3% on a per line-item basis from the Statement of Values to 5% of total insured value.

Ms. Lee stated that the staff recommendation is for Board approval to renew Peace River Facility Property Insurance with Starr Tech/ACE for a not to exceed premium of \$790,000 for the upcoming year April 30, 2023, thru April 30, 2024 and authorization for the Executive Director to continue to negotiate for more favorable terms and conditions with Starr Tech/ACE.

**Motion was made by Commissioner Truex, seconded by Commissioner Cutsinger to approve renewal of Peace River Facility Property Insurance with Starr Tech/ACE for a not to exceed premium of \$790,000 for the upcoming year (April 30, 2023, thru April 30, 2024), and authorize the Executive Director to continue negotiations for more favorable terms & conditions with Starr Tech/ACE. Motion was approved unanimously.**

Commissioners Truex and Cutsinger suggested that with the costs of insurance continuously rising, research into a self-insured option for the Authority would be prudent. Ms. Lee confirmed that the Authority will be exploring self-insurance through partnering with other another municipalities.

**4. 5-Year Capital Improvements Plan & 20-Year Capital Needs Assessment**

Ms. Holcomb presented the Authority’s draft 5-Year CIP and 20-Year CNA for Board information and discussion only. She indicated that the CIP and CNA will be brought to the June Board meeting for formal consideration. 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. Ms. Holcomb 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 also looks out beyond that period to years 6 – 20 years where projects are less certain and defined.

The 5-Year CIP beginning in FY 2024 through FY 2028 currently includes the following:

Regional Transmission Projects	\$ 123,000,000	15.1%
Water Supply Projects	\$ 663,000,000	81.4%
Other Projects	\$ 29,000,000	3.5%
<b>Total</b>	<b>\$815,000,000</b>	<b>100%</b>

And the 20-Year CNA, beginning in FY 2024 through FY 2043, includes the following:

Regional Transmission Projects	\$ 360,000,000	33%
Water Supply Projects	\$ 703,000,000	64.4%
Other Projects	\$ 29,000,000	2.6%
<b>Total</b>	<b>\$1,092,000,000</b>	<b>100%</b>

Ms. Holcomb also indicated that \$306 million (\$184 million occurring in the 5-year CIP) in offsetting cooperative grant funding opportunities for these collective projects based upon past generous participation by the Southwest Florida Water Management District.

**5. Regional Integrated Loop Phase 3C Interconnect Project**

**(A) Approve Recommended Pipeline Revision of the Project as Identified in “Exhibit 1” in Amended Resolution No. 2022-03 and to approve a resolution amending Resolution 2022-03**

Mike Knowles made a presentation on the Amend Resolution 2022-03 for Regional Integrated Loop Phase 3C Interconnect, showing the proposed changes to the previously approved pipeline route, and discussing the rational for those changes.

**Motion was made by Commissioner Cutsinger, seconded by Commissioner Truex to approve the recommended pipeline revision of the Project, as identified in “Exhibit 1” in Amended Resolution No. 2022-03 and, to approve, A RESOLUTION AMENDING RESOLUTION NO. 2022-03 AND DETERMINING THE NECESSITY TO CONSTRUCT A TRANSMISSION PIPELINE AND APPURTENANT FACILITIES AND ROUTE SELECTION FOR A PROJECT KNOWN AS THE REGIONAL INTEGRATED LOOP PHASE 3C PIPELINE PROJECT WHICH INCLUDES THE INSTALLATION OF A PUMPING AND STORAGE FACILITY AND A 42-INCH DIAMETER PIPELINE BETWEEN STATE ROAD 72 AND THE INTERSECTION OF LORRAINE ROAD AND BLUE-LAKE ROAD AND AUTHORIZING THE ACQUISITION OF PROPERTY RIGHTS BY NEGOTIATION AND CONTRACT AND, IF NECESSARY, BY THE EXERCISE OF EMINENT DOMAIN AUTHORITY. Motion was approved unanimously.**

**(B) Approve Regional Integrated Loop Phase 3C Pipeline Contract Amendment and Phase 2 Services**

Mr. Knowles discussed the proposed Phase 2 services to be performed by the Garney Companies on the Phase 3C Regional Interconnect Project. He also discussed proposed phase 2 contract costs versus the overall project budget indicating that Garney’s Guaranteed Maximum Price (GMP) plus other projected costs such as land acquisition, Owner direct purchase of materials, and other professional services work including surveying and geotechnical testing are within the approved maximum budget included in the Interlocal Agreement between Sarasota County and the Authority for this project. Staff recommendation was for Board approval.

**Motion was made by Commissioner Cutsinger, seconded by Commissioner Truex to approve the Executive Director and General Counsel to finalize and execute a contract amendment with Garney Companies, Inc. to complete design and construction of the Regional Integrated Loop Phase 3C Pipeline Project for a Guaranteed Maximum Price not to exceed \$49,933,270.25. Motion was approved unanimously.**

Commissioner Cutsinger thanked staff for their efforts and the forward movement on things as this project is extremely important for Sarasota County.

#### **(A) Regional Integrated Loop Phase 2B Pipeline Early Procurement Package**

Mr. Knowles presented the early procurement package for the Regional Integrated Loop Phase 2B Pipeline Project. He provided background information on the project indicating that Project includes approximately 13.1 miles of 42-inch diameter pipe in Charlotte County. The Woodruff and Sons Design-Build Team was approved at the August 3rd Board meeting to deliver the Progressive Design Build Project. The Interlocal Agreement between the Authority and Charlotte County for the Regional Integrated Loop Phase 2B Pipeline Project was also approved by the Board in April of 2022.

Mr. Knowles explained that Phase 2B Pipeline Project - Phase 1 Scope and Fee for 60% Design Services will develop the design of the pipeline and appurtenances to a 60% level as well as provide the Authority with a Guaranteed Maximum Price (GMP) to complete the remaining design, permitting and construction as part of Phase 2 of the Project. In order to meet the spring 2026, completion date for the project it'll be necessary for the Authority to directly purchase some long-lead items for the Project such as steel pipeline (raw materials and finished product), pipe suitable for subaqueous installation under the Myakka River, pipeline valves, yard piping, and flow meters. The proposed not to exceed cost for the owner direct purchase is \$20 Million. Woodruff & Sons will solicit bids for these items while meeting the Authority's owner direct purchase policy requirements.

Staff recommends Board approval for the owner direct purchase of the early procurement package items as follows not-to-exceed \$20 million, and pipeline appurtenances and authorization for the Executive Director to approve such purchases.

**Motion was made by Commissioner Truex, seconded by Commissioner Kruse to authorize the Executive Director to approve the purchase of materials for the Regional Integrated Loop Phase 2B Pipeline not to exceed \$20 million dollars for items which are being procured under Section 5.4.4 [Owner Direct Purchasing] of the Authority's Procurement Policy. Motion was approved unanimously.**

Commissioner Truex commented that the early procurement tactic is a great idea, and he would like to see the Authority try to do the same with all future projects whenever possible.

#### **(B) Peace River Reservoir No. 3 Project Update**

Ms. Holcomb along with Katie Duty of HDR presented the Board with an update on the Peace River Reservoir No. 3 project which will develop a new 9 BG off-stream reservoir on the RV Griffin Reserve. The project also includes a new pumping station on the Peace River and pipelines connecting a new pump station with the expanded reservoir system. Feasibility and Siting work for the project is complete, and the Consultant, HDR Engineering, Inc. (HDR), presented their findings and recommendations for the sizing, siting, and configuration of the project components to the Board at the December 1, 2021, meeting.

At the February 2, 2022, meeting, the Board approved Work Order No. 2 with HDR to proceed with the Preliminary Design, Permitting, and Third-Party Review Phase of the Project at a not to exceed cost of \$7,249,699. Work Order No. 2 advances the project through the preliminary design phase and includes

considerable efforts in geotechnical, surveying, and bathymetry investigations to support the design effort. This Phase of the project also includes the submittal of the Environmental Resource Permit (ERP) and 404 Permit applications which will correlate to approximately 60% design for civil and geotechnical disciplines, with other disciplines developed to approximately 30% level of design.

Commissioner Cutsinger thanked staff and the consultant for the cost control efforts on the project.

**(C) Peace River Brackish Groundwater Project Consultant Selection**

Mr. Guida presented on the Peace River Brackish Groundwater Project Consultant Selection, indicating that the Authority had advertised for proposals from firms to provide professional design, engineering, inspection and geological services for feasibility, siting, capacity, design, permitting and construction management for the ‘Peace River Brackish Groundwater Facility Project’ (Project). The Brackish project is intended to inform the Authority in the selection of its next water supply development project.

Five (5) proposals were timely received by the March 13, 2023, submittal deadline and were evaluated by the Authority’s Professional Services Evaluation Committee (PSEC). The PSEC ranking is shown below. Mr. Guida provided the staff recommendation, which is Board approval of the PSEC ranking, and authorization for the Executive Director to negotiate a professional services contract for the Project with Carollo Engineers (the highest ranked firm), and to develop the first work order for preliminary design services and hydrologic testing for consideration at a future Board meeting.

Rank	Firm	Location
1	Carollo Engineers	Sarasota
2	Black & Veatch	Tampa
3	Kimley Horn	Sarasota
4	AECOM	Ft. Myers
5	CHA Consulting	Tampa

**Motion was made by Commissioner Truex, Seconded by Commissioner Cutsinger, to approve Professional Services Evaluation Committee’s recommended ranking and authorize the Executive Director to negotiate a professional services contract, and the scope and fee for the first work order (Preliminary Design Services) for the Peace River Brackish Groundwater Facility Project with the highest ranked firm, Carollo Engineers. The negotiated contract, scope and fee will be considered at a future Board meeting. Motion was approved unanimously.**

**TENTATIVE BUDGET FOR FY 2024**

**1. Tentative Budget for FY 2024**

Mr. Coates presented the Authority’s Tentative Budget for FY 2024 in the amount of \$141,522,579. The Tentative Budget will be posted on the Authority’s website and distributed for continued review by Authority members, customers, and the public. A public hearing is scheduled for adoption of the final budget for FY 2024 during the regularly scheduled Board meeting on August 2, 2023.

**Motion was made by Commissioner Truex seconded by Commissioner Cutsinger, to approve Tentative Budget for FY 2024 in the amount of \$141,522,579. Motion was approved unanimously.**

**2. Resolution 2023-05 ‘Resolution Setting Forth Preliminary Schedules of Rates, Fees and Charges for FY 2024’**

Mr. Coates explained that Resolution 2023-05 would formalize the Board’s adoption of the Tentative Budget for FY 2024 and establish the intent to set rates, fees and charges based upon the tentative budget as presented. A public hearing is scheduled for the Board to adopt the final schedule of rates, fees and charges for FY 2024 during a regularly scheduled meeting on August 2, 2023.

**Motion was made by Commissioner Cutsinger seconded by Commissioner Truex, to approve Resolution 2023-05 ‘Resolution Setting Forth Preliminary Schedules of Rates, Fees and Charges for FY 2024’. Motion was approved unanimously.**

**GENERAL COUNSEL’S REPORT**

Mr. Manson provided an update on the status of the Master Water Supply Contract Revisions for the Board’s information.

**EXECUTIVE DIRECTOR’S REPORT**

Mr. Coates had no further updates 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 additional public comments were made.

**ANNOUNCEMENTS**

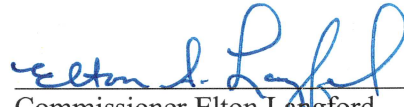
Next Authority Board Meeting  
June 7, 2023 @ 9:30 a.m.  
DeSoto County Administration Building  
Commission Chambers, First Floor  
201 East Oak Street, Arcadia, FL

Future Authority Board Meetings  
August 2, 2023 @ 9:30 a.m. – Manatee County  
October 4, 2023 @ 9:30 a.m. – Sarasota County  
December 6, 2023 @ 9:30 a.m. – DeSoto County



**ADJOURNMENT**

There being no further business to come before the Board, the meeting adjourned at 12:00 p.m.



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Commissioner Elton Langford  
Chairman

**BOARD APPROVED**

**JUN - 7 2023**

**Peace River Manasota**  
Regional Water Supply Authority