

Minutes of Board of Directors Meeting
PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY
Manatee County Administration Center
Honorable Patricia M. Glass Chambers, First Floor
1112 Manatee Ave West, Bradenton, FL
August 2, 2023 @ 9:30 a.m.

Board Members Present:

Commissioner Bill Truex, Charlotte County, Vice Chairman
Commissioner George Kruse, Manatee County
Commissioner Jerod Gross, DeSoto County Alternate
Commissioner Ron Cutsinger, Sarasota County Alternate

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
Angela Sain, HR Coordinator
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 Truex called the meeting to order at 9:30 a.m.

INVOCATION

Commissioner Truex offered the invocation.

PLEDGE OF ALLEGIANCE

The Board led the Pledge of Allegiance to the Flag of the United States.

WELCOME GUESTS

Commissioner Truex welcomed guests and recognized the Board Member alternates in attendance, including DeSoto County Commissioner Jerod Gross as Commissioner Langford's alternate, and Sarasota County Commissioner Ron Cutsinger as Commissioner Moran's alternate.

HOST COUNTY REMARKS

Manatee County Utilities Director Evan Pilachowski made welcoming remarks.

PUBLIC COMMENTS

Public comments were made by Alix Urban, Zachary Hudson, Tim Ritchie, Richard Russell, and Orvel Howard.

AWARDS/RECOGNITIONS

1. WTPO Magazine Article

Richard Anderson announced that the Peace River Facility and the employees who work there were the subject of a “Top Performer” article in the July 2023 edition of the National Treatment Plant Operator Magazine. This is a tribute to the dedication of Authority employees and the unique and resilient supply system they operate to meet water supply needs in our region. Copies of the magazine with the article were provided to the members of the Board.

PUBLIC HEARING – BUDGET FOR FY 2024

1. Open Public Hearing

Commissioner Truex opened the public hearing at 9:49 a.m.

2. Presentation of Budget for FY 2024

Mr. Coates presented the proposed final budget for FY 2024.

3. Public Comment

Public comment was made by Tim Ritchie.

4. Close Public Hearing

Motion was made by Commissioner Gross, seconded by Commissioner Kruse, to close the Public Hearing. Motion was approved unanimously.

Commissioner Truex closed the public hearing at 10:10 a.m.

BUDGET FOR FY 2024

1. Adoption of Budget for FY 2024

Mr. Coates recommended approval of the proposed final budget for FY 2024 in the amount of \$141,522,579.

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

2. Resolution 2023-07 ‘Resolution Setting Forth Rates, Fees and Charges for FY 2024’

Resolution 2023-07 formalizes the Board adoption of the Budget for FY 2024 and establishes the rates, fees and charges by the Authority for FY 2024 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 Gross, seconded by Commissioner Kruse, to approve Resolution 2023-07 ‘Resolution Setting Forth Rates, Fees and Charges for FY 2024’. Motion was approved unanimously.

CONSENT AGENDA

1. Approve Minutes of the June 7, 2023, Board of Directors Meeting
2. Approve Resolution 2023-08 ‘Florida Water Professionals Month’
3. Approve U.S. Geological Survey Joint Funding Agreement #24MCJFA104 for Monitoring in the Peace River
4. Approve Annual Regulatory Plan 2023-2024
5. Approve Phase 3C Regional Interconnect Easement Acquisition
6. Approve Work Order with Johnson Engineering for Final Design and Permitting on the Peace River Facility Perimeter Security and Traffic Circulation Improvements Project
7. Approve IRWSP 2025 Ranking Approval/Consultant Selection
8. Approve Update on Hurricane Ian Repairs, Costs and Cost Recovery Efforts

Motion was made by Commissioner Kruse, seconded by Commissioner Cutsinger, 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 July 13, 2023, for the Board’s information:

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

May Water Demand	33.75 MGD
May River Withdrawals	63.70 MGD
<u>Storage Volume:</u>	
Reservoirs	5.20 BG
ASR	<u>8.35 BG</u>
Total	13.55 BG

2. Legislative Priorities for FY 2024

Laura Donaldson, the Authority's lobbyist with Manson, Bolves, Donaldson & Tanner discussed the proposed legislative priorities for the Authority in 2024. Once approved by the Board, the legislative priorities will be presented to each of the Authority Members legislative delegations and will guide the Authority's legislative lobbying efforts for the year. Regular session in the state legislature is scheduled from January 9, 2024 – March 8, 2024.

Motion was made by Commissioner Cutsinger, seconded by Commissioner Kruse to approve adoption of the Legislative Priorities for 2024. Motion was approved unanimously.

Commissioner Truex added that he spoke with Speaker Renner recently and will reinforce the water quality item on the priorities list. This is number one, top of the list for him. We are all in this together and will need to continue to work together to align our individual legislative priorities to secure as much funding as possible.

3. Peace River Regional Reservoir No. 3 (PR3) Design and Construction Schedule Update and State Funding Grant Award for FY 2024

Terri Holcomb presented the Board with a design and construction 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. Work Order No. 2 advances the project through the preliminary design phase and includes robust geotechnical, surveying, and bathymetry investigations to inform the design development. The fee for Work Order No. 2 is \$7,249,699 and is 100% covered by the FY23 FDEP Resiliency Grant. The Preliminary Design (30% design) for the Project is nearing completion and is currently undergoing the Third-Party Review of the design documents including the construction schedule and cost estimate.

Ms. Holcomb stated that Authority staff are currently working with the PR3 Consultant to develop Work Order No. 3 - Final Design for the project and anticipate bringing this Work Order to the Board for consideration at the October 4th meeting. She added that funding has been secured for the Final Design through an FDEP Resiliency Grant and a SWFWMD CFI Grant for \$7,500,000 and \$15,000,000 respectively. She also explained that to capitalize on the benefits of getting early contractor engagement in the Final Design process, a Construction Management at Risk (CMAR) delivery method will be used to construct the pumping and conveyance (pipelines) portion of the project. To bring the CMAR on by December 2023 and obtain the first construction cost estimate by April 2024, the procurement process for selecting the CMAR began in June 2023. In addition, Ms. Holcomb added that the Authority has secured a State of Florida grant in the amount of \$10,000,000 for the Final Design and Construction of the PR3 Project.

4. Southwest Florida Water Management District 2025 Cooperative Funding Initiative Applications

Terri Holcomb

Ms. Holcomb presented the FY 2025 Cooperative Funding Initiative applications for the Southwest Florida Water Management Districts (SWFWMD) that are due October 6, 2023. Four (4) 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 (Q272)	\$351,000,000
2	Regional Integrated Loop System Phase 3C (Q313)	\$61,350,000
3	Regional Integrated Loop System Phase 2B (Q355)	\$73,250,000
4	Peace River Facility (PRF) Expansion	\$153,200,000

Ms. Holcomb explained that of these four projects, the first three listed already have current co-funding agreements in place. The submittal of these projects for the upcoming funding year ensure they will be considered for continued funding.

Motion was made by Commissioner Cutsinger, seconded by Commissioner Gross to approve submittal of the Authority's FY 2025 Cooperative Funding Initiative Applications to the Southwest Florida Water Management District for four regional projects and approve the recommended project cooperative funding ranking. Motion was approved unanimously.

5. Overview of Mitigation Options for the Surface Water Expansion Project

Jim Guida provided the Board with an overview of currently anticipated wetland impacts, and potential mitigation options and estimated costs that are currently under evaluation for the Surface Water Expansion Project.

Mr. Guida stated that the Peace River Regional Reservoir No. 3 Project (PR3) will develop a new 9 BG off-stream reservoir on the RV Griffin Reserve. At the February 2022, meeting, the Board approved HDR to proceed with the preliminary design and permitting phase of the Project, which includes development and submittal of Environmental Resource Permit (ERP) and Section 404 (404) Permit applications for State and Federal regulatory consideration and approval, respectively. Mr. Guida stated that HDR is preparing to submit these permit applications for submittal to the SWFWMD (ERP) and the FDEP (404).

Mr. Guida explained that a key consideration for both these permits is wetlands impacts and the need to provide compensatory mitigation for these impacts. It is currently estimated that the proposed reservoir and associated infrastructure will result in 237 acres of unavoidable impacts on the RV Griffin Reserve. He continued that Wetland mitigation will be required to compensate for resultant losses in functional habitat. Mitigation options currently under consideration include wetland creation, restoration, and enhancement onsite at the RV Griffin Reserve ("Onsite Permittee Responsible Mitigation"), purchase of mitigation credits from wetland mitigation banks within corresponding watersheds (i.e., Peace and Myakka River Basins), or a combination thereof. Mr. Guida added that he will continue to provide the Board with updates on the findings of the evaluation process and Board approval will be secured prior to commitment to any method.

Commissioner Cutsinger asked if there was a preliminary cost available for the purchase of these mitigation bank credits. Mr. Guida explained that this is what we are currently evaluating.

6. Salary and Compensation Study Results and Recommendations

Angela Sain along with Rob Williamson, Project Manager with Evergreen Solutions presented the results of the Authority's recently completed Salary and Compensation Study for the Board's information and recommendations for their approval.

Ms. Sain explained that according to the policy adopted in the Authority's Pay Plan, the Authority is to conduct a formal Classification and Compensation study at least once every 3 - 5 years and localized salary surveys are performed in the interim years by Authority staff. The last formal Classification and Compensation Study was initiated by Evergreen Solutions in October 2020, with results presented to the Board in October 2021. No local salary surveys have been initiated or pay structure adjustments proposed since the October 2021 study was presented. Ms. Sain continued that in accordance with the policy, Authority staff contracted with Evergreen Solutions in March 2023 to perform a Salary Survey Market Analysis and Internal Equity Analysis.

Mr. Williamson explained that the primary mechanism for assessing market equity is a salary survey of the organization's job classifications compared to a group of market peers. Sixteen (16) market peers in the geographic area from Tampa to Fort Myers provided data for the survey. He continued that there are multiple factors affecting the Authority's ability to retain current employees and make new hires, including a shortage of skilled labor, competition from other employers, historical inflation, and a lack of affordable housing. Mr. Williamson went further to say that the recommendations contained in the Salary Survey Market Analysis are intended to help the Authority remain competitive in the tight labor market and correct its standing in the market where inequity is identified.

Mr. Williamson stated that Evergreen Solutions recommends that the Authority administer a 6% upward adjustment to the pay ranges and has recommended certain pay grade reclassifications to bring the Authority's salaries in line with the market. The recommended pay range adjustment would require five current employees to be raised to the new minimum in the adjusted pay range at a total annual cost \$10,531. Additionally, an annual (FY) indexed adjustment to the pay ranges consistent with the Bureau of Labor Statistic Consumer Price Index is proposed to help support a competitive pay structure in between the formal pay and classification studies.

Motion was made by Commissioner Cutsinger, seconded by Commissioner Gross to accept and implement revised 'Authority Pay Plan'. Motion was approved unanimously.

Commissioner Cutsinger commended Ms. Sain and Mr. Williamson on their presentation of the findings, stating that it contained great information that was easy to follow.

Commissioner Truex stated that he agreed with Commissioner Cutsinger's comment, adding that Evergreen Solutions had completed a Salary and Compensation Study for Charlotte County last year and did a fantastic job for them as well.

7. PFAS Legal Services

Mr. Manson along with Mr. Anderson provided the Board with a presentation on PFAS substances and what the recent proposed rules from the EPA would mean for the Authority and drinking water standards as a whole.

The USEPA has initiated rule-making for drinking water standards (MCL's) on a large group of chemicals commonly referred to as PFAS, or per- and polyfluoroalkyl substances. PFAS substances are persistent synthetic compounds used in a variety of industrial and consumer product applications including non-stick cookware and firefighting foams. The presence of PFAS compounds in source water and drinking water is of increasing public concern due to their widespread use and environmental persistence.

In May, The U.S. Environmental Protection Agency (EPA) proposed the first national primary drinking water standards for six per- and polyfluoroalkyl substances (PFAS). The proposal would establish maximum contaminant level goals (MCLGs) and maximum contaminant levels (MCLs) for six PFAS compounds.

The financial impact to utilities nationwide is estimated by EPA to be \$3.8 billion dollars per year for treatment systems to remove PFAS compounds in drinking water. There is an ongoing lawsuit in Federal Court against the manufacturers of PFAS. This lawsuit is in mediation and reached a proposed settlement that if approved by the Judge will create a multibillion-dollar recovery fund for impacted plaintiffs. There are 6 defendants in potential settlements, there are still 25 defendants remaining. Joining the lawsuit now would allow the Authority, as a party, to advocate in the two settlements as well as participate in the additional litigation remaining. The Authority has detected PFAS in its water source and can meet the requisite requirements to participate in the lawsuit and potentially recover money for additional monitoring and treatment.

Manson Bolves Donaldson Tanner, P.A. is jointly representing water suppliers with two law firms that have been litigating the case for the last 4 years. The contract for legal services is on a contingent fee basis meaning there is no cost to the Authority for legal services unless an award is provided to the Authority.

Motion was made by Commissioner Cutsinger, seconded by Commissioner Gross, to Approve Legal Services Contract with Baron & Budd, P.C., Cossich, Sumich, Parsola & Taylor LLC and Manson Bolves Donaldson Tanner, PA for legal services in PFAS Litigation. Motion was approved unanimously.

Commissioner Truex asked if there was any chance that the State would be joining this case. Mr. Manson explained that the Florida Attorney General is pursuing it as well, but not as a part of this specific case.

GENERAL COUNSEL'S REPORT

Mr. Manson had no further updates for the Board.

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

October 4, 2023 @ 9:30 a.m.

Sarasota County Administration Center

1660 Ringling Boulevard, Sarasota, FL

Future Authority Board Meetings

December 6, 2023 @ 9:30 a.m. – DeSoto County

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 11:28 a.m.

BOARD APPROVED

OCT - 4 2023

**Peace River Manasota
Regional Water Supply Authority**



Commissioner Elton Langford
Chairman