

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  
June 7, 2023 @ 9:30 a.m.

***Board Members Present:***

Commissioner Elton Langford, DeSoto County, Chairman  
Commissioner Christopher Constance, Charlotte County Alternate  
Commissioner Mark Smith, Sarasota County Alternate  
Utilities Department Deputy Director Katie Gilmore, Manatee 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  
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 the Board Member alternates in attendance, including Charlotte County Commissioner Christopher Constance as Commissioner Truex's alternate, Sarasota County Commissioner Mark Smith as Commissioner Moran's alternate, and Manatee County Utilities Department Deputy Director Katie Gilmore as Commissioner Kruse's alternate.

**HOST COUNTY REMARKS**

DeSoto County Administrator Mandy Hines made welcoming remarks.

**PUBLIC COMMENTS**

Public comments were made by Tim Ritchie and Erik Howard.

**CONSENT AGENDA**

1. Approve Meeting Minutes of the April 5, 2023, Board of Directors Meeting
2. Approve Setting of Public Hearing for FY 2024 Authority Budget for August 2, 2023
3. Approve and file Mid-Year Financial Status and Semi-Annual Investment Reports for FY 2023
4. Approve Resolution 2023-06 Authorizing the First Amendment to Authority Revolving Credit Agreement Dated October 7, 2022 with PNC Bank, National Association
5. Approve Authority Investment Policy Revisions
6. Approve Phase 3C Regional Interconnect – Second Amendment to Resolution 2022-03
7. Approve Phase 3C Regional Interconnect – Purchase of Pipeline Easements
8. Approve Peace River Intake Area Re-Dredging Due to Hurricane Ian – Work Order to Westra Construction Corporation
9. Approve Request for Redistribution System Pool Water by Sarasota County
10. Approve Declaration of Surplus

**Motion was made by Commissioner Constance, seconded by Commissioner Smith, to approve the Consent Agenda. Motion was approved unanimously.**

Commissioner Constance questioned whether the Selection Committee scoring tabulation for the Peace River Brackish Groundwater Facility Project Consultant Selection had been included in the last Board meeting packet. Authority staff confirmed this tabulation was included in the April 5, 2023 Agenda Packet as part of Regular Agenda Item 8 'Peace River Brackish Groundwater Facility Project Consultant Selection', Tab D - Notice of Intended Decision.

Commissioner Constance further commented that because Charlotte and Sarasota Counties would be paying the majority of costs for the reservoir expansion project, and that would affect rates, staff from all participating parties should go over what makes economic sense, because if it is not a unanimous vote from Sarasota and Charlotte counties then it is not going to happen. These are huge and important decisions.

**REGULAR AGENDA**

**1. Water Supply Conditions Report**

Mr. Anderson presented the Water Supply Conditions at the Peace River Facility as of May 16, 2023 for the Board’s information:

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

May Water Demand	32.27 MGD
May River Withdrawals	0.00 MGD
<u>Storage Volume:</u>	
Reservoirs	4.45 BG
ASR	<u>8.46 BG</u>
Total	12.91 BG

Commissioner Constance asked if the 60 MGD was the peak withdrawal amount. Mr. Anderson stated that

the physical capacity at the pumping station is 120 MGD. He stated that with high flows in the river and the rest of the summer to fill the reservoir we often run fewer river pumps at less than maximum capacity to minimize electrical costs.

Commissioner Langford asked why the water use trend seemed to be so high during the months of March and April. Mr. Anderson said those had been very dry months.

**2. Legislative Update**

Laura Donaldson, the Authority’s lobbyist with Manson, Bolves, Donaldson and Tanner, provided an update about legislative actions on the Authority’s adopted legislative priorities and a final recap of the 2022-2023 Florida legislative session that ended on May 5, 2023.

Commissioner Constance asked what the window is for the use of the resiliency funds, do those funds need to be used within one year, or is there a specific time frame for use? Ms. Donaldson explained that no, it is not a one-year time frame. The state considers the fact that it takes time to get the contracts in place, etc.

**3. 5-Year Capital Improvement Plan & 20-Year Capital Needs Assessment (2024-2043)**

Terri Holcomb presented the Authority’s 5-Year CIP and 20-Year CNA to the Board for formal consideration and approval. The draft 5-Year CIP and 20-Year CNA was presented to the Board at the April 5, 2023 Board meeting as Regular Item 4 and discussed with Member and Customer Professional staff on March 8<sup>th</sup> and May 3<sup>rd</sup> and no changes have been made from that time.

Ms. Holcomb explained that the 5-Year Capital Improvements Plan (CIP) includes projects that are relatively certain and well-defined, and the 20-Year Capital Needs Assessment (CNA) which includes the 5-Year CIP, looks out beyond that period to years 6 – 20 years where projects are less certain and less well defined. The draft 5-Year CIP and 20-Year CNA document summarizes the number, type, and timing of water supply, regional transmission, and other capital projects planned over these periods. Capital planning drives the planning, design, and construction of significant infrastructure projects forecasted to serve the region’s needs. These projections must be coordinated with financial planning, selection of engineering consultants, and acquisition of internal resources to complete these projects by the time they are needed.

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 in 5-Year CIP) in from offsetting cooperative grant funding opportunities for these collective projects based upon past generous participation by the Southwest Florida Water Management District as well as several FDEP grants.

Commissioner Constance asked for confirmation of the cooperative grant funding percentages, because SWFWMD funding was significantly less than the 50% the Authority had received in the past. He stated that these numbers make him concerned that we are getting shorted by the state and outside funding, and that we really need to make sure that Senator Albritton and Senator Boyd know that this is their backyard. Manatee County will need water in the future, and everyone is pushing for this reservoir, so we need to see more contribution by the state on this.

Commissioner Constance continued that his rate payers are not going to pay 78% or 82% of the cost of these projects. They are not going to be able to get them to swallow that kind of bill. So, in fairness and going by historical, can we confirm that we used to get at least 50% funding?

Mr. Manson stated that the Authority was receiving 50% funding from the Southwest Florida Water Management District (SWFWMD) on these projects. He said that SWFWMD has recently had multiple large project funding requests, and the reserves used to fund those projects are low so they are unable to fund most projects at past levels.

Commissioner Constance agreed that the picture has changed. So, what is needed instead is the state to step up and earmark money for this. Either the state wants this area to continue to grow or they don't. You can't ask residents that are already here and getting water to pay double or more for the same water so that their streets can be more crowded.

Mr. Manson added that one way of doing that and getting the state's attention is to acknowledge the positive, assuming the Governor signs this year's budget, they would have provided \$17 million in the last two years. Keeping that up over the next ten years would be marvelous. So, write letters saying thank you, and we are grateful, but we need it again next year and for the next ten years as well.

**Motion was made by Commissioner Constance, seconded by Commissioner Smith to approve the 5-Year Capital Improvement Plan and 20-Year Capital Needs Assessment for 2024-2043. Motion was approved unanimously.**

#### **4. Contract, Scope and Fee with Carollo Engineers for Preliminary Design and Testing for Peace River Brackish Groundwater Supply Project**

Jim Guida presented the Peace River Brackish Groundwater Supply Project contract, scope and fee with Carollo Engineers for the Board's consideration and approval.

Mr. Guida stated that the Authority's Water Use Permit for the Peace River Facility was modified in October 2022 to authorize withdrawal of up to 9 MGD of brackish groundwater from wells on the RV Griffin Reserve, which would yield an estimated 5 MGD average annual day of finished water for allocation to Customers. On February 10, 2023, the Authority requested proposals from firms for the purpose of providing 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 Project is intended to inform the Authority in the selection of its next water supply development project.

Mr. Guida reviewed that the Board approved the selection of Carollo Engineers to conduct the preliminary design and testing for the Brackish Groundwater Project at the Peace River Facility at their April 5, 2023,

meeting. He explained that Work Order No. 1 under this contract will be for Preliminary Design and Testing services and include well construction, aquifer and groundwater quality testing, and preliminary design of 1) raw water mains and well sites; 2) injection well(s); and 3) brackish groundwater treatment facilities. The Project also includes permitting services, development of a 30% Design Package, and an engineer's opinion of probable cost. Preliminary Design and Testing for the Brackish Groundwater Project is scheduled for completion in March 2024. Negotiated costs for Work Order No. 1 are not to exceed \$5,488,750 which includes a \$500,000 Owners Allowance for out-of-scope work if authorized by the Executive Director. This work is included in the CIP portions of the Authority's Amended FY 2023 and Tentative FY 2024 Budgets. Funds are proposed to come initially from the \$100M line of Credit with PNC Bank. Staff recommends these costs be included in any permanent financing that is obtained for the next regional water supply project.

Commissioner Constance asked for clarification where the funding for this project is coming from, is this grant funded or coming out of reserves?

Mr. Guida stated that funds for this project are proposed to come initially from the Authority's \$100M line of credit.

**Motion was made by Commissioner Smith, seconded by Commissioner Constance to approve Professional Services Contract with Carollo Engineers for the Peace River Brackish Groundwater Supply Project and Authorize the Executive Director to Execute Work Order No. 1 under that Contract for Preliminary Design and Testing Services in an amount not to exceed \$5,488,750. Motion was approved unanimously.**

## **5. Updated Feasibility of Solar Power Options at the Peace River Facility**

Mr. Anderson along with Steven King of Black and Veatch presented an updated on the most recent Renewable Energy Study at the Peace River Facility for the Board's information and discussion.

Mr. Anderson explained that to improve the long-term efficiency and sustainability of our water system and facilities, the Authority has, and continues to explore and implement improvements to optimize its facilities and operations. In 2018 Black & Veatch performed a Renewable Energy Study for the Authority's Peace River Facility campus in DeSoto County. The 2018 Study evaluated four solar power options ranging from 200 KW to 75 MW for implementation at the PRF. None of the options were deemed economically viable at the time. In 2021 the Renewable Energy Study was updated, and two additional scenarios were evaluated. Again, none of the options appeared viable.

Mr. King discussed that Black and Veatch has recently completed an update of the 2018 and 2021 work that includes information on technology advancements that improve equipment performance, require less space, and reflect changes to the payback periods for alternative configurations of ground mounted solar PV systems in the vicinity of the PRF. Mr. King stated that this updated report also includes conceptual level cost estimates that consider newly available Federal tax credits of up to 30% and provides planning level information such as optimal sizing and associated land requirements for various alternatives.

Mr. Anderson stated that the next steps include having Black & Veatch complete a preliminary solar design and asked for Board consensus on the sizing and concept to move forward with such.

Commissioner Constance stated that this item was music to his ears. He agrees that financially, it is not something that made sense in the past but finally it does. He asked what the general size of the footprint for install would be?

Mr. King replied that it has shrunk considerably from what it was in 2018 at the beginning of the study. Generally, the rule of thumb is about 5-acres per megawatt. So, approximately 10 acres total for the project.

Commissioner Constance asked if the usage at the Facility during the day is under that 2 MW output number? And would this system be expandable in the future, can we add more meters if needed?

Mr. Anderson replied that the average daily demand at the Facility is just over that 2 MW total solar production. He stated that FPL still has their fingers in a lot of the rules and regulations for these systems, and you are only allowed to use up to a certain percentage of your average daily electrical demand. Mr. Anderson continued that he did confirm that we could expand the solar system by adding another meter if needed in the future.

Commissioner Langford commented that solar is the way to go, the cost versus the savings just makes sense. He continued that he's signed a lot of FPL checks for the Authority and believes if the average person saw what we pay FPL for just our regular use, they are likely to fall over. Commissioner Langford stated that he would love to see us move forward with solar, so let's get it going and start saving money.

#### **6. Repair of Damage from Hurricane Ian to Reservoir No. 2 Soil Cement**

Mr. Guida presented on the repairs needed to the soil cement on Reservoir No. 2 due to damage from Hurricane Ian for the Board's information and staff's recommended formal approval to ratify the Executive Director's May 12, 2023 Emergency Procurement with Ballard Marine Construction for a total not-to-exceed cost of \$1,434,858.

Mr. Guida explained that the extended period of high wave action during Hurricane Ian in late September 2022, caused some damage to the interior soil cement flat-plate and stair-steps of Reservoir No. 2. These soil cement installations serve as erosion control for the interior of the reservoir. Efforts to assess the nature and extent of the damage (both above and below water) have been completed in coordination with Underwater Engineering Services, Inc. (UESI) and with Stantec, the Engineer of Record for Reservoir No. 2. UESI performed extensive explorations of damages both above and below the reservoir water line. The embankment structure has not been compromised by the damage. However, considerable repairs are needed and are recommended by the reservoir design engineer (Stantec) and they have recommended that the Authority proceed as soon as possible with repairs because future storms could result in more extensive damage and more costly repairs in these areas.

Mr. Guida stated that on May 4, 2023, the Authority's Executive Director authorized Emergency Procurement of services related to the necessary concrete repairs for Reservoir No. 2 with Ballard Marine Construction (Ballard) due to their specialization with these types of repairs, including underwater repairs. Ballard provided a scope of services to undertake the necessary repairs for a total not to exceed cost of \$1,434,857.80. Authorization for Ballard to proceed was provided by the Authority on May 12, 2023. All repairs are scheduled to be completed in August, with the goal of effectuating repairs prior to the historical peak hurricane season. The majority of the costs incurred for this repair are expected to be reimbursed from the Authority's insurance and/or FEMA claim related to Hurricane Ian.

Commissioner Smith complimented Mr. Coates for his initiative and quick action on making the decision for emergency procurement for these repairs and getting them done before the coming hurricane season when things could quickly get a lot worse.

**Motion was made by Commissioner Smith, seconded by Commissioner Constance to ratify Executive Director's May 12, 2023 Emergency Procurement with Ballard Marine Construction for Hurricane**

**Ian Related Damage Repairs to Reservoir No. 2 for a total not-to-exceed cost of \$1,434,858. Motion was approved unanimously.**

**7. Peace River Regional Reservoir No. 3 (PR3) – Design & Construction Schedule Update**

Ms. 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. This Third-Party Review is a requirement for SWFWMD co-funding and will need to be completed and approved by the District prior to the approval of the FY24 Cooperative Funding Initiative Budget.

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 anticipates bringing this Work Order to the Board for approval at the October 4th meeting. Ms. Holcomb 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 continued that in order 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 a 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 will begin in June 2023.

Commissioner Constance asked when the estimates shown become firm? It sounded to him like it will be later this year?

Ms. Holcomb explained that no, with the first package and having the CMAR come in, they will give us an updated cost estimate. It is not a guaranteed maximum price at that time, but it is a more certain cost estimate from contractor. So, that range of accuracy becomes much tighter.

Commissioner Constance asked what the cost affect of these estimates, whether it be \$100M, \$200M, whatever the number ends up being, is going to be on the base rate for the Customers? Can we work up those numbers as examples now? Ms. Holcomb explained that we do provide those large numbers and possible breakdowns per customer to our financial advisors and they come up with different scenarios, based on different rates of funding, bonding, etc. to give us basically that amortization schedule. From there it is up to our Customers to determine how they are going to recoup those amounts. So, we can provide those number scenarios to you and your staff so that you can make those decisions.

Ms. Lee added that yes, we do have an internal Authority model that goes through several options as well as having escalations in there for O&M costs, and those types of situations. We did share these with Customer's staff back in February or March when we received the initial cost estimates. But we are happy to refine them based on this most recent project update and reshare them with staff.

Commissioner Constance asked if the Authority could come and present the next update with these estimates at Charlotte County’s BOCC meeting at the end of September.

**GENERAL COUNSEL’S REPORT**

Mr. Manson offered an explanation and comments on the recent Supreme Court action (Sacket) regarding what is considered a Water of the U.S.(WOTUS). Essentially the definition of what a WOTUS is has been narrowed considerably – so that many water bodies that were previously identified as Waters of the U.S. no longer fall into that category. He explained some of the ramifications of the Sacket decision on environmental permitting and commented that there will be a period of uncertainty on the part of regulatory agencies on how to administer this new directive.

**EXECUTIVE DIRECTOR’S REPORT**

Mr. Coates added that in conjunction with the updates from Mr. Guida’s, and Ms. Holcomb’s presentations on new water supplies, Authority and Customer staff are working on firming up demand projections, because those demand projections will drive the development of new supply. The target is to have these firming up demand projections by fall of this year so that we can move forward and complete the amendment of the Master Water Supply Contract and select the next regional water supply project.

**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

August 2, 2023 @ 9:30 a.m.  
Manatee County Administration Center  
Honorable Patricia M. Glass Chambers  
1112 Manatee Ave West, Bradenton, FL

Future Authority Board Meetings

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 11:37 a.m.

**BOARD APPROVED**

**AUG - 2 2023**

**Peace River Manasota  
Regional Water Supply Authority**



Commissioner Elton Langford  
Chairman