

**PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING**

**SUMMARY AGENDA
April 3, 2024 @ 9:30 a.m.**

DeSoto County Administration Building
Commission Chambers, First Floor
201 East Oak Street, Arcadia, FL

ALL MEETINGS ARE OPEN TO THE PUBLIC

Additional information may be obtained by contacting the Peace River Manasota Regional Water Supply Authority, 9415 Town Center Parkway, Lakewood Ranch, Florida 34202 or through the Authority's website www.regionalwater.org. Persons with disabilities who need assistance may call (941) 316-1776 at least two business days in advance to make appropriate arrangements. No Stenographic record by a certified court reporter is being made of this meeting. Accordingly, any person who may seek to appeal any decisions involving the matters noticed herein will be responsible for making verbatim record of the testimony and evidence at this meeting which may be necessary to appeal such decisions.

BOARD OF DIRECTORS

Commissioner Elton Langford, DeSoto County, Chairman
Commissioner Joe Tiseo, Charlotte County, Vice Chairman
Commissioner Jason Bearden, Manatee County
Commissioner Mike Moran, Sarasota County

CALL TO ORDER

INVOCATION

Commissioner Elton Langford

PLEDGE OF ALLEGIANCE

Led by the Board

WELCOME GUESTS

HOST COUNTY REMARKS

PUBLIC COMMENTS

Any individual wishing to address the Board on an item on the Consent Agenda or Regular Agenda ("Voting Agenda Items") or an issue that does not appear on the agenda should complete a 'request to speak' card and submit it to the Authority's recording clerk prior to this Public Comments item. Each person that submits a 'request to speak' card will have three (3) minutes to address the Board. Fifteen (15) minutes is provided for this Public Comment item unless additional time is needed for individuals to address the Board on Voting Agenda Items. If the time limit is exhausted and there are still individuals that want to address the Board on non-Voting Agenda Items, the Board will entertain any remaining comments near the end of the meeting. Comments on Voting Agenda Items will be heard first.

AWARDS/RECOGNITIONS

1. 2023 FDEP Drinking Water Plant Operations Excellence Award

Presenter - Richard Anderson, Deputy Director

Authority Staff will present an award on behalf of the Florida Department of Environmental Protection (FDEP). The Peace River Regional Water Plant has been selected to receive a 2023 Drinking Water Plant Operations Excellence Award in recognition of outstanding treatment plant operation, maintenance, and compliance.

CONSENT AGENDA

1. Minutes of the February 7, 2024, Board of Directors Meeting and Workshop

Recommended Action - **Motion** to approve minutes of February 7, 2024, Board of Directors Meeting and Workshop.

Draft minutes of the February 7, 2024, Board of Directors Meeting and Workshop are provided for Board approval.

2. Resolution 2024-04 ‘Recognition of the Month of April as Water Conservation Month’

Recommended Action - **Motion** to approve Resolution 2024-04 ‘Recognition of the Month of April as Water Conservation Month’.

By adoption of this resolution, the Authority will be joining with the State of Florida, water management districts, local governments, and water-related organizations in recognizing the importance of water conservation in sustaining our water resources.

3. Resolution 2024-05 ‘Recognition of National Drinking Water Week’

Recommended Action - **Motion** to approve Resolution 2024-05 ‘Recognition of National Drinking Water Week’.

The importance of water is too often overlooked. Safe drinking water is the lifeblood of our communities, yet few people understand the true value of what comes from their tap. The Authority is pleased to take this opportunity with the American Water Works Association to remind everyone that a reliable water system is essential to their everyday life by proclaiming May 5-11, 2024, as ‘National Drinking Water Week’.

4. Award of Contracts for Purchase of Water Treatment Chemicals

Recommended Action - **Motion** to award and authorize Executive Director to execute Contracts for Purchase of Water Treatment Chemicals with the recommended lowest responsible and responsive bidders.

Water treatment chemicals were bid in accordance with the Authority’s Procurement Policy and staff recommends award of contracts to the lowest responsible and responsive bidders as listed below. Contracts are for an initial term of one (1) year (May 1, 2024, through April 30, 2025) and are eligible for up to two (2) one-year extensions upon mutual consent of the parties.

Bid Item	Chemical	Recommended Bidder	Current Cost	New Cost
No. 1	12% Sodium Hypochlorite	Allied Universal Corp.	\$1.43/lb.	\$1.56/lb.
No. 2	Copper Sulfate	Thatcher Chemical of Florida	\$2.028/lb.	\$2.01/lb.

Budget Action: No action needed

5. Award Contract for Professional Auditing Services

Recommended Action - **Motion** to approve Professional Services Evaluation Committee recommendation and authorize the Executive Director to execute a contract for Professional Auditing Services with the highest ranked firm, Purvis Gray & Company, LLP.

In accordance with the Authority’s Procurement Policy 3.1.3(3) and Florida Statute, Section 218.39, Requests for Proposals (RFP) were requested from Certified Public Accounting Firms interested in providing professional auditing services relative to the auditing of financial statements for the fiscal year ending September 30, 2024 through September 30, 2028. Three (3) RFP’s were timely received by the March 6, 2024 submittal deadline and all were deemed responsive and were evaluated in accordance with the Authority’s Procurement Policy.

On March 13, 2024, the Authority’s Professional Services Evaluation Committee (PSEC) held a Public Meeting and reviewed the RFP’s based on the Evaluation Criteria. At the conclusion of this meeting, the PSEC ranked Purvis Gray and Company, LLP the highest with the results shown in the table below.

Staff recommends that the Authority Board of Directors approve the PSEC ranking below and authorize the Executive Director to execute a contract for Professional Auditing Services with the highest ranked firm, Purvis Gray & Company, LLP. Contract duration will be five years, with option for two one-year extensions upon mutual agreement of the Parties. Services will begin upon execution of an agreement.

Rank	Firm	Location
1	Purvis Gray & Company, LLP	Sarasota, FL
2	Mauldin & Jenkins, LLC	Bradenton, FL
3	Marcum, LLP	Tampa, FL

Budget Action: None, funds for auditing services are in the FY 2024 Budget

6. Piggy-Back Charlotte County Contract with Sanders Laboratories for Water Quality Analysis

Recommended Action - **Motion** to approve piggybacking on Charlotte County’s Contract with Sanders Laboratories, Inc. for Laboratory Services and authorization for the Executive Director to execute an Agreement for these services.

The Authority requires ongoing water quality analytical services associated with our water treatment, storage, distribution, and monitoring operations. The Authority utilizes outside laboratory services for various analytical and permit compliance needs. We have one existing outside laboratory (Benchmark

EnviroAnalytical, Inc.) under contract for these services and believe adding a second laboratory is prudent to support continuity in the Authority operations. Staff recommends piggybacking on Charlotte County’s contract with Sanders Laboratories as a back-up to the current lab contract with Benchmark EA. Charlotte County completed a competitive selection process for laboratory services for the County Utilities Department in 2023, selecting Sanders Laboratories, Inc. to provide these services. The Charlotte County’s contract term is effective January 1, 2024, and shall remain in full force and effect through and including September 30, 2025.

Section 189.4221 Florida Statutes, and the Authority’s Procurement Policy allows the Authority, as a Special District to “piggyback” on contracts from other local government, municipality or other Special Districts for commodities and contractual services if the following requirements are met:

- The Authority’s procurement process is similar to that used by the other local government to procure the commodities or services (confirmed)
- The Authority accepts the same terms as the contracting local government (confirmed)
- The contractor will agree to the “piggybacking” (confirmed)

Considering the record of excellent service, local service provider and comparability with historical analytical costs, the staff recommendation is to piggyback on the recent Charlotte County contract with Sanders Laboratories, Inc. for laboratory services.

Budget Action: No action needed.

7. Investment Banking Services Co-Manager Changes

Recommended Action - **Motion** to remove UMB as a Co-Manager and add RBC Capital as a Co-Manager on the Authority’s Investment Banking Team.

On May 27, 2020, the Authority Board approved an Investment Banking team comprised of Raymond James (Senior Underwriting Manager), and PNC Bank and UMB (Co-Managers). This team provides underwriting services in conjunction with issuance of revenue bonds to fund improvements in the Authority’s water utility system and other financial transactions.

In the past year UMB has lost key staff and as a result is proposed for removal from the Investment Banking Team. Staff recommends the addition of the next available ranked firm, RBC Capital, to replace UMB as co-manager on the Authority’s Investment Banking Team. Please note that although Citi Group was the 4th ranked firm from the PSEC meeting held in 2020, Citi announced in December 2023 that they were closing their municipal-bond (investment banking) department.

Budget Action: No action needed.

8. Consultant Selection - Partially Treated Surface Water Aquifer Storage and Recovery Project

Recommended Action - **Motion** to approve the Professional Services Evaluation Committee recommendation and authorize the Executive Director to execute a professional services contract with AECOM for Engineering Design and associated professional services for the Partially Treated Surface Water ASR Project.

In accordance with the Authority’s Procurement Policy, Statements of Qualifications (SOQ) were requested from respondents interested in providing Engineering Design and associated professional services for the Partially Treated Surface Water ASR Project. One (1) SOQ was timely received by the February 9, 2024, submittal deadline, the SOQ was deemed responsive and was evaluated in accordance with the Authority’s Procurement Policy.

On February 23, 2024, the Authority’s Professional Services Evaluation Committee (PSEC) held a Public Meeting and reviewed the SOQ based on the Evaluation Criteria. At the conclusion of this meeting, the PSEC ranked AECOM with the results shown in the table below.

Staff recommends that the Authority Board of Directors approve the PSEC ranking below and authorize the Executive Director to execute a Professional Services contract for with AECOM for Engineering design Services and associated professional services for the partially Treated Surface Water ASR Project. Work orders issued under the proposed contract will be negotiated on an as-needed basis. Funding for design work provided by FDEP Grant No.: LP58012.

Rank	Firm	Location
1	AECOM	Fort Myers, FL

Budget Action – No action is required.

9. Phase 3C Pipeline Easement Agreements

Recommended Action -

Motion to approve Purchase of One (1) Permanent Pipeline Easements and One (1) Temporary Construction Easements for the Phase 3C Regional Interconnect and Authorization for the Chairman and Executive Director to execute the NON-EXCLUSIVE PERMANENT WATER MAIN EASEMENT AGREEMENTS and TEMPORARY CONSTRUCTION EASEMENT AGREEMENTS, and other documents and fees necessary to close on the easement purchases within the Phase 3C Easement Package #4.

The Regional Integrated Loop Phase 3C Pipeline Project includes approximately 8 miles of 42-inch diameter pipeline. The pipeline route begins near State Road 72 and Cow Pen Slough Canal and extends generally north to the vicinity of the Fruitville and Lorraine Roads intersection where it will connect with Sarasota County utilities existing infrastructure. The Project is scheduled for substantial completion by March 1, 2025. On April 6, 2022, the Board approved Resolution 2022-03 determining the necessity for construction of the Phase 3C Regional Interconnect Pipeline and identifying the route for the pipeline. Two amendments to Resolution 2022-03 (Amendment 1, April 5, 2023, Amendment 2, June 7, 2023) have been approved providing for revision of the originally approved pipeline route, and authorizing acquisition of property rights necessary to construct and operate the Phase 3C Pipeline project.

Board authorization is requested to purchase the easements listed below (Phase 3C Easement Package # 4) for the selling prices below, and for the Chairman and Executive Director to execute the documents necessary to complete the purchase including closing costs and/or legal fees.

Permanent Easement #	Perm. Easement Area (Ac)	Temporary Easement #	Temp. Easement Area (Ac)	Total Selling Price
806	0.2533	706	0.3759	\$286,928.00

Budget Action – No action is required. Funds for these materials will come from the Authority’s \$100M Line of Credit.

10. Work Order to McKim & Creed for Electrical and Instrumentation & Control (I&C) Services

Recommended Action - **Motion** to approve and authorize the Executive Director to execute a Work Order to McKim & Creed under their Continuing Service Contract for an amount not to exceed \$379,500 for Electrical and Instrumentation and Control Services identified in the attached Scope and Fee dated March 7, 2024.

The Authority’s Surface Water System Expansion Project (SWSEP) has multiple project components that will collectively increase production capacity at the Peace River Facility. Component projects include the PR3 Project (new Reservoir, Conveyance System and Pump Stations), and expansion of Water Treatment Plant (WTP) capacity. Component projects are likely to be designed by different engineering firms and constructed by different construction firms, which presents a scenario where standardization across the projects will be difficult to achieve without proactive input on design standards and equipment selection. This standardization is critical for future maintenance and operation of the system by insuring consistency with existing infrastructure and procedures. Standardization in equipment selection will also reduce operating costs and downtime through minimizing spare parts inventory.

To ensure a common approach and adherence to standards, staff recommends engaging McKim & Creed under their existing continuing services contract to act as a representative of the Authority and enforce a common approach and standardization across all SWSEP projects. This involvement will begin with the design phase and proceed through the construction phase. McKim & Creed, acting as an extension of staff, will attend meetings, review design documents, provide input on contractor award, review bids, answer bid and construction RFI’s, attend construction meetings, attend the factory acceptance tests, and provide startup and commissioning support for an amount not to exceed \$379,500, which includes \$25,000 in Owner’s Allowance which may be used only with prior written approval of Authority and will remain in effect until project startup and commissioning is completed.

Budget Action – No action is required. Funds for this Work Order are included in the 2024 budget.

REGULAR AGENDA

1. Water Supply Conditions Report

Presenter - Richard Anderson, Deputy Director

Recommended Action - **Status Report.** This item is presented for the Board’s information and no action is required.

Water Supply Conditions at the Peace River Facility as of March 18, 2024.

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

March Water Demand	28.77 MGD
March River Withdrawals	23.07 MGD

<u>Storage Volume:</u>	
Reservoirs	6.66 BG
ASR	<u>8.72 BG</u>
Total	15.38 BG

2. 2024 Legislative Update

Presenter - Katie Kelly - Manson, Bolves, Donaldson & Tanner

Recommended Action - **Status Report:** This item is provided for Board information and no action is required.

The 2023-2024 Florida legislative regular session started January 9th and was completed March 8th. Katie Kelly, Governmental Affairs Specialist with Manson Bolves Donaldson Tanner will recap the Session and discuss legislative action affecting the Authority’s adopted legislative priorities.

3. Authority Insurance Coverage Review and Property Insurance Renewal

Presenters - Ann Lee, Finance and Budget Senior Manager
Michelle Martin, Senior VP, Brown & Brown

Recommended Action - **Motion** to approve binding coverage of Peace River Facility Property Insurance with Preferred Governmental Insurance Trust and Hiscox for a not to exceed premium of \$727,841 for the upcoming year (April 30, 2024 thru April 30, 2025).

The Authority’s property insurance expires on April 30, 2024. Although insurers from both the admitted and surplus markets were accessed, only 2 formal quotes was received (from the current incumbent) for property insurance for the upcoming year. The Authority’s independent insurance consultant, Brown & Brown reviewed the quotes and recommends executing a policy with Preferred Governmental Insurance Trust and Hiscox.

The premium for the recommended 12-month policy (April 30, 2022 thru April 30, 2023) is \$727,841. The 12-month policy premium reflects an .18% rate increase. This policy also represents a change in the deductible calculation which lowered the Authority’s deductible exposure from 5% of Total Insured Value (approximately \$7.4 million) to 5% per line item on the Statement of Values, where only the locations damaged would be subject to a deductible charge.

Funds are available in the FY 2024 budget for property insurance. Staff recommends Board approval to bind coverage for the Peace River Facility Property Insurance with Preferred Governmental Insurance Trust and Hiscox for a not to exceed premium of \$727,841 for the upcoming year April 30, 2023, thru April 30, 2024.

In addition to property insurance, the Authority also maintains general liability, cyber liability, workers compensation, pollution, and auto coverages.

Budget Action: No action needed.

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

Presenter - Mike Knowles, Senior Manager, Engineering & Projects

Recommended Action - **Status Report.** This item is presented for information and discussion.

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 the 20-year planning period pursuant to the Integrated Regional Water Supply Plan 2020 Update. 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. There are 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 2025 through FY 2029 currently includes the following:

Regional Transmission Projects	\$ 73,279,606	11.8%
Water Supply Projects	\$ 502,164,665	81.0%
Other Projects	\$ 44,272,500	7.1%
Total	\$ 619,716,771	100%

And the 20-Year CNA, beginning in FY 2025 through FY 2044, includes the following:

Regional Transmission Projects	\$ 341,442,166	28.6%
Water Supply Projects	\$ 809,238,081	67.7%
Other Projects	\$ 44,272,500	3.7%
Total	\$1,194,952,747	100%

Capital planning has also identified \$126 million in offsetting cooperative grant funding opportunities for projects within the 5-year CIP projects based upon past generous participation by the Southwest Florida Water Management District.

Budget Action: None - Guidance received will be incorporated into the Final FY 2025 budget.

5. 2014B Refunding/Phase 3C Regional Interconnect Financing

Presenters - Ann Lee, Finance and Budget Senior Manager
 Natalie Sidor, Senior Managing Director, Public Resources Advisory Group (PRAG)

Recommended Action - **Motion** to approve and authorize staff to proceed on the 2014B Refunding effort and Phase 3C Regional Interconnect Long Term Financing effort.

The Authority's 2014B bonds are callable in October 2024 and therefore eligible for current refunding this summer. Current analysis (1/29/24) by the Authority's financial advisor, PRAG, indicates that refinancing the 2014B's would provide total gross savings of \$10.2 million, roughly 14.9% in total net present value savings. Staff requests Board authorization to initiate the work needed to support the bond refunding.

Staff also requests Board authorization to move forward with finalizing long-term funding for the Phase 3C Regional Interconnect in conjunction with the 2014B refunding effort to take advantage of economies of scale. The funding for Phase 3C is currently coming from the Authority's Capital Project Line of Credit. The anticipated bond amount for the Phase 3C Regional Interconnect is approximately \$33 million and staff will work closely with Sarasota County on configurations of debt service and final debt amounts.

Board authorization later this summer (anticipated August) will be requested prior to actual refunding/new money closings.

Budget Action: No action needed.

6. New Water Supply Needs and Regional Project Selection

Presenter -

Richard Anderson, Deputy Director

Recommended Action -

Motion. Approve staff recommendation to proceed with design, bidding and construction of the Surface Water System Expansion Project to meet Customer Requested New Water Supply Demands by 2028.

Authority Customers have identified New Water Supply Demands for the Authority to meet beginning in 2028. The Authority has been carrying two regional water supply projects; (1) the Surface Water System Expansion Project, and (2) the Brackish Groundwater Reverse Osmosis Project, through design and permitting to ensure that regional water supply needs can be timely met.

The current schedule shows that either project can be completed and deliver water in 2028. However, other factors including current grant funding, the growth in Customer demands and project yield should be considered in project sequencing. The Surface Water System Expansion Project, with nearly \$133M in grant funding, and an 18 MGD average day yield will meet the current requested New Water Supply Demands of Sarasota, DeSoto and Charlotte Counties through 2036. Sarasota County Board of County Commissioners unanimously voted to commit to pay for a minimum of 12 MGD annual average water allocation and up to 17 MGD annual average water allocation for the Surface Water System Expansion Project to meet its future water demands.

The Surface Water System Expansion Project is recommended to proceed to final design, bidding and construction to meet customer requested new water supply demands beginning in 2028. Long-term Customer projections indicate that the Brackish Groundwater Project, yielding 8 MGD average day, will be needed by 2036 to meet increasing regional needs from Manatee County.

Budget Action: No action needed.

7. Amending the Master Water Supply Contract

Presenter - Doug Manson, General Counsel
Mike Coates, Executive Director

Recommended Action - **Status Report.** This item is provided for Board information and direction.

The allocation of new water supplies from the Peace River Facility requires amendment of the Master Water Supply Contract (MWSC). Specifically, Exhibits A, B, C and F in the contract must be updated to formalize new supply development and capacity allocation to Customers. These exhibits are briefly discussed below:

- Exhibit A (DeSoto Payment Schedule): Increase the payment to DeSoto County to compensate for the increase in the water use permit to 80 MGD at the Peace River Facility.
- Exhibit B (Water Allocation): Identifies average day, peak month and maximum day supply allocated each year to each Customer from the Peace River Facility.
- Exhibit C (New Water Supply Demands): Shows new water supply quantities (average day, peak month and maximum day), above existing allocations, that Customers request from the Authority.
- Exhibit F (Cost Allocation Percentages): Identifies cost allocation percentages (participation) for each Customer in each Authority supply project.

In addition to amendment of the contract exhibits (A, B, C and F), the Authority has been working with Customer utility and legal staff since 2021 to clean up/update the existing 2005 contract. The cleanup/update work will remove outdated language for projects and contract provisions already completed and update contract provisions where needed.

Budget Action – No action is required.

TENTATIVE BUDGET FOR FY 2025

1. Tentative Budget for FY 2025

Presenter - Mike Coates, Executive Director

Recommended Action - **Motion** to approve Tentative Budget for FY 2025 in the amount of \$255,896,482.

In accordance with the ‘Second Amended Interlocal Agreement Creating the Peace River Manasota Regional Water Supply Authority’, the Authority is required to establish a tentative budget no later than May 15th of each ensuing year. Staff will present the proposed Tentative Budget for FY 2025 in the amount of \$255,896,482.

The Tentative Budget for FY 2025 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 at which time the Board will adopt the final budget for FY 2025 during a regularly scheduled meeting on August 7, 2024.

2. Resolution 2024-06 ‘Resolution Setting Forth Preliminary Schedules of Rates, Fees and Charges for FY 2025’

Presenter - Mike Coates, Executive Director

Recommended Action - **Motion** to approve Resolution 2024-06 ‘Resolution Setting Forth Preliminary Schedules of Rates, Fees and Charges for FY 2025’.

Resolution 2024-06 formalizes the Board’s adoption of the Tentative Budget for FY 2025 and establishes its intent to set rates, fees and charges based upon the tentative budget. A public hearing is scheduled at which time the Board will adopt the final schedule of rates, fees and charges for FY 2025 during a regularly scheduled meeting on August 7, 2024.

GENERAL COUNSEL’S REPORT

Presenter - Douglas Manson, General Counsel

Recommended Action - **Status Report.** This item is presented for the Board’s information and no action is required.

1. Resolution for FDEP Easement on Phase 2B Regional Interconnect
2. Response to FRS Letter on Executive Director Compensation

EXECUTIVE DIRECTOR’S REPORT

Presenter - Mike Coates, Executive Director

Recommended Action - **Status Report.** This item is presented for the Board’s information and no action is required.

ROUTINE STATUS REPORTS

1. Hydrologic Conditions Report
2. Check Registers for January and February 2024
3. Peace River Regional Reservoir No. 3 Project (PR3)
4. Regional Integrated Loop System Phase 2B Interconnect
5. Regional Integrated Loop System Phase 3C Interconnect
6. DeSoto Booster Pumping Station Project
7. Brackish Groundwater Reverse Osmosis Project at the Peace River Facility
8. Peace River Basin Report

BOARD MEMBER COMMENTS

PUBLIC COMMENTS *(if necessary)*

Individuals who previously submitted a ‘request to speak’ card to the Authority’s recording clerk and there was inadequate time during the initial Public Comments item for them to speak on non-Voting Agenda Items, will be given three (3) minutes per person to speak on such item.

ANNOUNCEMENTS

Next Authority Board Meeting

June 5, 2024 @ 9:30 a.m.

Manatee County Administration Center
Honorable Patricia M. Glass Chambers
1112 Manatee Ave West, Bradenton, FL

Future Authority Board Meetings

August 7, 2024 @ 9:30 a.m. – Sarasota County
October 2, 2024 @ 9:30 a.m. – Charlotte County
December 4, 2024 @ 9:30 a.m. – DeSoto County

ADJOURNMENT

Visit the Business page of our website www.regionalwater.org to access the Agenda Packet