

PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING
April 3, 2024

CONSENT AGENDA
ITEM 1

Minutes of 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.

Attachments:

Draft minutes of the February 7, 2024, Board of Directors Meeting and Workshop

Minutes of Board of Directors Meeting
PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY
Peace River Facility
Water Quality & Training Center
8998 SW County Road 769, Arcadia, FL 34269

Board Members Present:

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

Staff Present:

Mike Coates, Executive Director
Doug Manson, General Counsel
Richard Anderson, Deputy Director
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

Executive Director, Mike Coates offered host remarks and welcomed guests to the Peace River Facility.

PUBLIC COMMENTS

Public comment was made by Richard Russell and Erik Howard.

ELECTION OF OFFICERS

1. Election of Chairman and Vice-Chairman for 2024

Doug Manson, General Counsel, conducted the election of officers for chairman and vice-chairman and opened the floor for nominations.

Commissioner Moran moved to nominated Commissioner Langford as Chairman and Commissioner Tiseo as Vice-Chairman.

Mr. Manson received the nominations and consent to close nominations. Nomination of Commissioner Langford for Chairman and Commissioner Tiseo for Vice-Chairman was approved unanimously.

CONSENT AGENDA

1. **Approve Minutes of the December 6, 2023, Board of Directors Meeting**
2. **Approve Year-End Financial Status and Semi-Annual Investment Reports for FY 2023**
3. **Approve Novation of Two Contracts from Janicki Environmental to Environmental Science Associates (ESA)**
4. **Approve Professional Services Contract for Information Technology Support and Management Services**
5. **Approve Phase 3C Regional Interconnect Easement Agreements**
6. **Approve Phase 2B Regional Interconnect Resolution of Necessity for Pipeline Easements**
7. **Approve Treatment Trains 7 and 8 Rehabilitation Project – Phase 1 Work Orders**
8. **Approve Phase 3C Regional Interconnect Resolution of Necessity 2022-03 – Amendment No. 3**
9. **Approve Operating Protocol Agreement between the Authority and the Polk Regional Water Cooperative for Water Supply Operations on the Peace River**

Motion was made by Commissioner Tiseo, seconded by Commissioner Bearden, to approve the Consent Agenda. Motion was approved unanimously.

REGULAR AGENDA

1. Water Supply Conditions Report

Richard Anderson presented the Water Supply Conditions at the Peace River Facility as of January 19, 2024 for the Board’s information:

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

December Water Demand	26.31 MGD
December River Withdrawals	21.77 MGD
<u>Storage Volume:</u>	
Reservoirs	6.79 BG
ASR	<u>8.72 BG</u>
Total	15.41 BG

Commissioner Bearden asked what the max capacity the Authority can supply from the facility today. Mr. Anderson explained that we have a permitted capacity of 51MGD. We have a contractual obligation to our customers through the Master Water Supply Contract of 34.7MGD.

2. FY 2023 Annual Comprehensive Financial Report and Independent Auditors' Report

Ann Lee along with Tiffany Mangold, CPA, with the firm of Purvis Gray & Company presented findings of the completed annual audit of the Authority's financial records for the fiscal year ending September 30, 2023. There were no matters involving the internal control over financial reporting or significant deficiencies in operation noted in the audit that would be considered a material weakness.

Staff recommended the Board 'receive and file' the Annual Comprehensive Financial Report and Independent Auditors' Report of the Authority for period ending September 30, 2023, and approve its submittal to the GFOA Certificate of Achievement for Excellence in Financial Reporting Program, pending the changes related to GASB 68.

Commissioner Tiseo stated that he had a question concerning the financial section of the audit report, specifically concerning investments. Is there a finance committee with someone from the Authority Board on it that works with the audit firm? Ms. Lee replied that no, the Authority does not have a finance committee. Commissioner Tiseo explained his concern that specific lender information was not included in the audit report and stated that in the future he would like to see this information. He continued by asking about the bond line items that show losses. Ms. Lee and Ms. Mangold explained that these are paper loses. Commissioner Tiseo stated that this is not how he is reading the report and that he would like to see the actual schedule for these investments. Ms. Lee agreed to send these to Commissioner Tiseo following the meeting.

Commissioner Tiseo continued by asking about the terms surrounding the \$100M line of credit with PNC bank. What does this fee schedule look like? Is it competitive to the market? Ms. Lee explained that all the Authority's borrowings did go through a competitive process, including the \$100M line of credit. She stated that she would be happy to provide Commissioner Tiseo with all the schedules and documents to bring him up to speed on these items.

Motion was made by Commissioner Tiseo, seconded by Commissioner Moran, to receive and file 'Peace River Manasota Regional Water Supply Authority FY 2023 Annual Comprehensive Financial Report and Independent Auditors' Report' as submitted and approve its submittal to the GFOA Certificate of Achievement for Excellence in Financial Reporting Program, pending the changes related to GASB 68 and 75. Motion was approved unanimously.

3. FY 2025 Budget - Schedule and Budget Considerations

Mr. Coates presented the budget considerations for Board direction in preparation of the FY 2025 budget.

Concerning member contributions, Commissioner Tiseo asked for clarification on the debt service component and each member's portion of this. How was this rate method determined? Is this methodology created in-house? Mr. Manson explained that the debt service methodology is designated by the Master Water Supply Contract.

Commissioner Moran stated that he personally would like to see the insurance renewals when they come around in March. Having a background in insurance and with his experience there are ways to maximize the savings on these policies and he believes we need to look at this a little closer. Mr. Coates agreed and ensured that when the time comes, this would be brought to the Board.

GENERAL COUNSEL’S REPORT

1. Update on PFAS settlement and case issues.

Mr. Manson provided an update on the PFAS settlement agreement. The parties have put this agreement in front of the federal judge for consideration. After the judge rules that the settlement is approved, there is a time for appeals. If there are no appeals, it will then be opened for further claims. After that formula is applied, payments will be made. Mr. Manson stated that he will continue to keep the Board updated on the process as it moves along.

2. Clarification for FRS on Executive Director compensation

There has been a question from FRS concerning the Executive Director’s employee contract and monies designated by the employer as differed compensation. Mr. Manson asked for a letter signed by the Chair clarifying the intent of the employment agreement to FRS. The Board consented unanimously.

EXECUTIVE DIRECTOR’S REPORT

Mr. Coates had no further updates for the Board.

CHAIRMAN’S REPORT

1. Recognition of Commissioner Bill Truex

The Authority wishes to express its gratitude to Commissioner Truex for his service to the Authority over the past two (2) years.

Motion was made by Commissioner Tiseo, seconded by Commissioner Moran to approve Resolution 2024-02 ‘Recognition of Commissioner Bill Truex for Service to the Region as a Member of the Peace River Manasota Regional Water Supply Authority Board of Directors’. Motion was approved unanimously.

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
April 3, 2024 @ 9:30 a.m.
DeSoto County Administration Building
Commission Chambers, First Floor
201 East Oak Street, Arcadia, FL

Future Authority Board Meetings

June 5, 2024 - Manatee County

August 7, 2024 - Sarasota County

October 2, 2024 - Charlotte County

December 4, 2024 - DeSoto County

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:50 a.m.

Commissioner Elton Langford
Chairman

Minutes of Board of Directors Workshop
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Water Quality & Training Center
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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 workshop to order at 11:00 a.m.

AGENDA

1. Master Water Supply Contract – New Water Supply Procedure

Mike Coates presented on the New Water Supply Procedure for the Master Water Supply Contract:

- Background on Regional Demand, Supply & Capacity Allocations
- Future Water Supply Procedure
 - Steps in the Process
 - MWSC Capacity Allocation Tables
 - Additional Exhibits in the MWSC Relating to Supply Capacity
- Summary

2. New Water Supply Quantities and Timing

Jim Guida presented on the New Water Supply Quantities and Timing:

- Background on Authority Supply Planning Efforts
- 2024 Customer Projections / Requested New Authority Supplies
 - Schedule of Requested Quantities from the Authority

3. Regional Water Supply Project Options

Terri Holcomb presented on the Regional Water Supply Project Options:

- Water Supply Planning Process
 - Demand Projections
 - Current Capacity
 - Supply Needs
 - Project Selection
 - Implement Projects
- Surface Water Supply Expansion Project
 - PR3 Project
 - PRF Expansion
- Brackish Water Reverse Osmosis
 - Groundwater Wellfield
 - Reverse Osmosis WTP

4. Project Funding Strategies

Ann Lee along with Natalie Sidor of PRAG presenting on the Project Funding Strategies:

- Publicly Offered Tax Bond Issue
- WIFIA
- Creative Funding Strategies
- Model Assumption
- Draft Finance Schedule
 - Spring 2024 – Project Selection
 - Summer 2024 – Refunding Effort; WIFIA Application Submittal
 - Spring 2025 – Finalize Funding Plan

5. Master Water Supply Contract Updates

Doug Manson presented on the Master Water Supply Contract Changes and Review:

- Contract Clean-Up Changes Review and Discussion:
 - Process Reviewed at August 2021 Board Meeting
 - September 8, 2021, Professional Staff Meeting
 - October 1, 2021, Board Workshop
 - November 3, 2021, Professional Staff Meeting
 - January 12, 2022, Professional Staff Meeting
 - April 6, 2022, Board Meeting
 - May 4, 2022, Professional Staff Meeting
 - June 1, 2022 Board of Directors Workshop presentation on Revisions
 - Proposed Third Amendment to the MWSC reviewed by Customer attorneys and sent to Board Member January 2023
 - Update with the Customer water supply demand received January 2024 and Desoto Payment

6. Summary & Next Steps

Richard Anderson presented the workshop summary and next steps:

- New Regional Supply Capacity needed in 2028 and increases to 22.5 MGD in 2041
- Board approved Surface Water Expansion Project yields 18 MGD and can be on-line in 2028
- Meeting the 2028 schedule will require
 - Customer commitments
 - Amendment to the Master Water Supply Contract
 - Continued project progress
- March 2024
 - Discussions with Participating Customer BOCC's
- April 2024
 - Board Action – Project Confirmation
 - Board Action – Approve Master Water Supply Contract Amendments – Provide to Customers
- June 2024
 - Board Action – Adoption of Master Water Supply Contract Amendment
 - Board Action – Approve Selection and Contract for Progressive Design Builder (PDB) for Peace River Facility Expansion
 - Board Action – Approve Phase 1B Construction Manager at Risk (CMAR) Services Contract for Preconstruction Services on PR3 Pumping and Conveyance Facilities
- October 2024
 - Board Action – Approve list of pre-qualified contractors for the Peace River Regional Reservoir No. 3
- December 2024
 - Board Update – Completion of Peace River Reservoir Project Final Design
- April 2025
 - Board Action – Approve GMP for PR3 Pumping & Conveyance Facilities
 - Board Action – Approve Contractor Bid for Peace River Reservoir No. 3
 - Board Action – Approve GMP for Progressive Design Build on Peace River Facility Expansion

BOARD MEMBER COMMENTS

No additional Board comments were made.

PUBLIC COMMENTS

No additional public comments were made.

ADJOURNMENT

There being no further business to come before the Board, the workshop was adjourned at 12:40 p.m.

Commissioner Elton Langford
Chairman