

September 18, 2024

Meeting Minutes

POLK REGIONAL WATER COOPERATIVE

Lake Myrtle Sports Complex

2701 Lake Myrtle Park Road

Auburndale, FL 33823

Member Governments in Attendance:

<u>Member Government</u>	<u>Representative</u>
City of Auburndale	Commissioner Keith Cowie, Primary
City of Bartow	Mayor Trish Pfeiffer, Primary
City of Davenport	Mayor Brynn Summerlin, Alternate
City of Dundee	Commissioner Bert Goddard, Primary
City of Eagle Lake	Absent
City of Fort Meade	Absent
City of Frostproof	Absent
City of Haines City	Vice-Mayor Morris West, Primary
City of Lake Alfred	Mayor Mac Fuller, Primary
Town of Lake Hamilton	Mayor Marlene Wagner, Primary
City of Lake Wales	Commissioner Keith Thompson, Primary
City of Lakeland	Mayor Bill Mutz, Primary (Vice Chair)
City of Mulberry	Absent
City of Polk City	Mayor Joe LaCascia, Primary
City of Winter Haven	Mayor Nathaniel Birdsong, Primary (Secretary/Treasurer)
Polk County	Commissioner George Lindsey, Primary (Chair)

A. Call To Order - 2:00 p.m.

Chairman Lindsey called the meeting to order at 2:00 PM.

B. Recognition of new primary/alternate appointees of members

Chairman Lindsey asked for members to introduce themselves.

C. Agenda Revisions

Mr. Eric DeHaven indicated there were no agenda revisions.

D. Public Comments (Limited to 3 minutes)

Chairman Lindsey introduced David Gore from Haines City who spoke about an aquifer being an alternate water source, hydraulics and how it causes water to flow, and where water flows. Lindsey mentioned the Phone number and email address was shared with the remaining board members.

Chairman Lindsey called on **Shannon Carnivale**, Natural Resources & Conservation Extension Agent to discuss Water School 2024. Shannon mentioned the details will be coming to the City Clerks by the end of the week. There will be an invitation for 1 elected official from each municipality and a city and/or town manager. If unable to attend, Shannon asked that a delegate be nominated. The dates are Friday, 10/11 and 10/18. On the 11th, there will be a field bus tour, and on the 18th presenters from across the state will be invited to present information on new and emerging solution to water solutions today and in the future.

Chairman Lindsey asked if the General public could attend. Shannon responded that this is a direct invitation event, but if a member of the public would like to attend and they contact Shannon, if space is available, they may be able to attend.

The event is scheduled to start tentatively at 9AM and end before 4PM, which will also include lunch. The location is the Extension Office @ 1702 Hwy 17S, Bartow, 33830 in the John Breneman Room.

Mr. DeHaven mentioned that this will be **Chairman Lindsey's** last meeting as PRWC Chairman and Polk County Commissioner. **Mayor Mutts** presented Commissioner Lindsey with a framed print of the rendering of the Southeast Water Production facility as anticipated by the 90% design. **Commissioner Lindsey** mentioned it has been a journey and a struggle, but what he appreciates is this Cooperative has brought down the barriers between the East and West.

E. Consent Items

E.1. Approve July 2024 BOD Regular Meeting Minutes (Action)

E.2. Approve Brynjulfson CPA Auditing Services Engagement Letter for FY2024 Auditing Services (Action)

E.3. Approve Clifton Larson Allen Statement of Work for FY2025 Financial Management Accounting Services (Action)

Commissioner Morris West wanted to go on record and state that he was not at the previous PRWC meeting, and in his place was his Alternate, **Vernell Smith**.

Motion for Staff to approve the Consent agenda in one motion for items E1. – E.3 was made **by Mayor Mutz**, seconded by **Mayor Birdsong**. Motion was unanimously approved.

F. Regular BOD Items

F.1. Election of Chairman, Vice-Chairman and Secretary/Treasurer for the PRWC

Regular Board of Directors for FY2025 (Action)

Commissioner Lindsey discussed the new Election of Officers beginning October 1, 2024 – September 30, 2025 and requested a nomination for a slate of officers as follows: Chair – **Mayor Bill Mutz**, Vice Chair – **Mayor Nathaniel Birdsong**, Secretary/Treasurer **Mayor Fuller**.

Motion to approve Election of Officers for 2024-2025 was made by **Vice-Mayor West**, seconded by **Commissioner Goddard**. Motion was unanimously approved.

F.2. Adopt Resolution 2024-23 for the Final PRWC Administrative Budget - FY2025 (Action)

Mr. DeHaven discussed the Administrative Budget for FY2025. The overall proposed Budget for FY 2025 is \$346,516 which is an increase of \$111,000 over last years' budget due to most of the money going to hiring a Financial Manager to help with PRWC Finances.

Vice Mayor West asked who is doing the financial administration now. **Mr. DeHaven** responded by saying: himself, **Mary Thomas**, **Kristen Labbe**, a Financial Advisor, and support of County. **Vice Mayor West** asked if this a necessity and Mr. DeHaven responded yes, and this would be a new person.

Motion to Approve Resolution 2024-23 for the PRWC Administrative Budget – FY2025 by **Mayor Mutts** seconded by **Mayor Birdsong**. Motion was unanimously approved.

F.3. Adopt Resolution 2024-24 for the Final PRWC Conservation Budget - FY2025 (Action)

Mr. DeHaven stated nothing has changed in the budget since the July 2024 meeting. The FY2025 budget is \$150,000 for Conservation projects within the Polk County Region. The FY2025 Final Conservation Budget is \$75,000, and the remaining \$75,000 will come through Heartland grants. **Chairman Lindsey** asked for next steps and **Mr. DeHaven** responded that the funds collected from last years' budget along with this upcoming budget will be put together to solicit a third-party contractor to be able to implement the conservation program like toilet rebates, yard investigations. **Mayor LaCascia** asked if these funds were for administration of the program and **Mr. DeHaven** indicated that they are for that purpose.

Motion to approve Resolution 2024-24 for the PRWC Conservaton Budget – FY2025 made by **Mayor LaCascia** and seconded **Commissioner Cowie**. Motion was unanimously approved.

F.4. Approve an Agreement with Florida Design Drilling, Inc for Well Construction Services for West Polk Test Production Well #2 and Southeast Production Wells 9, 10, 11, and 14 (Action)

Mr. Tom Mattiacci mentioned that at the March 20, 2024 the Board of Directors authorized staff to procure a drilling contractor. On June 11th, Lakeland Procurement advertised the bids, and on July 25th three bids were received. Florida Design Drilling has been determined to be the lowest qualified respondent and was selected at a bid of \$19,466,450. The next highest bid was AC Schultes of Florida at \$21,977,450, and All Webbs Enterprises bid amount was \$24,747,250.

Mayor Mutz asked if PRWC worked with this firm before. **Mr. Mattiacci** stated Florida Design Drilling completed the initial well at Southwest Wellfield and West Polk Wellfield.

Motion to approve Agreement with Florida Design Drilling, Inc for Well Construction Servies for West Polk Test Production Well #2 and Southeast Production Wells 9, 10, 11, and 14 was made by **Commissioner Thompson**, seconded by **Mayor Birdsong**. Motion was unanimously approved.

G. Recess Regular BOD/Commence Combined Projects BOD

G.1. Election of Chairman, Vice-Chairman and Secretary/Treasurer for the PRWC Combined Projects Board of Directors for FY2025 (Action)

Chairman Lindsey asked for a slate of officers. The slate of officers for the FY2025 include Chair – Mayor Bill Mutz, Vice Chair – Mayor Nathaniel Birdsong, Secretary/Treasurer Mr. Fuller.

Motion to approve election of Chairman, Vice-Chairman, and Secretary/Treasurer for the PRWC Combined Projects Board for FY 2025 was made by Commissioner Goddard, seconded by Vice-Mayor Morris West. Motion was unanimously approved.

G.2. Adopt Resolution 2024-25 for the Final Combined Projects Budget - FY2025

(Action)

Kate Gierok discussed the budget estimate for FY 2025 for the Combined projects for the SE Wellfield TPW #3 and West Polk TPW #2, the estimated annual cost is at \$2.67 Million. The Estimated Annual PRWC Obligation is \$1.34 Million.

Motion to approve Resolution 2024-25 for the Final PRWC Combined Projects Budget - FY2025 was made by Vice-Mayor Morris West, seconded by Commissioner Birdsong. Motion was unanimously approved.

H. Recess Combined Projects BOD/Commence Southeast Wellfield BOD

H.1. Election of Chairman, Vice-Chairman and Secretary/Treasurer for the PRWC

Southeast Wellfield Project Board of Directors for FY2025 (Action)

Chairman Lindsey turned the meeting over to **Chairman Birdsong** for the Southeast Wellfield Project Board of Directors. **Chairman Birdsong** asked **Mr. DeHaven** to go over the elections process. **Mr. DeHaven** noted that these positions cover October 1, 2024 – September 30, 2025 and officers are eligible for 2 consecutive, 1-year terms. **Commissioner Lindsey** motioned to elect **Chairman Birdsong** as Chairman, **Commissioner Cowley** as Vice Chairman, and **Mayor Pfeiffer** as Secretary/Treasurer.

Motion to request the Board of Director's elect a Chairman, Vice-Chairman, and Secretary/Treasurer for FY2025 was made by **Commissioner Lindsey** and seconded by **Commissioner Goddard**. Motion was unanimously approved.

H.2. Adopt Resolution 2024-26 for the Final Southeast Wellfield Project Budget

(Action)

Katie Gierok discussed the estimated costs for FY2025 for the Southeast Wellfield Project budget. The estimated annual costs are \$180.49 Million, the SWFWMD Co-funding and grants is estimated at \$78.20 Million, and the Estimated Annual PRWC Obligation is \$102.29 Million. **Vice Mayor West** asked if the reason why some of the municipalities didn't have a dollar sign beside them was because they were an

associate member and not a member? **Ms. Gierok** responded yes, if they are not a participating member in the Southeast, then they would not have a cost that would be invoiced to them. **Mayor Wagner** asked about last years' cost for Lake Hamilton. Mr. DeHaven stated that he would send an email regarding last year's cost compared to this year. **Vice Mayor West** also asked how these number are determined. Kate stated we have a rate consultant, Raftelis, that develops the PRWC Business Plan. The costs are based upon debt re-payments and other PRWC costs and are based on the proportionate share of water requested.

Motion to approve resolution 2024-2026 for the Final Southeast Wellfield Project Budget FY2025 was made by **Vice Mayor West**, seconded by **Commissioner Lindsey**. Motion was unanimously approved.

H.3. Update on Project Costs Based on 90% Construction Cost Estimate and Update on Southeast Wellfield Project (Information)

Ms. Mary Thomas began the presentation and noted that the final Southeast Wellfield costs are not final until September of 2025 when all the GMP packages have come to the Board. **Ms. Thomas** mentioned breaking this process up into six elements is more manageable to build. It also allows a contractor to bid on multiple elements-based on their availability. In September 2025, the true cost of the project will be known. Savings for the project are on-going. She reviewed the schedule of GMPs. The total estimated cost for the Southeast program based on the draft 2025 Southeast Wellfield Business Plan using the 90% Construction Estimate is \$589,831,461. The member portion is \$378,147,340, and to date the amount paid by members is \$56,500,000. She noted there is a \$134,000,000 funding gap due to cost increases and the PRWC is working on solutions to resolve that gap. **Ms. Thomas** then provided a series of tables that shows an estimate of members costs based on the current project estimates and noted that members have their own tables for their municipality. These numbers are for planning purposes and will be updated for the January 2025 Business Plan.

Commissioner Lindsey asked if these numbers and projections have been shared with the PRWC Technical Advisory Group and with the City Managers. **Ms. Thomas** indicated yes; these have been discussed at both those forums. A common question asked was because this project is so expensive, what are options.

Ms. Thomas then provided background on how the PRWC selected the Southeast Project noting there was an extensive vetting process to arrive at the selected projects the PRWC is pursuing. The PRWC conducted searches to identify alternative water supply options, and there were 4 finalists. The Southeast Project was determined to meet the regions needs at the best cost. She reviewed other project options and cost estimates associated with those. Overall, some members need an alternative water supply immediately, cost inflation is not unique to just this project, the PRWC has significant grant funding for this project and anticipates additional grants in the future, there are significant funds already invested in this project, and we have very favorable interest rate on the PRWC loans. The goal is also to continue to find value engineering methods and ways to lower project costs. **Mr. DeHaven** mentioned that one way to drive down costs is robust, competitive bidding.

Mr. Mark Addison gave an update on the SE Wellfield Project progress. He indicated Florida Water Partners has submitted the 90% construction estimate for the water production facility and transmission system. The 100% design is soon to be completed. On bidding and construction, the Board earlier

approved an agreement with Florida Design Drilling for completing the four Southeast Wellfield production wells, and the final completion for Injection Well 1 is scheduled for January 2025. Construction of transmission mains will start late 2024/early 2025, and construction on the Water Production Facility is scheduled to start in spring 2025 pending approval. He reiterated the GMP schedule for approval by the Board. **Mr. Addison** noted that land acquisition is on-going for all segments. A summary of parcels closed or settled has been provided as a handout. He then provided a summary of permitting activities and asked if the Board has any questions.

Mayor Mutz asked why Package 1 and 6 were moving forward first. **Mr. Addison** indicated Package 1 was the largest and take the longest to complete so it needed to begin first. Package 6 was a much smaller package and was ready to go so it was combined to encourage smaller bidder participation. **Mayor Mutz** then asked if land acquisition was substantially completed for these packages. **Mr. Addison** indicated yes.

H.4. Guaranteed Maximum Price (GMP-2) for Construction Packages 1 and 6 (Action)

Mr. Addison discussed that this is an action item to approve GMP-2. He provided a map to show the locations of the two packages and discussed the specifics of each package. Package 1 is the largest Package and has a 90% cost estimate of \$60,491,096. One bid was received by Garney at \$56,676,874 which was \$3,814,222 below the construction estimate. Staff is recommending a partial award of this bid by retaining the steel pipe component of the bid but moving the ductile iron portion to a future construction segment to encourage more competitive pricing. The adjusted bid price is \$46,055,499.

The steel pipe bid award is recommended based on steel price trends as shown by **Mr. Addison**. Steel prices are at a seasonal low so bid pricing is reflective of this trend. The PRWC also looked at other large scale steel pipeline projects in the area and found that the PRWC pricing is lowest of the comparable projects.

The Package 6 90% cost estimate is \$10,481,933 with the lowest base bid from Carr and Collier at \$6,977,37 which is 33% below the 90% construction estimate.

Combining the two packages the total base bid price is \$56,033,388. Other CMAR related costs are \$15,538,310 for a total GMP-2 total of \$71,571,699. Construction of GMP-2 will begin in late 2024 and complete in mid-2027. The staff recommendation is approval of GMP-2.

Motion to approve Guaranteed Maximum Price (GMP-2) for Construction Packages 1 and 6 was made by **Commissioner Lindsey** and seconded by **Mayor Mutz**. Motion was unanimously approved.

Chairman Birdsong suggested that the PRWC should continue to look for opportunities to lower cost. He also suggested that the PRWC write a letter to the SW Florida Management District thanking them for their past support but noting that their grant percentage has reduced to 29% of project costs due to inflation. Therefore, the PRWC would like additional funding support from the District and have full support in obtaining additional State Alternative Water Supply Grants through Heartland Waters Act Funding and other Grant funding sources. He noted that the PRWC expected 50% support for the project from the District from the beginning. **Mayor Mutz** noted that we make our state representatives aware of our funding needs and asked for staff to draft a letter.

Chairman Birdsong also asked that PRWC work with Florida Water Partners to obtain multiple bids on all future projects. He noted Winter Haven would have difficulty approving single bids as was done today. Mr. DeHaven indicated the PRWC will follow that direction and noted we would likely need to reconfigure our bid packages and GMPs to achieve that goal. Finally, Chairman Birdsong asked for a presentation at the next meeting on how the PRWC plans to close our funding gap. **Chairman Birdsong** asked if the Board is in agreement with those recommendations. **Commissioner Lindsey** made a motion for the Board to adopt those recommendations. **Mayor Summerlin** stated he believes the signatures on the suggested letter should include all project participants due to the funds at stake. He noted that some of the smaller cities will struggle to come up with funds for the project. Chairman Birdsong noted his approval of that suggestion.

Motion to approve the PRWC continuing to find opportunities to lower costs, writing a letter to the SWFWMD regarding grant funding assistance, working with Florida Water Partners to obtain better bid results, and for the PRWC to present plans to close the funding gap at the next Board meeting was made by Commissioner Lindsey and seconded by Mayor Mutz . Motion was unanimously approved.
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H.5. Adopt Resolution 2024-27 Parcel Resolution of Necessity to Acquire Specified Parcels (Land Acquisition Package #14A) to Implement the Southeast Lower Floridan Aquifer Water Production Facility and Southeast Transmission Line Projects (Action)

H.6. Adopt Resolution 2024-28 Parcel Resolution of Necessity to Acquire Specified Parcels (Land Acquisition Package #14B) to Implement the Southeast Lower Floridan Aquifer Water Production Facility and Southeast Transmission Line Projects (Action)

H.7. Adopt Resolution 2024-29 Parcel Resolution of Necessity to Acquire Specified Parcels (Land Acquisition Package #14C) to Implement the Southeast Lower Floridan Aquifer Water Production Facility and Southeast Transmission Line Projects (Action)

H.8. Adopt Resolution 2024-30 Parcel Resolution of Necessity to Acquire Specified Parcels (Land Acquisition Package #14D) to Implement the Southeast Lower Floridan Aquifer Water Production Facility and Southeast Transmission Line Projects (Action)

H.9. Adopt Resolution 2024-31 Parcel Resolution of Necessity to Acquire Specified Parcels (Land Acquisition Package #14E) to Implement the Southeast Lower Floridan Aquifer Water Production Facility and Southeast Transmission Line Projects (Action)

H.10. Adopt Resolution 2024-32 Parcel Resolution of Necessity to Acquire Specified Parcels (Land Acquisition Package #14F) to Implement the Southeast Lower Floridan Aquifer Water Production Facility and Southeast Transmission Line Projects (Action)

Mr. Addison indicated that similar to other meetings, we will handle all the PRWC parcel resolutions to acquire easements for the transmission pipeline as one presentation and one Board motion. Items H.5 through H.10 will be handled together. **Mr. Addison** then went over maps associated with each resolution to show the parcels impacted. Overall easements are needed on over 300 parcels, across 11 segments. To date, settlements have reached on 71 parcels, totaling over \$3,500,000.

Motion to adopt resolutions 2024-27,2024-28,2024-29,2024-30,2024-31, and 2024-32 Parcel Resolutions of Necessity to Acquire Specified Parcels to Implement the Southeast Lower Floridan Aquifer Water Production Facility and Transmission Line Projects was made by **Vice Mayor West** and seconded by **Commissioner Lindsey**. Motion was unanimously approved.

I. Recess Southeast Wellfield BOD/Commence West Polk BOD

I.1. Election of Chairman, Vice-Chairman and Secretary/Treasurer for the PRWC West Polk Wellfield Project Board of Directors for FY2025 (Action)

Chairman Birdsong turned the meeting over to **Mayor Mutz** for the West Polk Board of Directors. **Mayor Mutz** began the meeting with Item I.1, the election of officers and asked for a nomination of a slate of officers. **Mayor Birdsong** motioned that **Mayor Mutz** remain as Chairman, **Mayor Pfeifer** serve as Vice Chair and **Mayor LaCascia** serve as Secretary/Treasurer.

Motion to request the Board of Director's elect a Chairman, Vice Chairman, and Secretary/Treasurer for FY2025 was made by **Commissioner Lindsey** seconded by **Mayor Birdsong**. Motion was unanimously approved.

I.2. Adopt Resolution 2024-33 for the Final West Polk Wellfield Project Budget (Action)

Ms. Kate Gierok stated for FY 2025, the estimated annual cost is \$27.18 million, co-funding grants total \$7.62 million to date, and the estimated annual PRWC obligation is \$19.56 Million. She noted these numbers match the PRWC Business Plan.

Motion to approve resolution 2024-33 for the final West Polk Wellfield Project Budget FY2025 was made by **Mayor Birdsong** seconded by **Commissioner Lindsey**. Motion was unanimously approved.

I.3. Approve the Revised West Polk Project Schedule (Action)

Ms. Mary Thomas provided a recap of the West Polk Implementation Agreement stating the goal is to provide 7.88 million gallons per day by 2045. She noted that the PRWC is recommending that the West Polk schedule be amended to prolong the overall schedule with the final design being delivered by January of 2029. Other activities such as land/easement acquisition would continue as well as injection well construction. **Ms. Thomas** presented a range of schedule options. It is anticipated that under the preferred option water will be delivered by January 2032.

Vice Mayor West asked when water would be delivered for the Southeast Wellfield. **Ms. Thomas** indicated late spring of 2028.

Motion to approve revised West Polk Project Schedule Resulting in Water Delivery by 2032 was made by **Commissioner Birdsong** and seconded by **Commissioner Lindsey**. Motion was unanimously approved.

I.4. Update on the West Polk Wellfield Project and approval of Notice to Proceed #2 to TeamOne/Carollo Engineers (Action)

Mr. Tom Mattiacci provided an update on the project stating that the 60% plant design has been deferred to 2025. The TPW #2 is planned for 2025, and the injection well construction will begin

November 2024. There will be 24/7 drilling planned for December 2024 – July 2026 using a quiet electric rig. The West Polk Water Production Facility land transfer is to be closed by the end of the year. Other well sites are currently being pursued. Heartland appropriations will be used for the land and easement purchases.

Mr. Mattiacci then discussed a partial Notice to Proceed for TeamOne on West Polk activities such as design and reporting services, land and easement acquisition, and construction oversight on the injection well. The PRWC recommends approval of the partial notice to proceed.

Commissioner Thompson noted the Bok Tower reference in **Mr. Mattiacci's** presentation related to the injection well depth. The depth represents 39 Bok Towers stacked on top of each other. **Chairman Mutz** asked for clarification on the select elements that would kick-off on West Polk. **Mr. Mattiacci** indicated those include injection well oversight, land acquisition for well sites, and design of raw water pipeline. **Chairman Mutz** asked for additional clarification on the well sites. **Mr. Mattiacci** indicated the PRWC looked at sites that were in the vicinity of the AME site to minimize the raw water pipeline length. **Mayor Lacascia** asked about the 24/7 drilling on the injection well site and overtime pay. Mr. Mattiacci confirmed the 24/7 and **Mayor Summerlin** indicated the drilling would take two years working at that schedule. **Mr. DeHaven** indicated that there was no overtime involved and they operate with multiple crews.

Motion to approve the NTP#2 for the Final Design and Construction Oversight of West Polk IW#1 was made by Mayor Birdsong seconded by Commissioner Lindsey . Motion was unanimously approved.
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I.5. Approval of Negotiated Settlement with the Eleventh Episcopal District of the African Methodist Episcopal Church, Inc for West Polk Well Site 13 (Action)

Mr. DeHaven introduced **Ms. Arlena Dominick** who is a member of TeamOne and works for American Acquisition Group. **Ms. Dominick** provided details on a negotiated purchase of property with AME Church for wellsite 13, also known as TPW#2. The seller is willing to sell and they have 4.83 acres and accepted the appraised value of \$569,550. There are no expert or attorney fees.

Motion to approve negotiated settlement with the Eleventh Episcopal District of the African Methodist Episcopal Church Inc for West Polk Well Site 13 was made by Chairman Birdsong seconded by Commissioner Lindsey . Motion was unanimously approved.

J. Recess West Polk BOD/Commence Regular BOD

K. Open Discussion

Chairman Lindsey asked for any closing comments by the Board. There were none.

L. Chair / Executive Director Report

Chairman Lindsey asked if Mr. DeHaven had any closing comments. Mr. DeHaven reiterated that the PRWC will work on the items requested by the Board today, including the letter to the District.

M. Adjournment

Chairman Lindsey adjourned the meeting at 3:38 pm.

In accordance with the American with Disabilities Act, persons with disabilities needing special accommodations to participate in this proceeding should contact the Polk County Communications Office not later than forty-eight hours prior to the proceeding. Their offices are located in the Neil Combee Administration Building, 330 West Church Street in Bartow. Telephone (863) 534-6090, TDD (863) 534-7777 or 1-800-955-8771, Voice Impaired 1-800-955-8770 via Florida Relay Service.

If a person decides to appeal any decision made by the board with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.