



**MINUTES**  
**POLK REGIONAL WATER COOPERATIVE**

January 18, 2023 – 2:00 PM  
Lake Myrtle Sports Complex  
2701 Lake Myrtle Park Road  
Auburndale, FL 33823

ZOOM Virtual Meeting  
<https://us02web.zoom.us/j/82771758259?pwd=WmxUWlhwbTJ3TzBEZmh2QWtVaGRYUT09>  
Call In: +1 (305) 224-1968  
Meeting ID: 827 7175 8259  
Password: 734354

**Member Governments in Attendance:**

| <u>Member Government</u> | <u>Representative</u>   |
|--------------------------|---|
| City of Auburndale       | Vice Mayor Keith Cowie, Primary                                 |
| City of Bartow           | Commissioner Steve Githens, Primary                             |
| City of Davenport        | Commissioner Tom Fellows, Primary                               |
| City of Dundee           | In Absence, Commissioner Bert Goddard, Primary                  |
| City of Eagle Lake       | In Absence, Commissioner Randy Billings, Primary                |
| City of Fort Meade       | In Absence, Commissioner James Watts, Primary                   |
| City of Frostproof       | In Absence, Vice Mayor Austin Gravley, Primary                  |
| City of Haines City      | Mayor Morris West, Primary                                      |
| City of Lake Alfred      | In Absence, Vice Mayor Jack Dearmin, Primary                    |
| Town of Lake Hamilton    | Mayor Mike Kehoe, Primary                                       |
| City of Lake Wales       | In Absence, Commissioner Daniel Williams, Primary               |
| City of Lakeland         | Mayor Bill Mutz, Primary (Vice Chair)                           |
| City of Mulberry         | In Absence, Commissioner Collins Smith, Primary                 |
| City of Polk City        | In Absence, Mayor Joe LaCascia, Primary                         |
| City of Winter Haven     | Mayor Pro-Tem Nathaniel Birdsong, Primary (Secretary/Treasurer) |
| Polk County              | Commissioner George Lindsey, Primary (Chair)                    |

**A. Call to Order**

Meeting called to order by Chair Lindsey at 2:01 PM.

B. Recognition of new primary/alternate appointees of members

Member roll call around the table was requested by Chair Lindsey.

C. Agenda Revisions

No agenda revisions were presented.

D. Public Comments

No public comments were presented.

**\*\*The meeting was halted at 2:10 PM to allow time for a quorum of the membership to be present. The meeting commenced at 2:14 PM with enough members in to proceed.**

**Chair Lindsey** stated it was determined that associate members were classified as ex officio non-voting in the project boards so both West Polk and Southeast had a quorum. There was not a quorum present for the Combined Boards.

E. Consent Items

1. Board of Directors Meeting Minutes from November 16, 2022

**\*\*Vote postponed until the next meeting.**

F. Regular Board of Directors

F.1. Business Plan update process: WIFIA loan status and potential impacts from proposed changes to SWFWMD funding structure (Information Only)

**Robert Beltran** (TeamOne) explained the need to consider a post-process for making updates to the Business Plan. He stated several factors impacted the Business Plan throughout the year but the question was how often it should be adjusted. Mr. Beltran then described the three major elements (demand, costs and grants) that impacted the Business Plan. Finally, he presented the proposed process in cooperation with the funding work group and other members. [slides]

**Chair Lindsey** remarked as elected officials and policy makers we rely on our respective staff and Technical Advisory Committee to make sure the technical information comes together into consolidated information.

**Mr. Beltran** added he wanted to provide an update on the WIFIA loan since it was a major part of the Business Plan. Preliminary term sheets had been received from WIFIA and they asked us to address increasing our financial plan interest rates. He noted this was one of many factors that might impact the Business Plan and how different elements could change future payments. Mr. Beltran then reviewed the impact of deferring the interest rate costs from 2023 to 2024. He then reminded members of the Water Management District letter stating they would like to extend their repayment to the PRWC beyond the original construction schedule. A response letter was sent asking them to consider the differences between Polk Regional Water Cooperative and some of their established regional water supply authorities. Mr. Beltran stated this change to extend their repayment by three years added an initial

estimated interest expense of around \$15.2M. He noted the letter had suggested several ways to mitigate some of the costs. [slides]

**Commissioner Githens** asked if the time gap between June 2021 when the application was submitted to December 2022 when the request for information came was common.

**Mr. Beltran** replied WIFIA was a federal loan process and a relatively new loan program (five – six years old) with a lot of paperwork. There was some design work that had to be finished before providing all the information they requested. They have worked with us to speed the process along but he could not say if the timeline was common.

**Commissioner Githens** asked if that met our timeframe for funding.

**Mr. Beltran** responded the Business Plan was in line with the spend plan which had everything in line and operational by 2027. The only delays would be interest rates and economic environmental changes.

**Mr. Birdsong** asked if the construction timeframe was extended what solutions would there be for municipalities that needed the water supply.

**Mr. Beltran** replied we would have to work with the Water Management District on temporary allocations or something to allow use of your wells to meet demand until the AWS was online.

**Chair Lindsey** added temporary permit modifications would be the last resort. The other two regional systems have been in existence for years and had the opportunity to build reserve to bridge the gap. He has already spoken with Mr. Hall and has a call into Ms. Barnett who both represent us on the board to ask them to consider our request.

## **Recess Regular Board of Directors Meeting / Commence Combined Projects Board of Directors Meeting at 2:35 P.M.**

### **G. Combined Project Board of Directors Items**

#### **G.1. Adopt Resolution No. 2023-01 and approval of an Amendment to existing State Revolving Fund (SRF) Planning Loan DW532000 (ACTION ITEM)**

**Tom Mattiacci** (Consultant) reviewed the amendment to the planning loan associated with costs for TPW #2 and TWP #3 which was requested by the District in their third-party review. He informed participating members that the guarantee agreements should arrive the following week. Mr. Mattiacci also provided the amount of the amendment and interest rate.

**Chair Lindsey** asked Mr. Mattiacci if he had been in contact with the respective attorneys or city or county managers for them to know this was coming.

**Mr. Mattiacci** replied they should know but when they receive it they could contact him if they have questions or need additional information.

**Chair Lindsey** clarified that the resolution was approval by this board requesting each member to sign the necessary guarantee and documents associated.

**Mr. Mattiacci** explained the SRF amendment was needed for the test wells. The guarantee agreements were updates to the guarantee agreements that members had already signed.

Motion to approve Resolution 2023-01 for the Amendment to the existing SRF Loan DW532000 made by Commissioner Githens, seconded by Vice Chair Mutz. Motion was unanimously approved.

## **Recess Combined Projects Board of Directors Meeting / Commence Southeast Wellfield Board of Directors Meeting at 2:38 P.M.**

### H. Southeast Wellfield Project Board of Directors Items

#### H.1. Adopt Resolution 2023-02 to approve the Revolving Line of Credit (LOC) Agreement with Wells Fargo Bank (ACTION ITEM)

**Executive Director DeHaven** introduced Julie Santamaria who was presenting the item and Michael Weiner with Holland & Knight who would assist with any questions. He added that Carrie Palmer would be routing a “no conflict” form to be executed by each member present. Members with questions on the form could ask him or Ms. Santamaria.

**Julie Santamaria** (RBC Capital Markets) reviewed the existing cooperative LOC set to mature in May 2023. A plan to issue a new revolving LOC was previously discussed in November 2022. The lowest costs based on assumptions came from Wells Fargo. She then presented the analysis summary on costs. Ms. Santamaria stated that the new LOC documents were ready for Board approval. [slides]

**Michael Weiner** (Holland & Knight) explained the availability of taxable and non-taxable draws in the new LOC's. [slide]

Motion to approve Resolution 2023-02 for Revolving LOC with Wells Fargo made by Vice Chair Mutz, seconded by Vice Mayor Cowie. Motion was unanimously approved.

#### H.2. Adopt Resolution 2023-03 and Approval of an Amendment to the State Revolving Fund (SRF) loan DW532001 for the Southeast Wellfield (ACTION ITEM)

**Mr. Beltran** stated this item was approved by the board already when the original design loan was presented which included the amendment presented today. The reason for presenting it today was that some acceleration language was removed to

align it with the Master Bond Resolution. Additionally, this was needed to cover the 60% and 90% design of the Southeast Wellfield. The total amount could not be taken all at one time due to the SRF annual cap along with some additional loans. The addendum was for the additional funding which brought the total to \$21,906,290. SRF has been an appealing funding source and maintained the existing 1.64% over the 10-year term with this addendum. [slide]

**Commissioner Githens** questioned if the SRF cap was \$20M and we were over \$21M how that worked.

**Mr. Beltran** replied the amount of funding needed for SRF in accordance with the Business Plan overall was \$21,906,290. That should be all the funds needed assuming the other funding sources come together.

**Commissioner Githens** asked how long the loan was in effect.

**Mr. Beltran** responded the loan was in effect until funds were used and then it had a 10-year payoff cycle.

**Commissioner Githens** asked if once we got to the \$20M it would stop.

**Mr. Beltran** answered for the SRF yes – then the other funding sources would kick in to supplement the costs.

Motion to approve Resolution 2023-03 for the Amendment to the existing SRF design loan made by Vice Chair Mutz, seconded by Commissioner Githens. Motion was unanimously approved.

### H.3. Approval of the Transfer Agreement between Polk Regional Water Cooperative (PRWC) and Polk County (ACTION ITEM)

**Ed de la Parte** (PRWC legal counsel) explained that the Southeast Wellfield project was started by Polk County. They applied for and obtained the water use permit (WUP) from the South Florida Water Management District. Polk County also owns the proposed site of the water treatment plant and two additional well sites where temporary production wells were collecting data. The Southeast Wellfield Implementation Agreement contemplated that the permits and these properties would be transferred to the Polk Regional Water Cooperative. The payment amount was stated in Exhibit A of the agreement. A transfer agreement has been negotiated in cooperation with the Polk County attorney's office for the properties and associated rights necessary to transfer the WUP to the cooperative. The money may temporarily come out of the LOC but will eventually be paid with Heartland Grant funds thus member's rates would not be impacted. [slides]

**Chair Lindsey** asked if these were the first capital asset acquired by the cooperative.

**Mr. de la Parte** replied they were and the next would be a property the City of Lakeland owns.

**Chair Lindsey** added then the right of ways will follow.

**Mr. de la Parte** said that was correct. Then later this year the transmission line right of ways will be acquired and there will be resolutions for consideration in the March 2023 meeting.

**Mayor West** asked if the money would come out all at once or over time from grant funding.

**Mr. de la Parte** replied it would come out of grant funding in one installment.

Motion to approve transfer agreement between PRWC and Polk County made by Mayor Pro-Tem Birdsong, seconded by Mayor West. Motion was unanimously approved.

#### H.4. Status of pipeline design and approval of final points of connection for the Southeast Transmission Project (ACTION ITEM)

**Executive Director DeHaven** introduced Doug Jones with TeamOne/Chastain-Skillman who had done a lot of the work on the transmission line. Mr. Jones would be providing a status on the pipeline design. Then Mark Addison would discuss the points of connection (POC) between the PRWC and each member to confirm everyone was satisfied with the POC.

**Doug Jones** (TeamOne/Chastain-Skillman) explained that for the last six months various route options had been studied to determine alternative routes and the best routes for the pipeline. This was coordinated with member's technical staff, with developers (looking at both current and future planned developments) and in coordination with the transportation agencies for any improvements coming along the right of ways. Mr. Jones noted the project would be divided into 10 design packages to make it more manageable for the design team. Additionally, the smaller packages also gave local contractors the opportunity to bid on the projects. He anticipated delivering the 60% design packages to TAC for review by the end of January through April 2023. The entire route survey for most of the area was approximately 95% complete with only a section of the Northern area at 85% complete. Mr. Jones presented and discussed each segment providing details on their status and which areas had been prioritized for land acquisition. [slides]

**Mayor West** asked if city or municipality would have to vacate some right of ways for this design.

**Mr. Jones** replied no – existing right of ways would be utilized. However, there were areas where easements would be needed through private properties.

**Executive Director DeHaven** reminded members that in September 2022 a Land Acquisition Executive Committee was established. This committee was created to deal with proposals for payment to landowners who wanted to work with the PWRC. The committee will need to start meeting in earnest around March – April 2023. He discussed several items that would be coming in the March 2023 meeting including some possible resolutions. Also, the website was provided as a resource for questions on the pipeline and literature to aid staff in answering questions would be coming.

**Chair Lindsey** stated as part of that process there would be public hearings.

**Executive Director DeHaven** responded that there would be public hearings, especially on the smaller packages of land acquisition. Discussions with our eminent domain attorney led to the decision to first focus on the properties coming out of the water plant transmission area. Negotiations will start with those landowners as well as the eminent domain process to have it on the docket and become accustomed to the process.

**Commission Githens** asked how long it would take for the 66 miles of pipeline to be in place.

**Mark Addison** (SEWF Project Manager) replied the construction timeline would be approximately 24 months but as Mr. Jones mentioned it was broken up into different design packages. The process of identifying the construction packages had begun with the CMAR which should be six or seven total packages. There will be prioritization for construction but the goal was still to complete all 66 miles in 24 months.

**Chair Lindsey** remarked so while there was a critical path, several projects could be going on simultaneously.

**Mr. Addison** responded there would be several sections under construction simultaneously. Adding, that Phase I was for 7.5 MGD but it was designed to carry 15 MGD and with certain upgrades it could carry more.

**Commission Githens** asked for the size of the pipe.

**Mr. Addison** replied the transmission system ranges from 42" down to 12" pipe. The vast majority of the pipeline was 42, 36 and 30 inches in diameter. He then addressed the final POC for the Southeast Transmission (SETM) project and listed how members POC's were identified. Mr. Addison stated that detailed maps of the POC were included in the agenda packet. He wanted it noted that POC for individual members could be modified at a later date through action of the board if needed. Also, he reminded members to include funding in their upcoming CIP budgets for the receiving facilities that were required to receive the water at the POC. Finally, since the West Polk project was one year behind the Southeast project an agenda item would be presented recommending the deadline to identify POC for West Polk be deferred to January 1, 2024. [slides]

Motion to approve final points of connection for the Southeast Transmission Project made by Commissioner Githens, seconded by Vice Mayor Cowie. Motion was unanimously approved.

**Recess Southeast Wellfield Board of Directors Meeting / Commence West Polk Board of Directors Meeting at 3:06 P.M.**

I. West Polk Wellfield Project Board of Directors Items

- I.1. Adopt Resolution 2023-02 to approve the Revolving Line of Credit (LOC) Agreement with Wells Fargo Bank (ACTION ITEM)

**Executive Director DeHaven** stated this was the item Ms. Santamaria and Mr. Weiner presented earlier so unless the board had questions a motion could be made.

Motion to approve Resolution 2023-02 made by Mayor Pro-Tem Birdsong, seconded by Commissioner Githens. Motion was unanimously approved.

- I.2. Adopt Resolution 2023-04 and approval of the State Revolving Fund (SRF) loan DW532002 for the West Polk Wellfield final design (ACTION ITEM)

**Mr. Beltran** explained the loan and that its terms were 1.78% interest over a 10-year period. He then summarized that approximately \$50M was coming from the SRF program for loans (DW532000, DW53201 & DW532002). He then stated these provided favorable terms and were built into the Business Plan and all the calculations presented. [slide]

Motion to approve Resolution 2023-04 made by Mayor Pro-Tem Birdsong, seconded by Commissioner Githens. Motion was unanimously approved.

- I.3. Approve the SWFWMD Cooperative Funding Agreement for the West Polk LFA Project (ACTION ITEM)

**Mr. Mattiacci** presented a summary of the cooperative funding initiation, project costs and District share. [slides]

Motion to approve the SWFWMD Cooperative Funding Agreement made by Vice Mayor Cowie, seconded by Commissioner Githens. Motion was unanimously approved.

- I.4. Approval to defer the determination of final points of connection for the West Polk Project (ACTION ITEM)

**Executive Director DeHaven** stated Mr. Addison previously discussed deferral of the final points of connection (POC) for West Polk when presenting the Southeast project. The determination for final POC would be deferred for one year to January 1, 2024.



Motion to approve deferring the final points of connection for West Polk Project made by Chairman Lindsey, seconded by Mayor Pro-Tem Birdsong. Motion was unanimously approved.

## **Recess West Polk Board of Directors Meeting / Commence Regular Board of Directors Meeting at 3:12 P.M.**

### J. Open Discussion

**Mr. de la Parte** stated we always notice board meetings as both board meetings and workshops so if we are not taking votes we can go forward.

**Mayor West** asked when the next scheduled meeting was since March 15<sup>th</sup> was Polk County days in Tallahassee.

**Executive Director DeHaven** replied that was recognized at the last meeting and the date was moved to March 22<sup>nd</sup>. He added, given the issues with the quorum today he would be contacting members to determine who planned to attend.

**Mayor Kehoe** stated he recommended sending emails with accept or decline responses so they could be registered.

**Executive Director DeHaven** replied that would be explored.

**Chair Lindsey** added Mr. Kehoe was right if an invitation was sent then there would be a record of the responses.

**Mayor West** asked if the cities/municipalities were responsible for making public notification of construction or if that would be handled by the PRWC.

**Chair Lindsey** replied the PRWC would along with announcing and hosting the public hearings.

**Executive Director DeHaven** stated the first public hearings were anticipated to be before the March meeting on the properties that begin the process.

**Mayor Kehoe** suggested that page numbers be added to the agenda.

**Executive Director DeHaven** responded that making it a searchable PDF would also be a recommendation.

**Chair Lindsey** added at least identify the pages numbers to direct members to that item.

**Executive Director DeHaven** thanked Polk County for the use of iPads for the meeting.

**Chair Lindsey** asked if more than the eight or nine iPads provided were needed.

**Executive Director DeHaven** replied more could be provided for future meetings.

## K. Chair / Executive Director Comments

**Executive Director DeHaven** stated the Heartland Headwaters Act was passed in 2017 with the goal of prioritizing funding for the management and protection of regional water resources specifically in Polk County. The PRWC generates a yearly report where local governments identified and prioritized the most needed water resource protection water supply and wastewater projects. Since the Heartland Headwaters Act passed nearly \$30M in support has been received for individual member's projects and PRWC projects. He noted that the 2023-2024 request included \$7.1M for the Southeast and \$1.7M for West Polk Wellfield projects. He explained that every member shared a direct benefit in the form of reduced future costs for these projects. He requested that members work with their Polk County legislative delegations in support of this year's request and co-sponsor a bill seeking a reoccurring \$20M annual revenue from the land acquisition trust fund. This would place the headwaters of the regions six major rivers on an even footing with projects such as the Everglades Restoration, Springs Protection and Beach Renourishment. He reminded members that this support would ultimately reduce the cost of water to their citizens.

Next he updated members on the Southeast Wellfield injection well #1 bid. This injection well would take the reverse osmosis brine waste from the process and inject it deep into the ground below the aquifer systems. Bids were received on December 14, 2022 but only one bid from Youngquist Brothers for \$18.9M was received. The current Business Plan budget was \$16.3M. The bid was discussed extensive internally and given the current economic conditions and challenges drilling this well the amount seemed reasonable. The bid also included a \$725,000 contingency. The plan was to bring this item to the March BOD meeting to request a contract with Youngquist Brothers be executed assuming contract negotiations go well.

The last item to mention was we moved forward with the third-party operator bid. Qualifications for third-party operators for both Southeast and West Polk Wellfield projects were requested in the July 2022 meeting. Bids were received on December 24, 2022 and two RFQ packages (one from Veolia and one US Water Acciona) was received. The US Water/Acciona package was a combined bid from the two companies. A selection committee meeting will be publicly noticed to decide the next steps in the process. He anticipated this item being presented in either the March or May 2023 BOD meetings.

Finally, following the meeting there were a number of financial documents approved today that need to be signed.

## L. Adjournment

Board meeting adjourned by Chair Lindsey at 3:20 P.M.