



PRWC Board of Directors Regular Meeting

July 30, 2025

Agenda

Regular Meeting July 30, 2025

A. Call to Order

B. Recognition of New Board Members

C. Agenda Revisions

D. Public Comments

E. Consent Items

- Item E.1 – Approve Change Order No. 002 to Florida Design Drilling Contract for Acidization of Southeast Production Well PW-10
- Item E.2 – Approve Change Order No. 001 (Deductive) to Guaranteed Maximum Price GMP-3 with Florida Water Partners for the Southeast Wellfield Water Production Facility
- Item E.3 – Approve Change Order No. 001 (Deductive) to Guaranteed Maximum Price GMP-4 with Florida Water Partners for the Southeast Wellfield Transmission Main

Staff recommend approval of the Consent Agenda

**Adjust Date for the PRWC Board of Directors
Election of Officers**
(Action Item)

Recommendation:

Request the BOD to adjust the officer service term from October 1, 2025 to December 1, 2025 and conduct elections at the November Board of Directors meeting

**Preliminary PRWC Administrative Budget
and Conservation Budget – FY2026**
(Information Item)

Preliminary Annual Administrative Budget Expenditures

Polk Regional Water Cooperative
Preliminary Administrative Budget
Fiscal Year 2026

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025			FY 2026
	Actual	Actual	Actual	Actual	Actual	12 Month Budget	6 Month Budget	Actual (6 Months)	Proposed
REVENUE									
Member Funding	\$ 198,000	\$ 198,000	\$ 198,000	\$ 235,000	\$ 259,740	\$ 346,516	\$ 173,258	\$ 173,258	\$ 176,550
Interest	\$ 560	\$ 128	\$ 201	\$ 4,534	\$ 15,347	\$ -	\$ -	\$ 11,035	\$ -
Demand Management Plan	\$ 130,863	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -	\$ 53	\$ 300	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	\$ 329,423	\$ 198,128	\$ 198,201	\$ 239,587	\$ 275,387	\$ 346,516	\$ 173,258	\$ 184,293	\$ 176,550
STAFF									
Executive Director	\$ 80,000	\$ 80,000	\$ 94,583	\$ 117,396	\$ 123,266	\$ 126,788	\$ 63,394	\$ 63,775	\$ 14,000 *
Administrative Assistant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 2,500	\$ -	\$ 5,000
Project Manager/Engineer	\$ 261,906	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 5,000	\$ -	\$ -
Financial Manager	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,000	\$ 47,500	\$ 1,635	\$ 9,000 *
Construction Technician	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Staff Subtotal	\$ 341,906	\$ 80,000	\$ 94,583	\$ 117,396	\$ 123,266	\$ 236,788	\$ 118,394	\$ 65,410	\$ 28,000
OUTSIDE SUPPORT									
Accounting Services	\$ 24,720	\$ 25,647	\$ 27,216	\$ 53,162	\$ 53,546	\$ 45,000	\$ 22,500	\$ 23,858	\$ 47,880
Audit Services	\$ 18,275	\$ 18,950	\$ 21,150	\$ 22,900	\$ 35,000	\$ 32,000	\$ 16,000	\$ 41,613	\$ 43,695
Legal Services	\$ 50,281	\$ 39,795	\$ 60,962	\$ 60,961	\$ 17,733	\$ 25,000	\$ 12,500	\$ 13,673	\$ 27,000
Financial Advisory Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000	\$ 18,000
Legislative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outside Support Subtotal	\$ 93,276	\$ 84,392	\$ 109,328	\$ 137,023	\$ 106,279	\$ 102,000	\$ 51,000	\$ 88,144	\$ 136,575
PROJECTED OFFICE INCIDENTALS									
Bank Charges	\$ 61	\$ 104	\$ 862	\$ 42	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising / Public Notices	\$ 1,876	\$ -	\$ 1,635	\$ -	\$ 2,343	\$ 1,800	\$ 900	\$ 3,669	\$ 6,000
Supplies	\$ -	\$ -	\$ -	\$ -	\$ 173	\$ 400	\$ 200	\$ -	\$ 500
Registration / Dues	\$ -	\$ -	\$ -	\$ -	\$ 897	\$ -	\$ -	\$ 289	\$ 300
State Fees / Assessment (\$175/yr)	\$ 175	\$ -	\$ 174	\$ -	\$ -	\$ 175	\$ 88	\$ -	\$ 175
Travel & Meetings	\$ -	\$ 1,291	\$ -	\$ 2,962	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment / Furnishings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 353	\$ 177	\$ -	\$ -
Inclusive (not categorized)	\$ -	\$ 1,279	\$ 25,642	\$ 7,691	\$ 300	\$ 5,000	\$ 2,500	\$ -	\$ 5,000
Office Subtotal	\$ 2,112	\$ 2,674	\$ 28,313	\$ 10,695	\$ 3,713	\$ 7,728	\$ 3,864	\$ 3,958	\$ 11,975
TOTAL EXPENSES	\$ 437,294	\$ 167,066	\$ 232,224	\$ 265,114	\$ 233,258	\$ 346,516	\$ 173,258	\$ 157,512	\$ 176,550
SURPLUS / (DEFICIT)	\$ (107,871)	\$ 31,062	\$ (34,023)	\$ (25,527)	\$ 42,129	\$ -	\$ -	\$ 26,781	\$ -

FY 2026 NOTE:

*10% for administrative overhead; 90% allocated to SE and WP project budgets

Preliminary Annual Administrative Budget Revenues

Polk Regional Water Cooperative
Preliminary Annual Budget - Revenues
Fiscal Year 2026

	2024 Annual Water Use (MGD)	% of Total 2024 Water Use	FY 2026 Proposed
MEMBER FUNDING COSTS			
Lakeland	23.82	29.35%	\$ 51,822.81
Polk County	19.50	24.03%	\$ 42,424.21
Winter Haven	11.06	13.63%	\$ 24,062.14
Haines City	6.94	8.55%	\$ 15,098.67
Auburndale	6.63	8.17%	\$ 14,424.23
Bartow	3.24	3.99%	\$ 7,048.95
Lake Wales	2.41	2.97%	\$ 5,243.20
Davenport	2.21	2.72%	\$ 4,808.08
Lake Alfred	1.33	1.64%	\$ 2,893.55
Eagle Lake	0.81	1.00%	\$ 1,762.24
Dundee	0.80	0.99%	\$ 1,740.48
Fort Meade	0.64	0.79%	\$ 1,392.38
Mulberry	0.47	0.58%	\$ 1,022.53
Polk City	0.44	0.54%	\$ 957.26
Frostproof	0.43	0.53%	\$ 935.51
Lake Hamilton	0.42	0.52%	\$ 913.75
Highland Park			
Hillcrest Heights			
Subtotal	81.15	100.00%	\$ 176,550.00

Preliminary Annual Conservation Budget Expenditures

Polk Regional Water Cooperative
Preliminary Annual Budget
Fiscal Year 2026

	FY 2025			FY 2026
	12 Month Budget	6 Month Budget	Actual (6 Months)	Proposed
REVENUE				
Member Funding	\$ 75,000	\$ 37,500	\$ 37,500	\$ 75,000
Heartland Grant	\$ 75,000	\$ 37,500	\$ 6,856	\$ 75,000
Miscellaneous	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	\$ 150,000	\$ 75,000	\$ 44,356	\$ 150,000
STAFF				
Conservation Coordinator	\$ -	\$ -	\$ -	\$ -
Staff Subtotal				\$ -
OUTSIDE SUPPORT				
Conservation Consultant	\$ 150,000	\$ 75,000	\$ -	\$ 150,000
Outside Support Subtotal	\$ 150,000	\$ 75,000	\$ -	\$ 150,000
PROJECTED OFFICE INCIDENTALS				
Advertising / Public Notices	\$ -	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -
Postage	\$ -	\$ -	\$ -	\$ -
Print / Reproduction	\$ -	\$ -	\$ -	\$ -
Registration / Dues	\$ -	\$ -	\$ -	\$ -
Telephone / Communication	\$ -	\$ -	\$ -	\$ -
Travel	\$ -	\$ -	\$ -	\$ -
Equipment / Furnishings	\$ -	\$ -	\$ -	\$ -
Inclusive (not categorized)	\$ -	\$ -	\$ -	\$ -
Office Subtotal	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 150,000	\$ 75,000	\$ -	\$ 150,000
SURPLUS / (DEFICIT)	\$ -	\$ -	\$ 44,356	\$ -

Preliminary Annual Conservation Budget Revenues

Polk Regional Water Cooperative
Preliminary Conservation Budget - Revenues
Fiscal Year 2026

	2024 Annual Average Water Use (MGD)	% of Total 2024 Water Use	FY 2026 Proposed
MEMBER FUNDING COSTS			
Lakeland	23.82	29.68%	\$ 22,261.68
Polk County	19.50	24.30%	\$ 18,224.30
Winter Haven	11.06	13.78%	\$ 10,336.45
Haines City	6.94	8.65%	\$ 6,485.98
Auburndale	6.63	8.26%	\$ 6,196.26
Bartow	3.24	4.04%	\$ 3,028.04
Lake Wales	2.41	3.00%	\$ 2,252.34
Davenport	2.21	2.75%	\$ 2,065.42
Lake Alfred	1.33	1.66%	\$ 1,242.99
Eagle Lake	0.81	1.01%	\$ 757.01
Dundee	0.80	1.00%	\$ 747.66
Fort Meade	0.64	0.80%	\$ 598.13
Polk City	0.44	0.55%	\$ 411.21
Lake Hamilton	0.42	0.52%	\$ 392.52
Mulberry			
Frostproof			
Subtotal	80.25	100.00%	\$ 75,000.00

**Heartland Headwaters Protection &
Sustainability Act Fund Allocation and
Project Applications**
(Action Item)

Heartland Act - Recap

- The Heartland Headwaters Annual Act Prioritizes Water Resources - **and funding** - in Polk County
- Annual reports containing project requests are submitted each year bring attention to the region.
- PRWC has previously “ranked” projects and created an ask for funding.
- Once general appropriations bill is signed, FDEP works with PRWC (or members) to execute agreements.

Recent Process

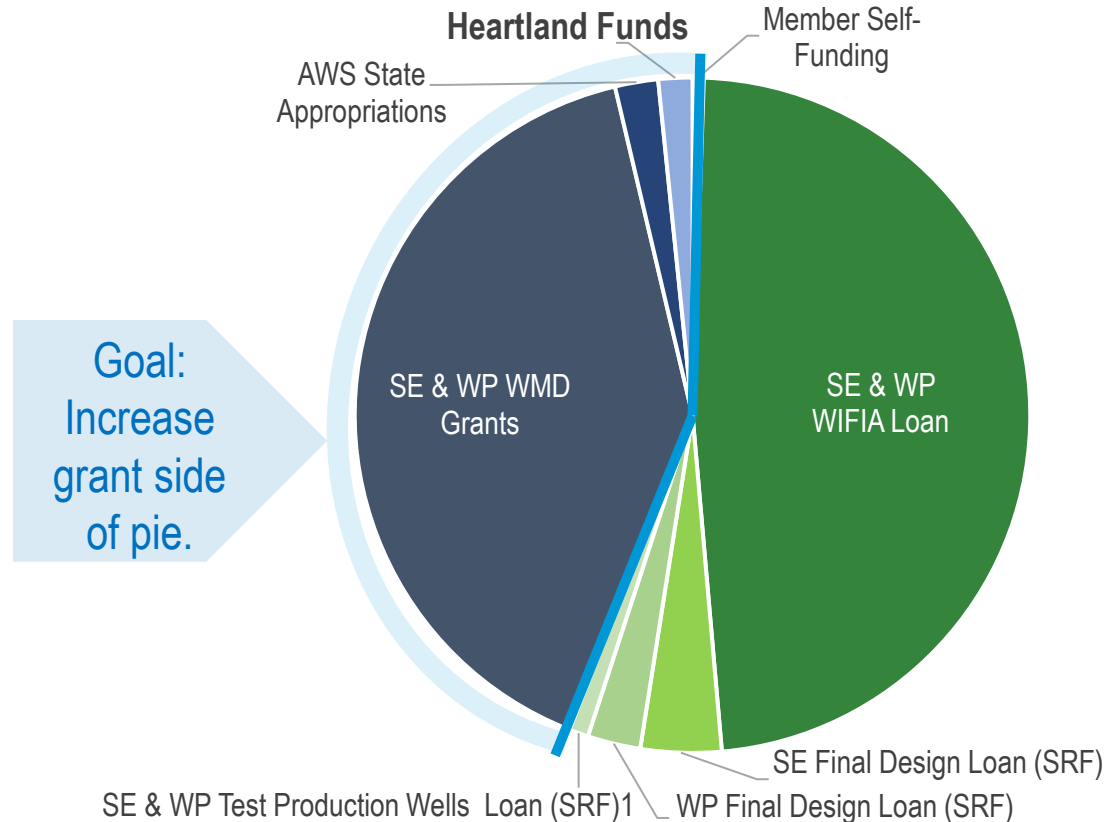
- FY 2024-2025 and FY 2025-2026 Approach:
 - Prioritize PRWC projects (land acquisition and conservation).
 - **Allocate funding to member SE receiving facilities.**
 - FY 2025 legislative session dropped appropriation to \$1.56 M

Heartland Funding History

- 2017- Act was passed
- 2018 - \$0
- 2019-\$1,842,279
- 2020-\$0
- 2021-\$7,000,000
- 2022-\$20,000,000
- 2023-\$8,500,000
- 2024 - \$2,614,387
- 2025 - \$1,560,167

Grand Total: \$41,516,832*

*Includes both PRWC and member projects.



Heartland 2025

- \$1.56M approved
- Many PRWC members have received Heartland funds in the past.
- This year PRWC projects are prioritized so that all participating members benefit.

Member	2045 IA Water Allotment (%)	Proposed Distribution	TOTAL MEMBER BENEFIT (Member Project + IA %)
PRWC - SE LAND	-	\$ 1,485,167	
PRWC - DMP	-	\$ 75,000	-
Haines City	21.47%	\$ -	\$ 781,297
Lake Alfred	6.13%	\$ -	\$ 580,314
Davenport	16.69%	\$ -	\$ 522,870
Dundee	5.52%	\$ -	\$ 72,322
Bartow	2.21%	\$ -	\$ 28,955
Auburndale	10.12%	\$ -	\$ 132,591
Winter Haven	9.32%	\$ -	\$ 122,109
Polk County	20.86%	\$ -	\$ 273,305
Lakeland	0.61%	\$ -	\$ 7,992
Lake Hamilton	3.07%	\$ -	\$ 40,223
Eagle Lake	3.99%	\$ -	\$ 52,276

AWS Funding History

- WSA012 – TPW#3: \$2,062,500
- WSA016 (ARPA) – SEWPF: \$4,600,000
- WSA046 – SEWPF: \$17,509,987
- WSA047 – SETM: \$18,388,487
- WS078 – WPWPF: \$1,064,308
- WS079 – TPW#2: \$1,228,000

Grand Total: \$44,853,282

*Includes PRWC projects only.



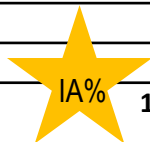
ALTERNATIVE WATER SUPPLY GRANTS

This grant is available to local governments and nonstate entities to help communities plan for and implement water conservation, reuse, and other water supply and water resource development projects. Priority funding will be given to regional projects in the areas of greatest need and for projects that provide the greatest benefit.

[Submit Application](#)[Learn More](#)

Cumulative Member Benefit (Approximate)

Member	Member Benefit from <u>PRWC</u> Heartland	<u>Member</u> Heartland Projects	Member Benefit From <u>AWS</u> <u>Grants</u>	Total Benefit
PRWC - SE	\$ 17,716,056			
PRWC - WP	\$ 1,300,165			
PRWC - DMP	\$ 250,000			
Haines City	\$ 3,819,590	\$ 500,000	\$ 9,138,041	\$ 13,457,631
Lake Alfred	\$ 1,088,784	\$ 500,000	\$ 2,609,188	\$ 4,197,972
Davenport	\$ 2,962,525	\$ 304,200	\$ 7,103,627	\$ 10,370,351
Dundee	\$ 980,109	\$ 593,500	\$ 2,349,566	\$ 3,923,175
Bartow	\$ 459,961	\$ 2,350,000	\$ 1,045,510	\$ 3,855,472
Auburndale	\$ 1,826,464	\$ 1,544,016	\$ 4,336,460	\$ 7,706,939
Winter Haven	\$ 1,699,473	\$ 5,738,291	\$ 3,995,972	\$ 11,433,736
Polk County	\$ 3,910,740	\$ 5,354,260	\$ 9,163,491	\$ 18,428,490
Lakeland	\$ 1,219,806	\$ 125,000	\$ 2,095,433	\$ 3,440,239
Lake Hamilton	\$ 544,805	\$ 2,535,000	\$ 1,306,822	\$ 4,386,627
Eagle Lake	\$ 708,423	\$ 900,000	\$ 1,698,383	\$ 3,306,806
Polk City	\$ 6,156	\$ -	\$ 8,790	\$ 14,945
<i>Frostproof</i>	\$ 1,080	\$ 1,831,345	\$ -	\$ 1,832,425
	\$ 19,227,917	\$ 22,275,611	\$ 44,851,282	\$ 86,354,810



- Reminder: members should apply for receiving facility funds through state portal.
- PRWC will work with FDEP to determine what should be requested under Heartland.
- Heartland application will be distributed early August.
- Members will be asked to submit by September.
 - Please retain Grant Portal submittal info, as this will be re-used



ALTERNATIVE WATER SUPPLY GRANTS

This grant is available to local governments and nonstate entities to help communities plan for and implement water conservation, reuse, and other water supply and water resource development projects. Priority funding will be given to regional projects in the areas of greatest need and for projects that provide the greatest benefit.

All grant programs will close Sept. 1, 2025

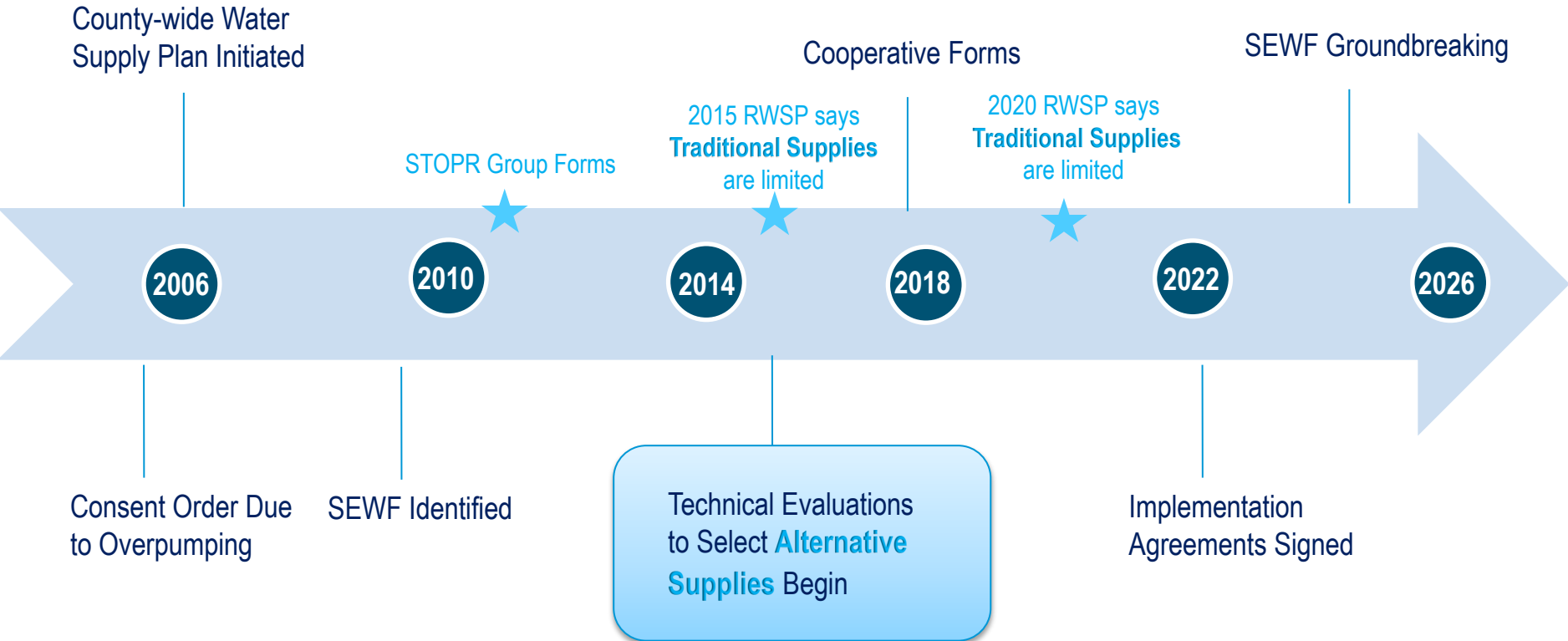
Recommendation:

Approve the distribution of \$1,560,167 in Heartland funds as presented and develop a grant agreement amendment with FDEP

PRWC Alternative Water Supply Project Options

(Information Item)

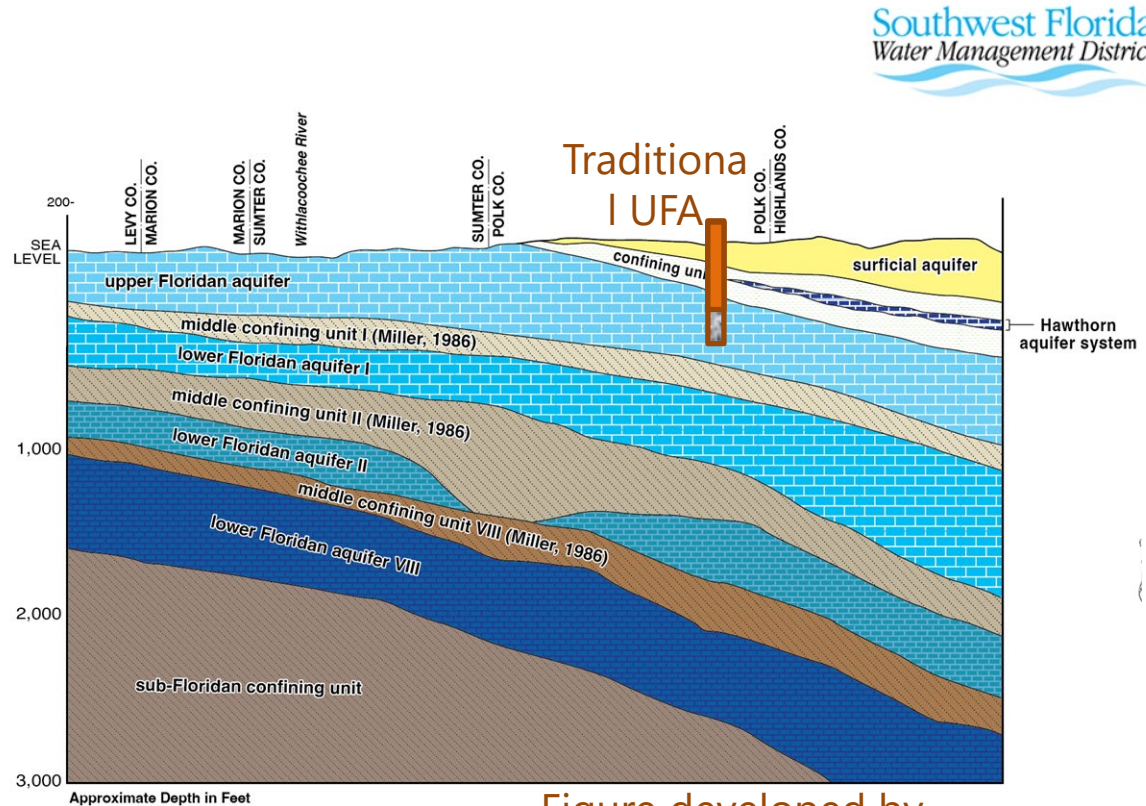
A brief history...



What's an “Alternative” water supply?

- Brackish groundwater
- Surface Water
- Stormwater
- Seawater
- Reclaimed Water

What is a “Traditional” Supply?



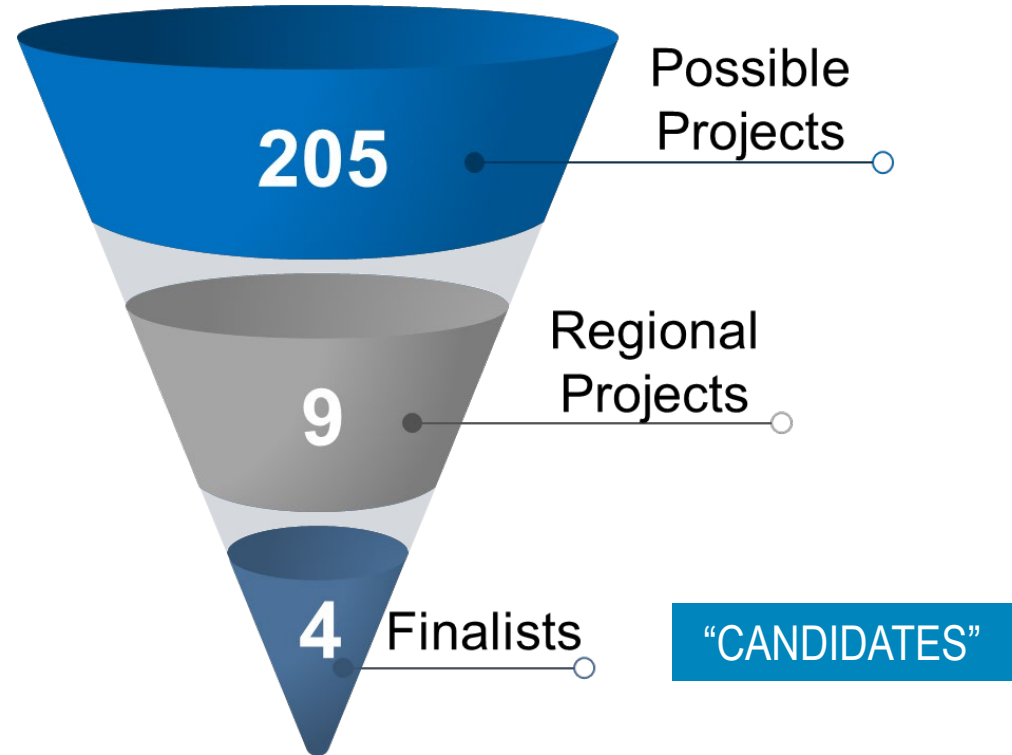
PRWC Members Conducted Technical Evaluations of Alternative Sources.

Projects needed to be adequate capacity to justify regional program.

Then they were ranked by:

- Cost
- Yield
- Finished water quality
- Environmental/community acceptance.
- Timing
- Proximity to demands.

Shortlisting Process



9 Projects Ranked by Members; 4 Finalists Remain

- ~~• Winter Haven beneficial reuse expansion~~
- ~~• NE Polk reuse expansion~~
- 1 West Polk County LFA deep well
- 2 Winter Haven Peace Creek Cluster
- 3 Polk Southeast wellfield
- ~~• Regional reclaimed water interconnects~~
- ~~• LFA groundwater cluster~~
- *Polk regional Alafia River basin* **NOMINATED**
- 4 Peace River/land use transition WTF and reservoir

4 Projects were later eliminated by members. While worthwhile to explore, not suitable for regional solutions.

- 4 Approved Projects were advanced to conceptual design.

Regardless, there is no more cheap water.

\$1.5M per MGD

Traditional, fresh groundwater.

\$27M per MGD

Brackish RO.

\$28M per MGD

Ocean desalination

\$30M per MGD

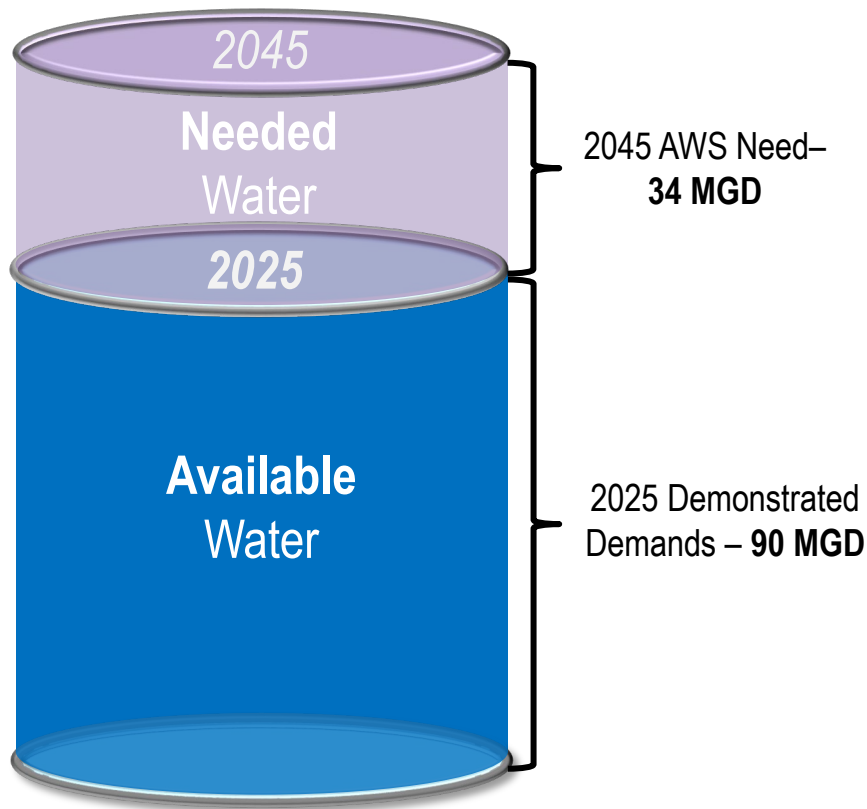
Direct potable reuse

\$35M per MGD

Surface water (with storage)

Today: CFWI Rule Restricts Traditional Use

- Traditional water sources are now restricted based on environmental harm concerns
- Polk County is projected to need another 34 **million gallons per day** in “alternative” water supplies to meet 2045 demands.
- Polk County AWS options are limited and expensive.



What Comes Next?

PRWC is Implementing AWS

- Southeast Wellfield Phase 1, 7.5 MGD with water delivery 2028.
- West Polk Wellfield Phase 1, 2.5 MGD with water delivery 2032.
- Demand Management



- Surface Water Source – Alafia River & Conservation
- Surface Water Source – Peace River & Conservation
- Surface Water Source – Peace Creek & Conservation
- *Regional Reclaimed Expansions* [Member Projects]
- *IPR, DPR or other* [Member Projects]

Member Revenue Options *(Information Item)*

Projected Annual Payments

2025 Business Plan – Final Estimates (All Agreements)

Member	Proposed 2026	2027	2028	2029	2030	2031	2032	2033
Auburndale	\$ 629,091	\$ 809,937	\$ 4,181,540	\$ 4,748,180	\$ 4,831,368	\$ 4,972,123	\$ 5,462,537	\$ 6,030,142
Bartow	\$ 201,956	\$ 357,117	\$ 1,132,016	\$ 1,253,359	\$ 1,271,899	\$ 1,317,899	\$ 1,752,154	\$ 2,161,465
Davenport	\$ 980,546	\$ 1,069,421	\$ 6,544,740	\$ 7,478,950	\$ 7,614,210	\$ 7,837,073	\$ 8,484,394	\$ 9,279,325
Dundee	\$ 324,766	\$ 387,425	\$ 2,214,394	\$ 2,523,348	\$ 2,568,111	\$ 2,641,849	\$ 2,855,972	\$ 3,118,916
Eagle Lake	\$ 235,434	\$ 256,715	\$ 1,565,540	\$ 1,788,880	\$ 1,821,250	\$ 1,874,563	\$ 2,029,352	\$ 2,219,430
Fort Meade	\$ 2,041	\$ 8,739	\$ 11,468	\$ 11,582	\$ 11,711	\$ 11,846	\$ 11,987	\$ 12,134
Haines City	\$ 1,274,623	\$ 1,473,278	\$ 8,554,339	\$ 9,756,825	\$ 9,931,678	\$ 10,219,262	\$ 11,052,906	\$ 12,076,475
Lake Alfred	\$ 361,928	\$ 396,270	\$ 2,407,191	\$ 2,750,399	\$ 2,800,204	\$ 2,882,190	\$ 3,120,079	\$ 3,412,188
Lake Hamilton	\$ 180,389	\$ 196,170	\$ 1,203,314	\$ 1,375,139	\$ 1,399,999	\$ 1,440,972	\$ 1,560,020	\$ 1,706,219
Lake Wales	\$ 7,862	\$ 54,976	\$ 74,645	\$ 75,143	\$ 75,740	\$ 76,364	\$ 77,013	\$ 77,691
Lakeland	\$ 1,201,077	\$ 2,244,315	\$ 2,625,798	\$ 2,615,346	\$ 2,625,397	\$ 2,916,406	\$ 9,043,506	\$ 14,395,836
Mulberry	\$ 1,093	\$ 2,708	\$ 2,721	\$ 2,804	\$ 2,905	\$ 3,011	\$ 3,121	\$ 3,236
Polk City	\$ 6,748	\$ 10,717	\$ 10,544	\$ 10,355	\$ 10,446	\$ 11,858	\$ 40,893	\$ 66,230
Polk County	\$ 1,450,632	\$ 2,181,405	\$ 9,260,711	\$ 10,423,643	\$ 10,596,571	\$ 10,922,259	\$ 12,682,532	\$ 14,506,278
Winter Haven	\$ 597,116	\$ 819,238	\$ 3,950,024	\$ 4,473,261	\$ 4,550,966	\$ 4,682,135	\$ 5,142,986	\$ 5,674,074
Frost Proof	\$ 936	\$ 2,113	\$ 2,188	\$ 2,267	\$ 2,349	\$ 2,434	\$ 2,524	\$ 2,616
TOTAL	\$ 7,456,236	\$ 10,270,543	\$ 43,741,173	\$ 49,289,481	\$ 50,114,804	\$ 51,812,245	\$ 63,321,975	\$ 74,742,256

Member Revenue Options

- 1 Member special assessments
- 2 Capital connection fees
- 3 AWS surcharges
- 4 Monthly user fees

- Charges assessed against the property of a particular locality because that property derives some *special benefit* from the expenditure of the money
- Examples of other types of special assessments: fire protection, street improvements, septic to sewer, etc.
- Requires a method be developed to spread costs among benefited properties
- Spreads cost across more than just current customers of the utility system
- **Not an option previously favored by members**

- Charges imposed against **new development, rather than existing customers**
- Matches **capital cost** of facilities to the demand for capacity created by new development
- One-time fee collected as growth occurs
- May be pledged to support members' share of project capital-related debt service requirements
- PRWC current working with Florida Water Partners to update capacity costs**

Southeast Project Capacity Costs at Build-out

<u>Description</u>	<u>Amount May 2023 ¹</u>
Total Supply, Treatment & Transmission Costs	\$550,077,316
Less SWFWMD Obligation	(189,015,500)
Less Other Grants & Funding Sources	<u>(16,383,223)</u>
Total PRWC Obligation ²	\$344,678,593
Service Capacity (MGD)	<u>15.0</u>
Total Capital Cost per Gallon ²	\$22.98

[1] Build-out assumed to occur on or before FY37. Includes a total of 30% contingency plus a 3.0% annual allowance for future inflation.

[2] Amount subject to changed as capital costs are updated and as new funding sources may become available.

- Charges imposed against **new development, rather than existing customers**
- Matches **capital cost** of facilities to the demand for capacity created by new development
- One-time fee collected as growth occurs
- May be pledged to support members' share of project capital-related debt service requirements
- PRWC current working with Florida Water Partners to update capacity costs**

West Polk Project Capacity Costs at Build-out

<u>Description</u>	<u>Amount May 2023 ¹</u>
Total Supply, Treatment & Transmission Costs	\$413,510,424
Less SWFWMD Obligation	(109,114,500)
Less Other Grants & Funding Sources	(4,541,093)
Total PRWC Obligation ²	\$299,854,831
Service Capacity (MGD)	10.0
Total Capital Cost per Gallon ²	\$29.99

[1] Build-out assumed to occur on or before FY37. Includes a total of 30% contingency plus a 3.0% annual allowance for future inflation.

[2] Amount subject to changed as capital costs are updated and as new funding sources may become available.

- Adds an additional user fee to a ratepayer's monthly bill to recover the operating and/or financing costs of the AWS project
- Can be presented as
 - % increase to water base and usage charge
 - Per-account flat charge
 - Allocation based on meter size
 - Flat charge per 1,000 gallons (Kgal)
- Polk County and the City of Davenport implemented surcharge policies in 2017 and 2019, respectively

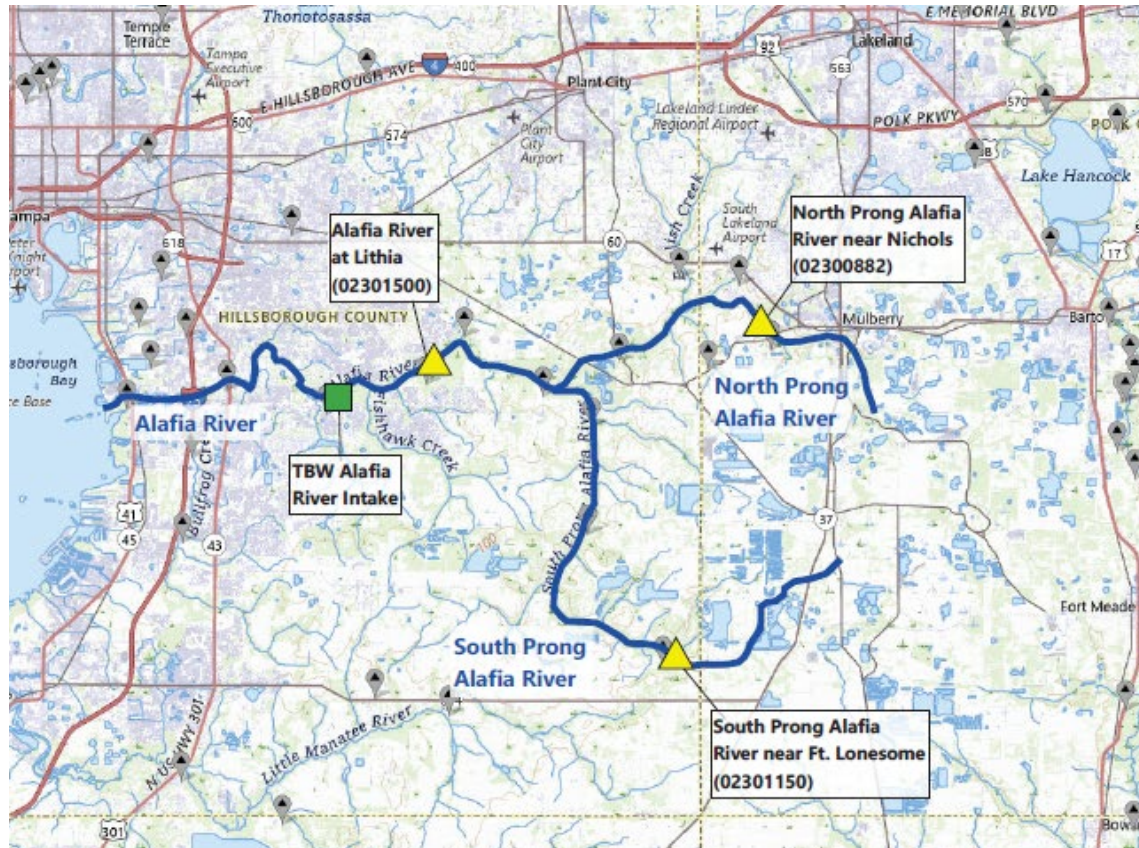
- Typically fund cost of operating and financing utility systems
- Fund capital and O&M requirements
- Should be just and equitable
- Charged in exchange for a governmental service
- Are paid by current customers of the system
- Amount should recover all AWS operating and financing costs not recovered from assessments, capital connection fees, and/or AWS surcharges

What needs to be recovered in rates?

- Administrative
- Customer and Billing
- Distribution and maintenance
- Distribution operations
- Debt Service Costs
- Renewal and Replacement
- Capital Outlay
- Fixed Operation Expenses
- Variable Operation Expenses
- PRWC fixed operating and Capital Costs *
- PRWC variable operation expenses *
- Less any other revenues options

Discussion/Questions?

**Alafia River Water Supply Project Update
and Request to File an Administrative
Challenge to Tampa Bay Water Alafia River
Permit Modification
*(Action Item)***

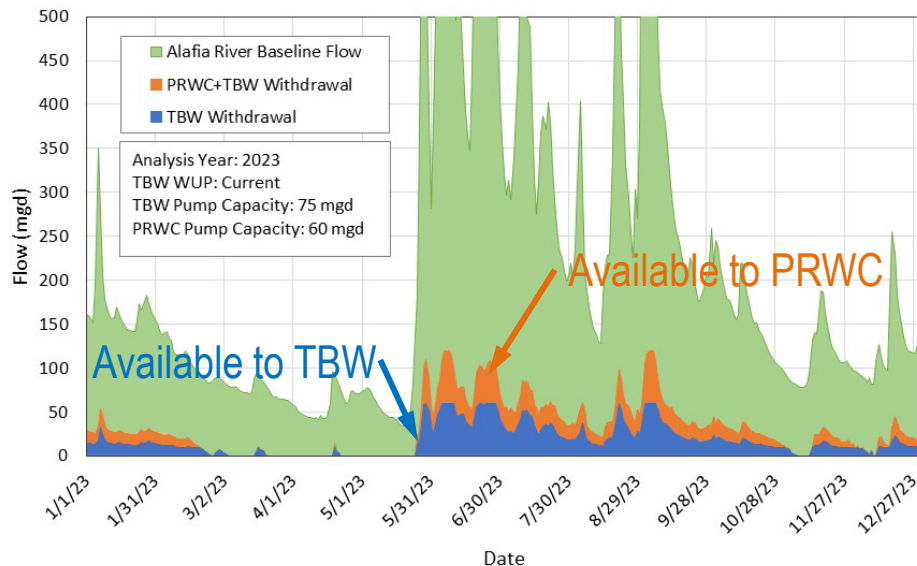


- Alafia River listed as a source for PRWC water in 2017 Engineers Report.
- PRWC demands indicate that 14-27 MGD of additional water supply will be needed by 2070 (beyond SE, WP and Peace River Projects).
- Minimum Flow Rule allows 19% of river flows to be used
- Tampa Bay Water (and Mosaic) currently permitted to use 10% of flows
- Tampa Bay Water received a Water Use Permit modification for remaining 9% of flows – July 22, 2025

Under Original TBW WUP

Up to 15 MGD AADF available to PRWC,
with withdrawals on 80% of days
(70-yr long-term average estimate)

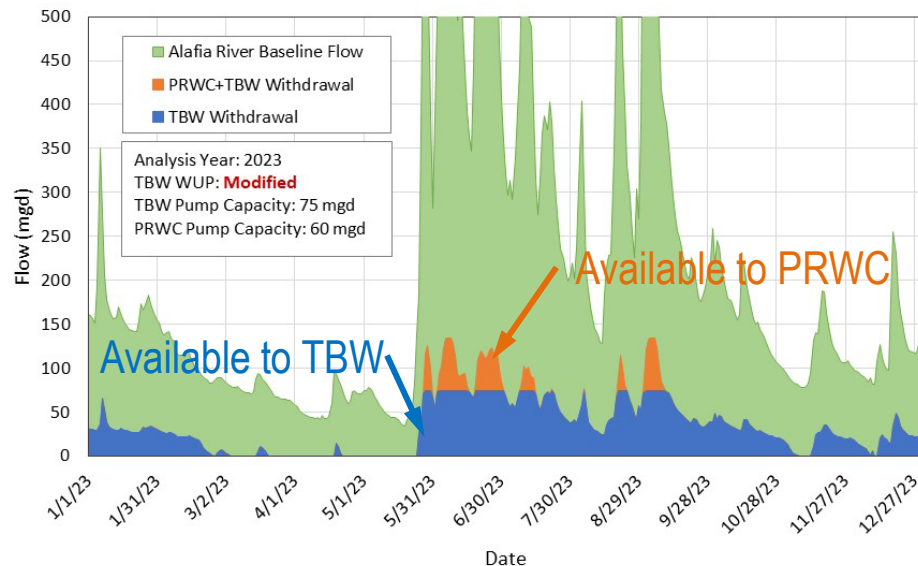
Alafia River Daily Flows and Available Withdrawals (Example Analysis Year 2023)



Under New Modification TBW WUP

Up to 5 MGD AADF available to PRWC,
with withdrawals on 17% of days
(70-yr long-term average estimate)

Alafia River Daily Flows and Available Withdrawals (Example Analysis Year 2023)



- PRWC - Water Use Permit
 - Submitted June 18, 2025
 - RAI received July 18, 2025
 - Response in-progress
- Tampa Bay Water - Water Use Permit Modification
 - PRWC obtained a time extension to permit challenge period
 - September 30, 2025
 - August 5, 2025 TBW/PRWC/SWFWMD meeting
 - PRWC needs to be prepared to challenge TBW Permit
 - Total Cost - \$204,820
 - Estimate of costs through entry of recommended order
 - A more refined estimate will be provided after initiation of any administrative action



Member Cost Allocation

- Alafia River WUP a non-budgeted cost
- PRWC recommends funding the project through the PRWC 2026 Administrative Budget
 - Total cost of \$204,820
 - Member costs based on 2024 actual water use
 - PRWC will invoice members in FY2026

Polk Regional Water Cooperative Alafia River Permit Challenge Costs			
	2024 Annual Water Use (MGD)	% of Total 2023 Water Use	Proposed Cost to Member
MEMBER FUNDING COSTS			
Lakeland	23.82	29.35%	\$ 60,120.92
Polk County	19.50	24.03%	\$ 49,217.38
Winter Haven	11.06	13.63%	\$ 27,915.09
Haines City	6.94	8.55%	\$ 17,516.34
Auburndale	6.63	8.17%	\$ 16,733.91
Bartow	3.24	3.99%	\$ 8,177.66
Lake Wales	2.41	2.97%	\$ 6,082.76
Davenport	2.21	2.72%	\$ 5,577.97
Lake Alfred	1.33	1.64%	\$ 3,356.88
Eagle Lake	0.81	1.00%	\$ 2,044.41
Dundee	0.80	0.99%	\$ 2,019.17
Fort Meade	0.64	0.79%	\$ 1,615.34
Mulberry	0.47	0.58%	\$ 1,186.26
Polk City	0.44	0.54%	\$ 1,110.55
Frostproof	0.43	0.53%	\$ 1,085.31
Lake Hamilton	0.42	0.52%	\$ 1,060.07
Subtotal	81.15	100.00%	\$ 204,820.00

Recommendation:

- 1) Approve the legal challenge budget (\$204,820) for the Alafia River Alternative Water Supply Permitting Project,
- 2) Amend the administrative budget by \$204,820 to cover the costs of this work,
- 3) Ratify the Executive Directors direction to seek an extension of time to file a petition,
- 4) Authorize the Executive Director to approve additional extensions of time if negotiations are proving fruitful,
- 5) Authorize staff to file an administrative challenge if negotiations reach an impasse.

July 30, 2025

RECESS:

PRWC REGULAR BOARD OF DIRECTORS

COMMENCE:

COMBINED PROJECTS BOARD OF DIRECTORS

**Preliminary PRWC Combined Projects
Budget – FY2026**
(Action Item)

Combined Projects Budget Overview

Project	January 2025 Revised ¹	Status
Combined Projects Phase 1	\$31,208,930	
Peace Creek Integrated Water Supply	\$1,980,250	Completed
West Polk LFA Deep Wells	\$8,940,734	Completed
Southeast Wellfield	\$11,117,916	Completed
Peace River and Land Use Transitions	\$961,100	Completed
Other Project Expenses & Frostproof Reconciliation	\$190,483	Completed
Test Production Wells SE TPW #3 and WP TPW #2	\$8,018,447	Ongoing

1. Does not include the cost of financing. Includes total project budget for PRWC and SWFWMD.

Combined Projects Budget
Southeast Wellfield TPW #2 and West Polk TPW #2

Fiscal Year		Estimated Annual Costs (\$M)		SWFWMD Co-Funding and Grants (\$M)¹		Annual PRWC Obligation (\$M)²		Actual PRWC Expenditures (\$M)³
FY 2023		\$ 2.36		\$ 1.03		\$ 1.33		\$ 3.10
FY 2024		\$ 6.49		\$ 3.09		\$ 3.40		\$ 0.82

FY 2025 and FY 2026 budget methodology is reflective of the annual Business Plan

FY 2025		\$ 2.67		\$ 1.33		\$ 1.34		\$ 0.56
FY 2026		\$ 2.34		\$ 1.17		\$ 1.17		

NOTES:

- ¹ SWFWMD co-funding does not cover land, legal fees, and other non-eligible expenses. These costs may be covered by other types of grant funding.
- ² Costs financed through the Truist loan, WIFIA, and SRF. Additional grant funding may reduce this obligation amount. This does not include the cost of debt issuance.
- ³ Actual expenditures through March 2025.

July 30, 2025

RECESS:

COMBINED PROJECTS BOARD OF DIRECTORS

COMMENCE:

SOUTHEAST WELLFIELD BOARD OF DIRECTORS

Preliminary Southeast Wellfield Project Budget *(Information Item)*

Southeast WPF and TM Budget

Fiscal Year	Estimated Annual Costs (\$M)	SWFWMD Co-Funding and Grants (\$M) ¹	Estimated Annual PRWC Obligation (\$M) ²	Project Manager ³	Contractual Employees Salary Allocation ³	Total Estimated Annual PRWC Obligation (\$M) ³	Actual PRWC Expenditures (\$M) ⁴
FY 2023	\$ 34.97	\$ 10.40	\$ 24.57	\$ -	\$ -	\$ 24.57	\$ 14.29
FY 2024	\$ 28.40	\$ 8.62	\$ 19.78	\$ -	\$ -	\$ 19.78	\$ 29.03

FY 2025 and FY 2026 budget methodology is reflective of the annual Business Plan

FY 2025	\$ 180.49	\$ 78.20	\$ 102.29	\$ -	\$ -	\$ 102.29	\$ 21.38
FY 2026	\$ 183.94	\$ 122.69	\$ 60.92	\$ 0.14	\$ 0.19	\$ 61.25	

NOTES:

- ¹ SWFWMD co-funding does not cover land, legal fees, and other non-eligible expenses. These costs may be covered by other types of grant funding.
- ² Costs financed through the Truist loan, WFIA, and SRF. Additional grant funding may reduce this obligation amount. This does not include the cost of debt issuance.
- ³ Effective with FY 2026, PRWC obligation includes the project manager salary and an allocation of the administrative contractual employees salaries between the Southeast and West Polk projects on a pro rata basis. These additional costs are added to the total Estimated Annual Costs from the Business Plan.
- ⁴ Actual expenditures through March 2025.

**Adopt Resolution 2025-22 to Approve the
Third Amendment to FDEP SRF Loan
DW532001 for the Southeast Wellfield Project
(*Action Item*)**

- SRF Loan DW532001 used to support Southeast Wellfield Project design services
 - Design now complete
- Third Amendment reduces loan amount by \$19,602
 - Total Loan Amount - \$21,886,688
 - Semiannual Loan payment - \$1,240,875.79
 - First Payment September 15, 2025



Recommendation:

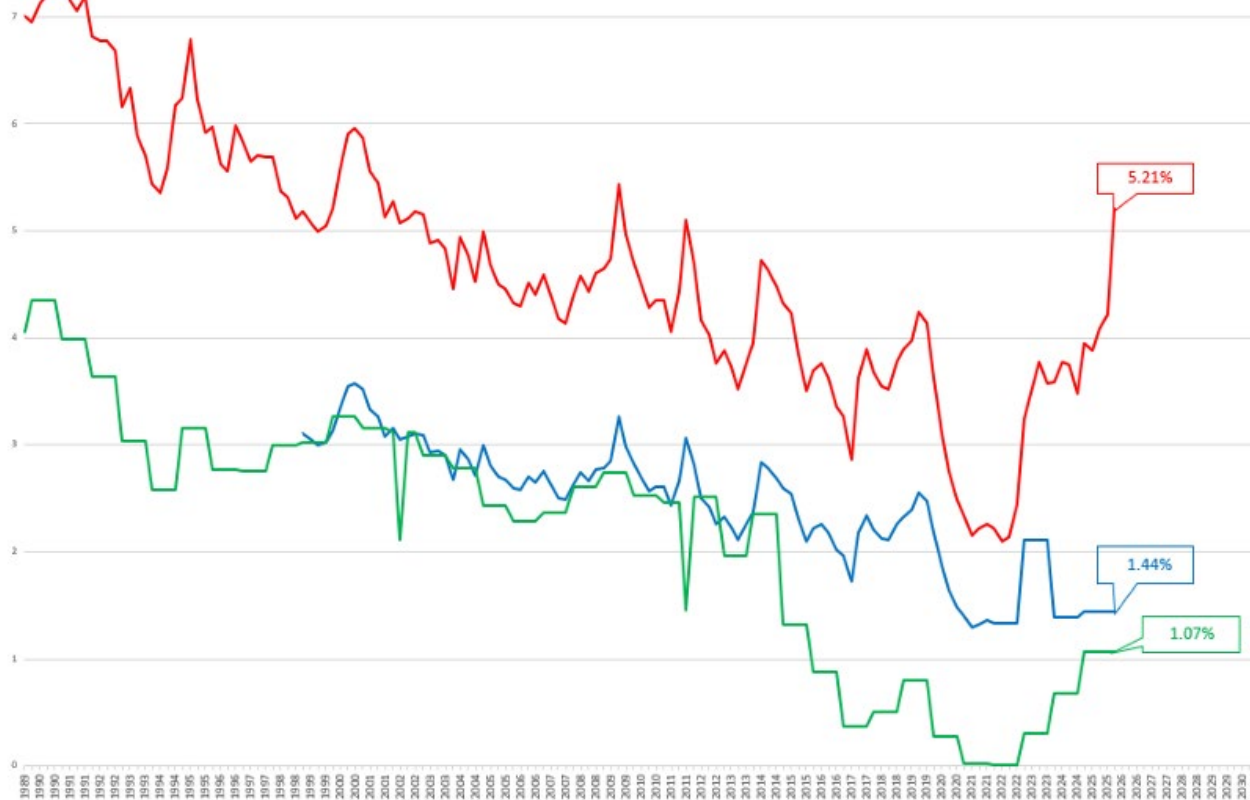
Adopt Resolution 2025-22 to approve the Third Amendment to FDEP SRF Loan DW532001


**Adopt Resolution 2025-23 to Authorize SRF
Construction Loan DW532003 for
Construction of the Southeast Wellfield
Project**
(Action Item)


- In November 2024, PRWC Board approved requesting SRF funding for \$122M in additional needs for SE Wellfield due to cost increases
- PFM reviewed several alternatives with Board, including:
 - All SRF funding
 - Combined SRF and WIFIA loans
 - All tax-exempt bond funding
- SRF provides lowest interest cost
 - Below-market interest rate subsidized by State and Federal governments
 - Potential for up to 20% principal forgiveness


SRF Interest Rate Comparison

Bond Buyer/SRF Rate Comparison



 Bond Rate of
5.21%

 Drinking
Water SRF
Average Rate
of 1.44%

 Clean Water
SRF Average
Rate of 1.07%

*Quarterly interest rate for DWSRF and CWSRF Programs for
1st Q SFY2026 (7/1-9/30). Source: Florida DEP website
<https://floridadep.gov/wra/srf/documents/srf-interest-rate-fact-sheet>

- PRWC submitted Request for Inclusion for SRF, and in March 2025, FDEP awarded PRWC \$14M in construction funds for SE Wellfield, including \$2.4M in principal forgiveness
- PRWC submitted SRF application in June 2025
- FDEP requests authorizing resolution:
 - Providing approval to apply for funds
 - Identifying pledged revenues
 - Designating representative to sign loan application and agreement
- Once application approved by FDEP and loan agreement drafted, it will be brought to PRWC Board for consideration

Recommendation:

**Adopt Resolution 2025-23 to authorize SRF
Construction Loan DW 532003**

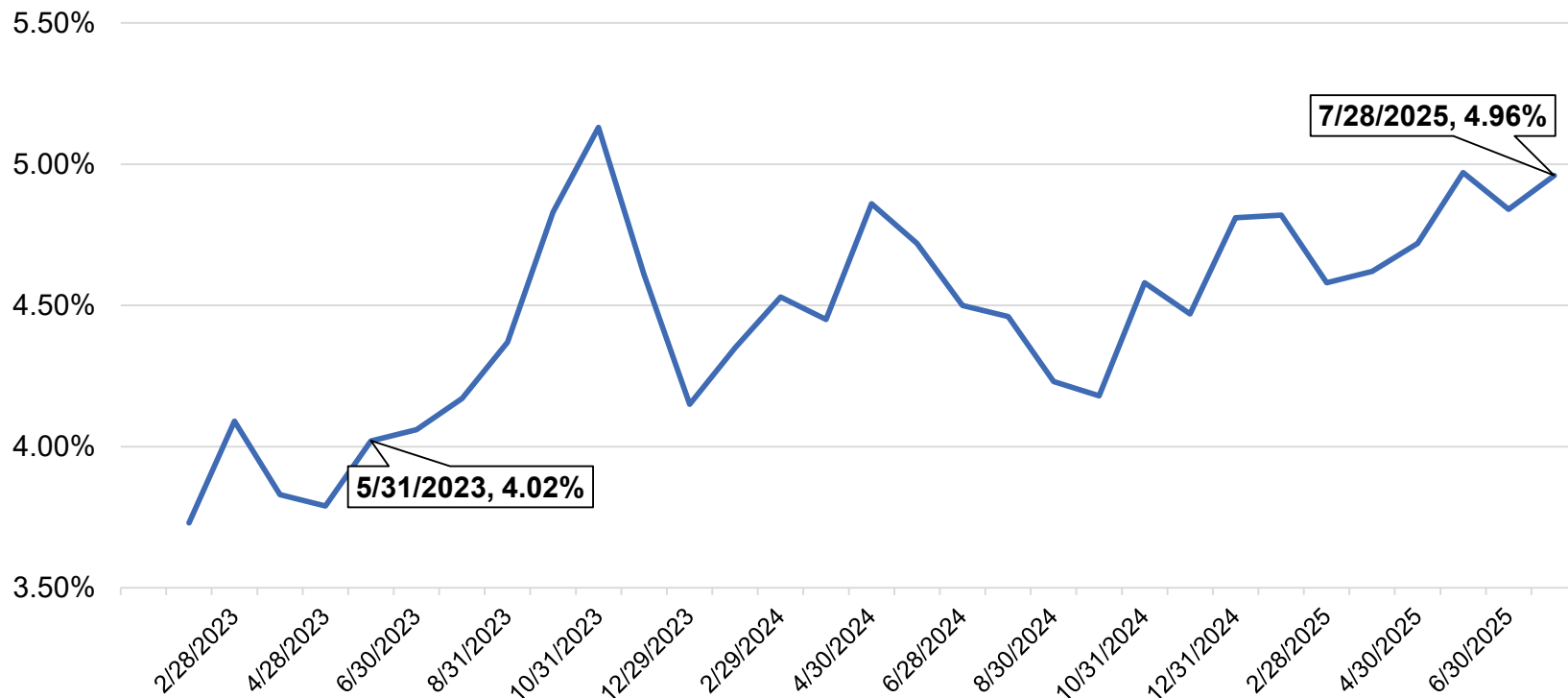
**Adopt Resolution 2025-24 to Approve the
First Amendment to the Truist Loan
Agreement
*(Action Item)***

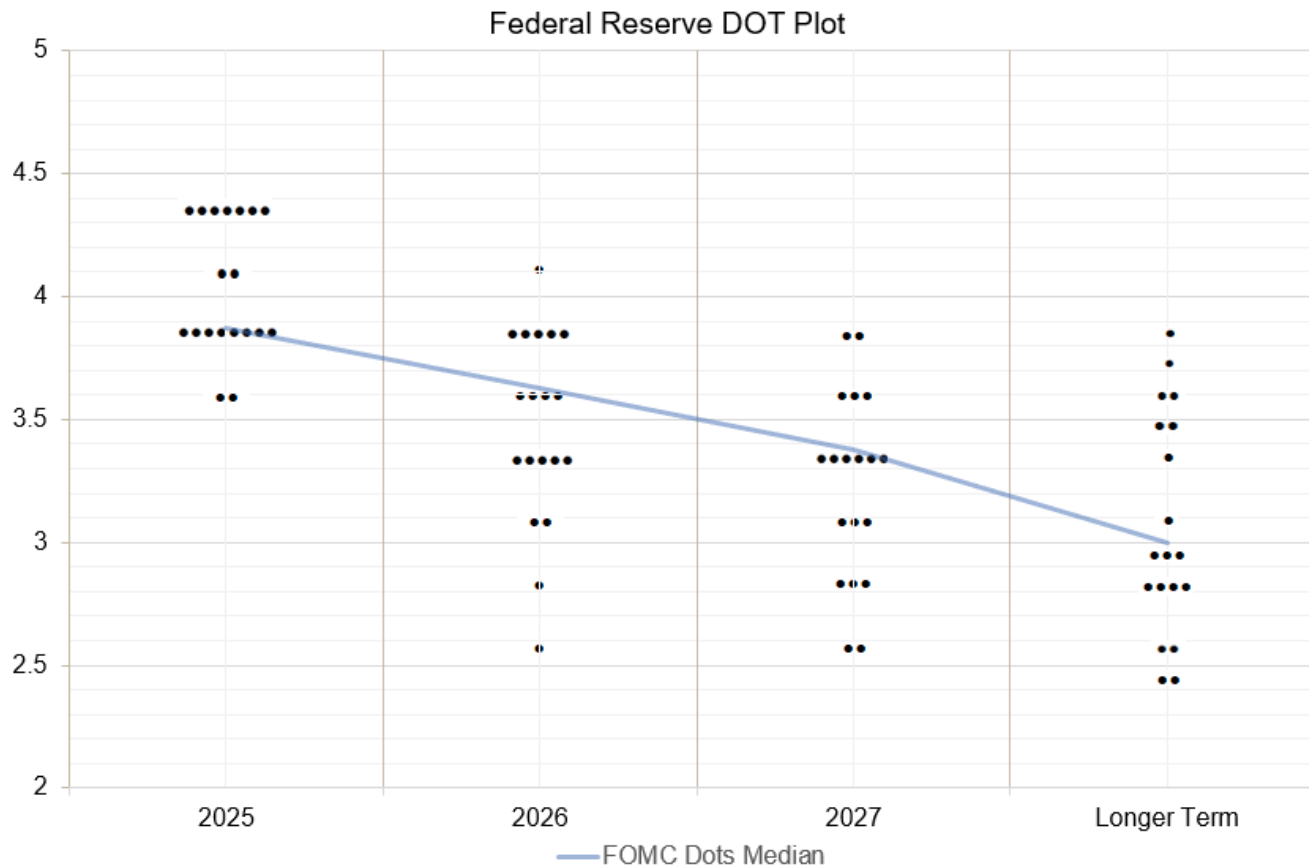
- PRWC closed \$306M WIFIA loan at interest rate of 4.02% in May 2023
 - Construction period anticipated to be 5 years
- As alternative to drawing from WIFIA for first 3 years, Truist proposed \$154M tax-exempt loan at interest rate of 3.55% to be used as interim financing
 - Truist loan has tender dates beginning in November 2025 and every 6 months thereafter until November 2028
- Truist loan fully funded at closing and proceeds invested in account with Truist
- Net interest cost of Truist loan, considering investment earnings, provides savings compared to higher interest rate WIFIA loan

- By delaying draws on WIFIA loan, PRWC has ability to request one-time interest rate reduction if:
 - Treasury equivalent rates decrease below 4.02% prior to drawing on WIFIA and PRWC has spent less than 50% of eligible project costs
- PRWC asked Truist to extend loan for additional year due to its lower interest rate and to preserve possibility of reducing interest rate on WIFIA
- Truist agreed to amend loan to:
 - Extend first tender date to November 13, 2026
 - Waive extension fee of \$100,000
 - Adjust interest rate from 3.55% to 3.78%

Historical Treasury Interest Rates

22-Year 10-Month State and Local Government Series Securities Interest Rate Plus 0.01% Monthly History Since January, 2023





- Truist loan amount is \$154M and unspent amount is \$83M
- If interest rates decline by November 2026, PRWC could request one-time interest rate reset
- Potential interest rate reduction is valuable financial option
- 3.78% interest rate on Truist loan is below WIFIA rate of 4.02%
- Interest earnings on unspent Truist loan proceeds help offset interest cost

Recommendation:

Adopt Resolution 2025-24 to approve the First Amendment to the Truist Loan Agreement

Update on Southeast Wellfield *(Information Item)*

SE Wellfield Update Agenda

- Design and Bidding
 - Water Production Facility
 - Transmission Mains
 - Other Elements
- GMP Overview and Status
- Well Construction
- WPF and SETM Construction
- Land Acquisition
- Permitting



Design is substantially complete

- Water production facility complete (includes raw water main and well site improvements)
- Transmission packages complete
- Metering stations, CR 540A BPS, Auburndale BPS in CMAR review
- *Ongoing pipeline design refinements underway*



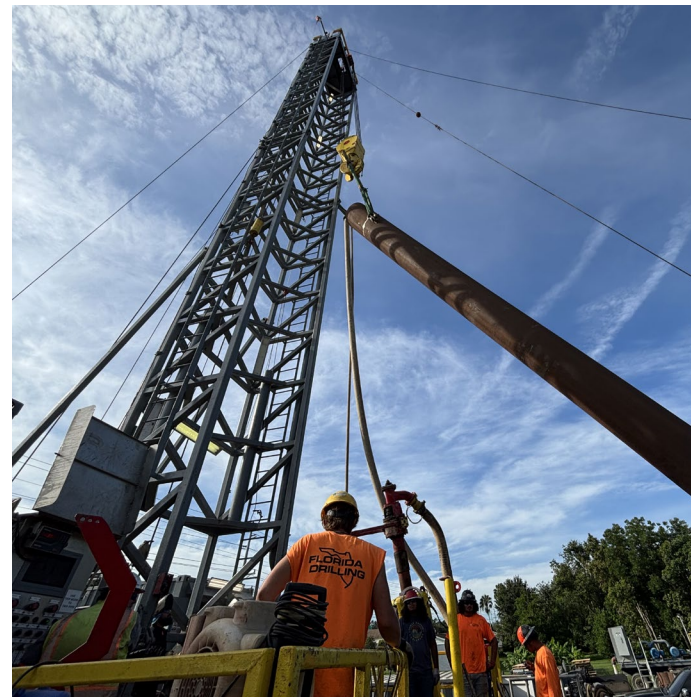
GMP	Project	Description	Board Approval	Status
1	SETM	Construction Package 2A	Mar-24	Complete
2	SETM	Construction Package 1 & 6	Sep-24	Underway
3	WPF	Water Production Facility	Jan-25	Underway
4	SETM	Construction Package 4A, 2B and Valve Package	May-25	Construction to start August, 2025
5	SETM	Construction Package 3A, 4B & 5	Jul-25	Construction to start November, 2025
6	SETM	Construction Packages 2C, 3B	Sep-25	<i>Moved to November</i>
+7	SETM+ BPS	BPS and Metering Stations	Spring 2026	<i>To be aligned with water delivery schedule</i>

Production Wells 9, 10 and 11

- PW-9: Outer casing set; production interval drilling underway
- PW-10: Drilling complete; acid treatment required to increase yield
- PW-11: Complete

Production Well 14

- Acquisition in progress
- Mobilization currently planned for December 2025

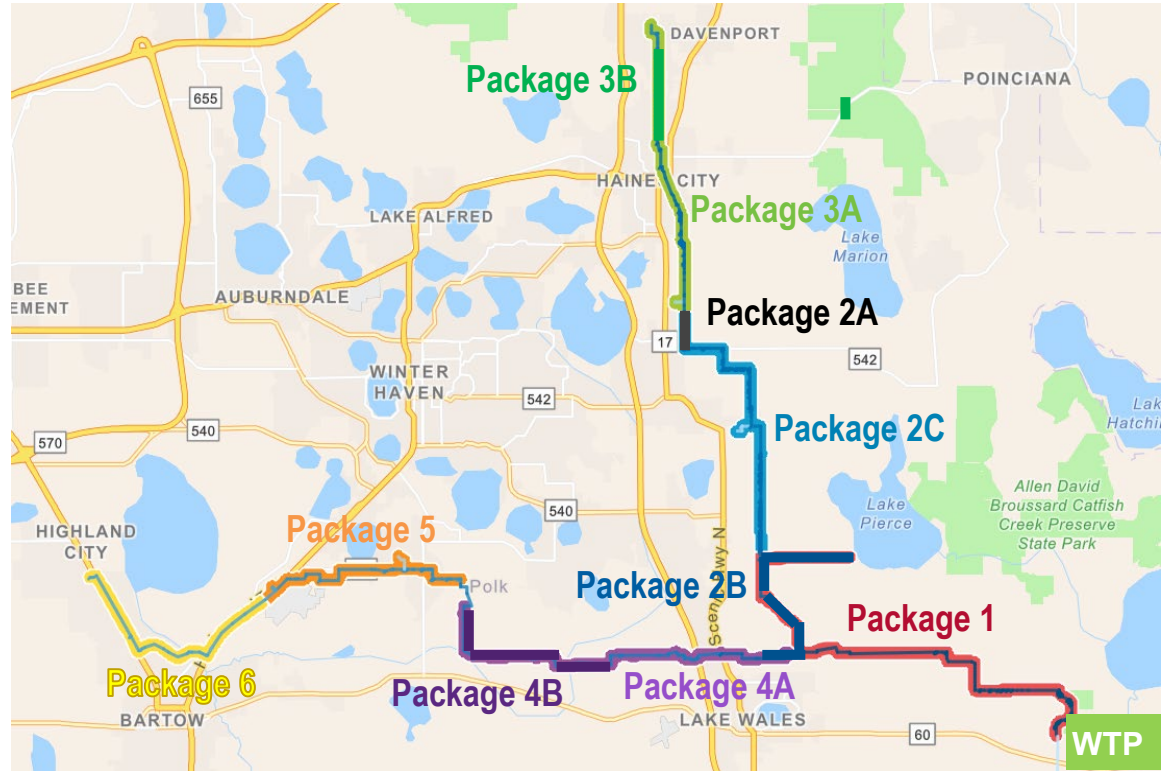


Water Production Facility

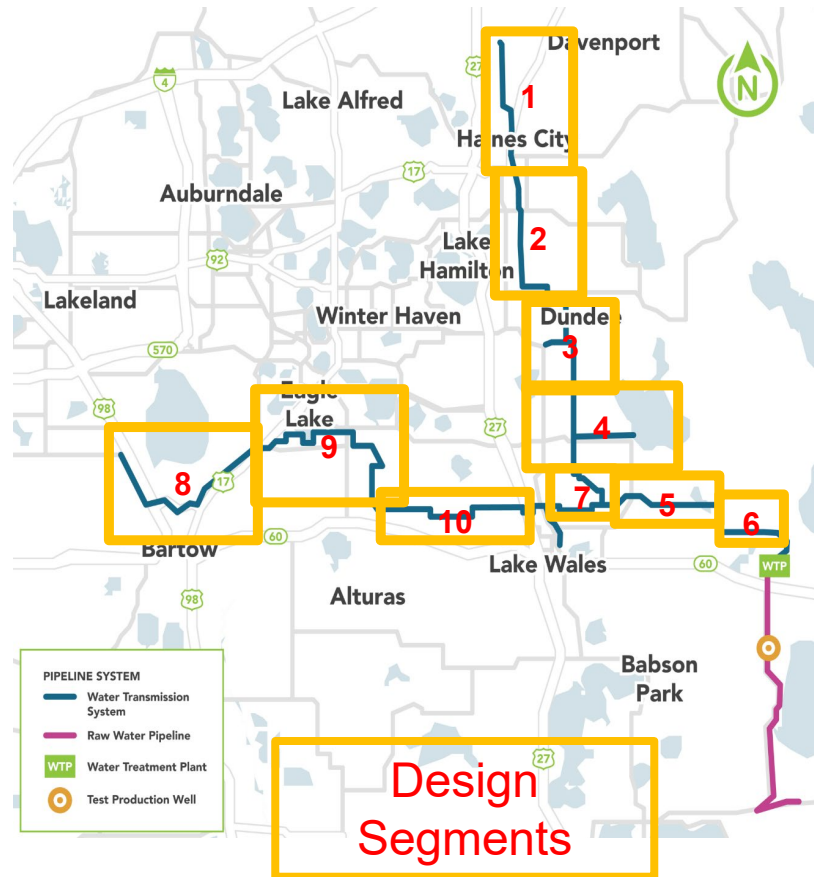
- CMAR and subcontractor mobilization continues
- Clearing and grubbing in progress
- Site grading and UG utilities to follow
- Substantial Completion September 2028



- Construction Package 2A:
 - Complete
 - Pending final deductive change order
- Construction Package 1:
 - Approx. 5% complete
 - Work progressing to east along Mammoth Grove Road
- Construction Package 6:
 - Approx. 90% complete
- Construction Packages 2B/4A:
 - Const NTP in August



- **Offers have been made on nearly all affected parcels as of July 2025**
 - SETM land acquisition critical path for project
- Temporary and/or permanent easements needed on over 300 parcels, across 10 segments
- **Settlements have been reached on 195 parcels, totaling nearly \$11,000,000**



Water Production Facility

- All permits issued

Transmission System

- Const Packages 2A, 1, 4A and 6 – all necessary permits issued
- All other permits in progress/pending issuance



Questions?

**Approve the Guaranteed Maximum Price
(GMP-5) for Construction Packages 3A, 4B
and 5 for the Southeast Wellfield
Transmission Main**

(Action Item)

Guaranteed Maximum Price 5 (GMP-5)



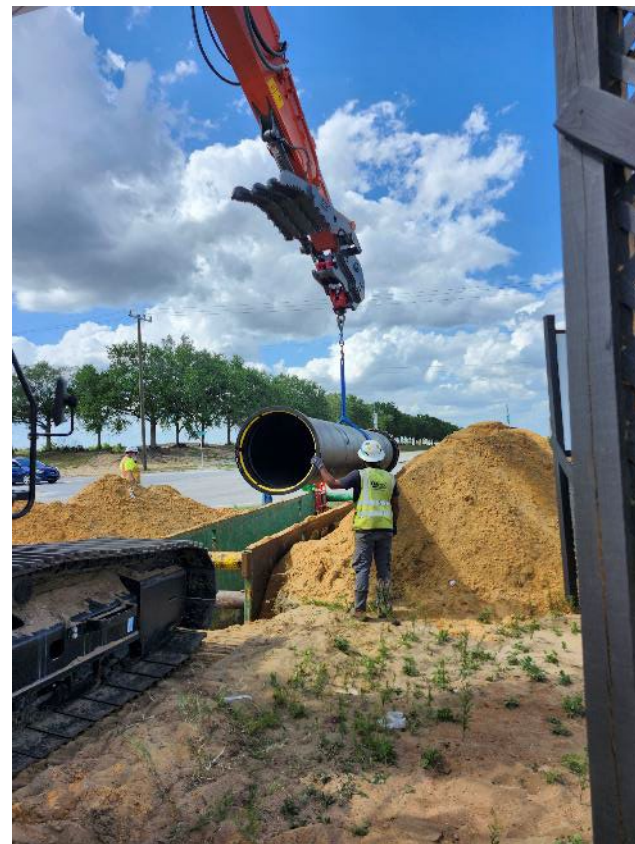
- Includes approx. 16,950 LF of 30" DIP and 5,800 LF of 30" HDPE pipe
 - Includes connection to Lake Hamilton water treatment plant
- **Bid Summary**
 - **\$12,425,052 (Midsouth)**
 - 3 other bidders ranging from \$12,599,789 - \$13,964,106
- Proposed path forward: recommend award to Midsouth
- Comparison to 90% construction cost estimate (Const Package 3):
 - 30" DIP bid price \$347/LF vs. \$509/LF
 - 30" HDPE bid price \$449/LF vs. \$882/LF

- Includes approx. 27,900 LF of 24" PVC pipe via open cut and 4,500 LF of 24" HDPE Pipe
- **Bid Summary**
 - **\$7,257,550 (ADS)**
 - **\$7,338,080 (Killebrew)**
 - 5 other bidders ranging from \$9,207,466 - \$11,457,385
- Proposed path forward: recommend award to Killebrew
 - Significant open cut experience vs. ADS
 - ADS recommended for award of Construction Package 5 based on horizontal directional drilling experience

- Includes approx. 3,600 LF of 20" PVC pipe and 15,000 LF of HDPE pipe via horizontal directional drill
 - Includes connections to Winter Haven, Eagle Lake and PC CRUSA
- **Bid Summary**
 - **\$7,881,420 (ADS)**
 - 4 other bidders ranging from \$10,540,558 - \$15,364,723
- Proposed path forward: recommend award to ADS
 - Additional 20% owner-controlled contingency for CP #5 due to significant spread between low bidder and second low bidder

Comparison to 90% Estimate

- Package 4B (part of 90% estimate for Construction Package 4):
 - 24" PVC bid price \$127/LF vs. \$358/LF
 - 24" HDPE bid price \$275/LF vs. \$384/LF
- Package 5 (part of 90% cost estimate for original Construction Package 5):
 - 20" PVC bid price \$78/LF vs. \$257/LF
 - 20" HDPE bid price \$186/LF vs. \$384/LF



- Total “Base Bid” Price \$30,409,007
 - Includes \$2,764,455 in contingencies
- Other CMAR-related Costs \$7,287,974
 - Testing, inspection/permit fees,
 - General conditions
 - Bonds (1.25%) and insurance (2.25%)
 - CMAR fee (8%)
- 20% Owner-controlled contingency for Const Package 5 (\$1,576,284)
- **GMP-5 Total \$39,273,265**
 - Construction start fall 2025; completion mid-2027



Construction Cost Trends

Based on Aug. 2024			
	90% Estimate		GMPs
GMP 1 (Package 2A)		TBD	\$5,138,830
GMP 2 (Packages 1,6)		TBD	\$71,571,699
GMP 4 (Packages 2B, 4A, valves)		TBD	\$28,639,140
GMP 5 (Packages 3A, 4B, 5)		TBD	\$39,273,265
GMP 6 (Packages 3B, 2 BPS, Metering Stations)*	\$	55,906,329	Use 90% Est.
TOTAL	\$	256,186,868	\$ ~ 200,529,263
ANTICIPATED REDUCTION FROM 90%:	\$	55,657,605	

**May include additional segments resulting from program changes*

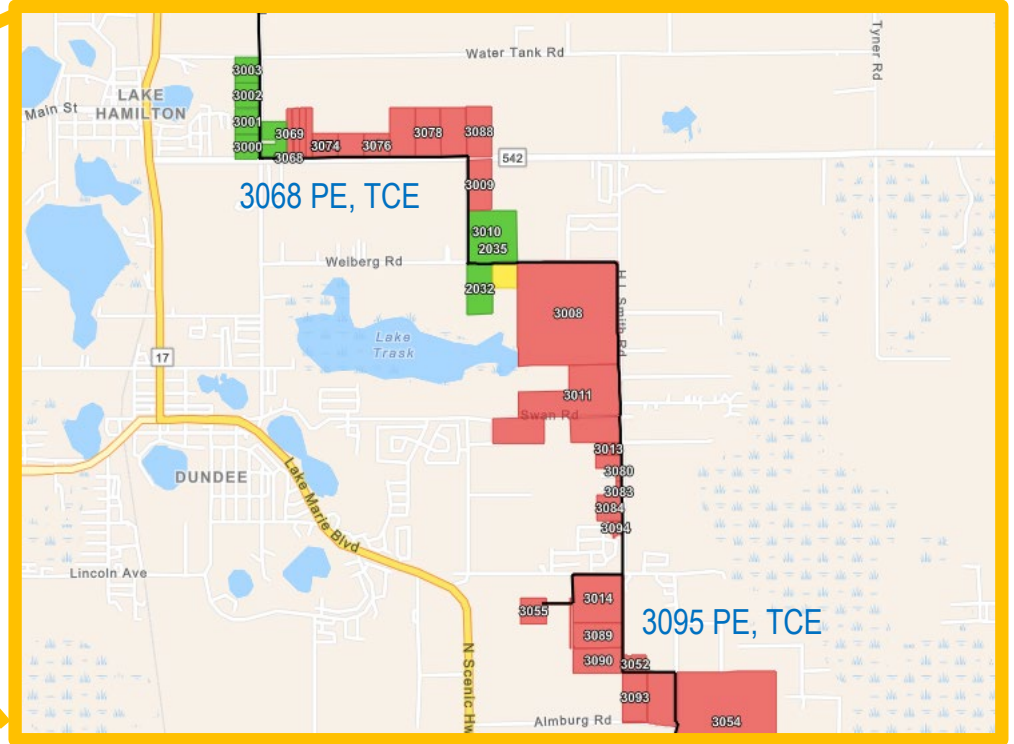
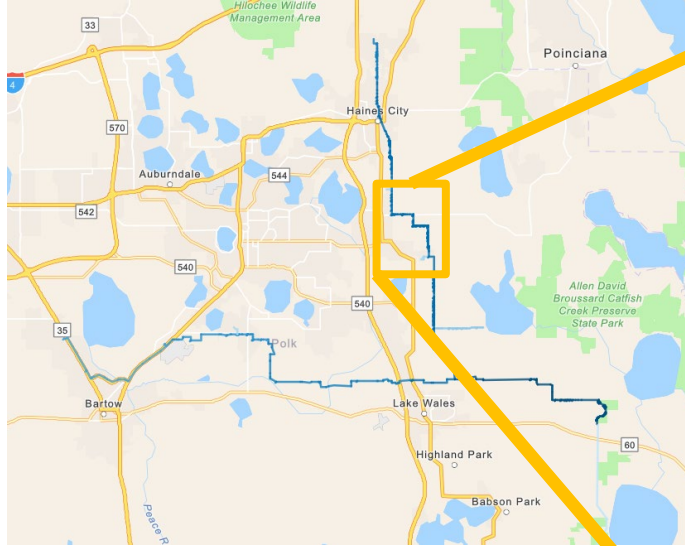
Recommendation:

Approve the Guaranteed Maximum Price (GMP-5) for Construction Package 3A, 4B and 5 for the Southeast Wellfield Transmission Main

**Adopt Resolutions 2025-25 Parcel Resolution
of Necessity to Implement the Southeast
Wellfield Water Production Facility and
Transmission Main Projects**
(Action Item)

- Cooperative Board approved construction of SEWF raw water and finished water transmission mains pursuant to Resolution 2023-06
- Resolution 2025-25 constitutes a Parcel Resolution
 - Authorizes the Cooperative to acquire 2 permanent easements (Exhibits A & B) and 2 temporary construction easements (Exhibits C & D) over 2 parcels
- Acquisition by negotiation, contract or legal proceedings
 - Includes eminent domain proceedings pursuant to Chapter 73 and 75, Florida Statutes

Certain Lands 2025-25



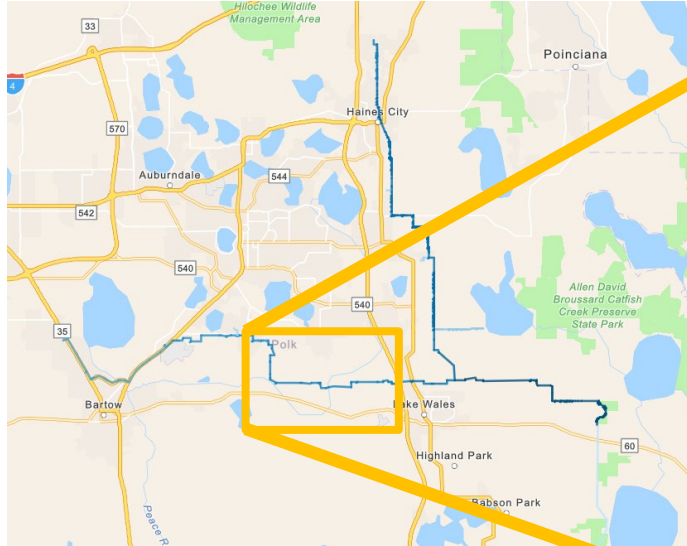
- 2 temporary construction easements
- 2 permanent easements

Recommendation:

Adopt Resolution 2025-25 Parcel Resolution of Necessity to Implement the Southeast Wellfield Water Production Facility and Transmission Main Projects

**Approve the Negotiated Settlement with Reed
E. Venrick for PRWC Parcel Number 10016
Permanent and Temporary Construction
Easements
(*Action Item*)**

Venrick Negotiated Settlement



- Old Bartow Lake Wales Road
- Appraisal Value = \$91,450
- Future commercial property

Venrick Negotiated Settlement



Timeline

- September 23, 2024 – Stipulated Order of Taking approved by court
- January 8, 2025 – Negotiations begin with owner
- May 5, 2025 – Agreement reached on monetary value

Appraisals

- PRWC appraisal amount - \$91,450
- Reddick counter-offer - \$396,000
- Settlement Reached at \$198,000
 - PRWC required to pay statutory attorney fees of \$35,161.50
 - PRWC required to pay expert fees of \$15,312.00
 - Total easement cost is **\$248,473.50**

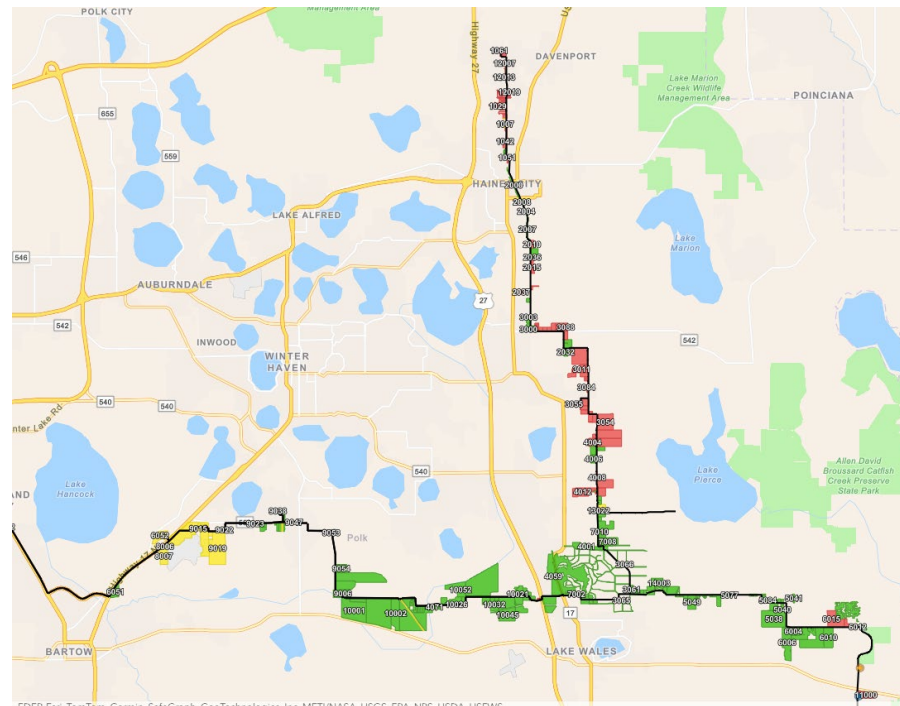
Benefits to PRWC

- PRWC received easements over 0.57 acres.
- Settlement is \$198,000 less than owners offer.
- Jury trial was avoided which was estimated to add an additional \$100,000 to \$150,000 in costs.

PRWC Attorneys will file a Stipulated Final Judgement with Court to finalize settlement

Significant Easement Progress

- Current parcel count: 314 needed
- 195 closed or pending
 - 115 voluntary, non-member settlements
 - 12 donated by Haines City
 - 9 pending Bartow parcels
- Most expected to be closed by end of year
- \$11M+ spent to date; \$21M budgeted



Recommendation:

**Approve the Negotiated Settlement with Reed E. Venrick
for PRWC Parcel Number 10016 PE and TCE**

July 30, 2025

RECESS:

SOUTHEAST WELLFIELD BOARD OF DIRECTORS

COMMENCE:

WEST POLK WELLFIELD BOARD OF DIRECTORS

Preliminary West Polk Budget *(Information Item)*

West Polk WPF and TM Budget

Fiscal Year		Estimated Annual Costs (\$M)		SWFWMD Co-Funding and Grants (\$M) ¹		Estimated Annual PRWC Obligation (\$M) ²	Contractual Employees Salary Allocation ³	Total Estimated Annual PRWC Obligation (\$M) ³		Actual PRWC Expenditures (\$M) ⁴
FY 2023		\$ 7.18		\$ 1.85		\$ 5.33	\$ -	\$ 5.33		\$ 1.74
FY 2024		\$ 11.89		\$ 3.95		\$ 7.94	\$ -	\$ 7.94		\$ 0.46

FY 2025 and FY 2026 budget methodology is reflective of the annual Business Plan

FY 2025		\$ 27.18		\$ 7.62		\$ 19.56	\$ -	\$ 19.56		\$ 1.14
FY 2026		\$ 16.68		\$ 9.06		\$ 7.60	\$ 0.02	\$ 7.62		

NOTES:

- ¹ SWFWMD co-funding does not cover land, legal fees, and other non-eligible expenses. These costs may be covered by other types of grant funding.
- ² Costs financed through the Truist loan, WIFA, and SRF. Additional grant funding may reduce this obligation amount. This does not include the cost of debt issuance.
- ³ Effective with FY 2026, PRWC obligation includes an allocation of the administrative contractual employees salaries between the Southeast and West Polk projects on a pro rata basis. This additional cost is added to the Estimated Annual Costs from the Business Plan.
- ⁴ Actual expenditures through March 2025.

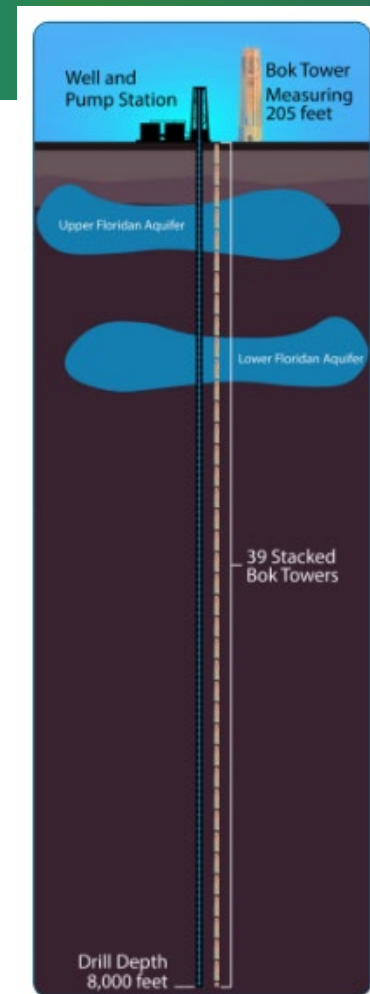
Update on West Polk Wellfield Project *(Information Item)*

Agenda

- Project schedule
- Construction
- Acquisition

Project Schedule

- Test production well and injection well construction are underway.
- 60% plant design to kick off in early 2026
- Pipeline elements are underway
 - Wellfield acquisition underway.
 - Raw water pipeline design will initiate in August, 2025 support acquisition.



Injection Well 1

- Drilling of pilot hole underway; at approximately 800' below land surface.

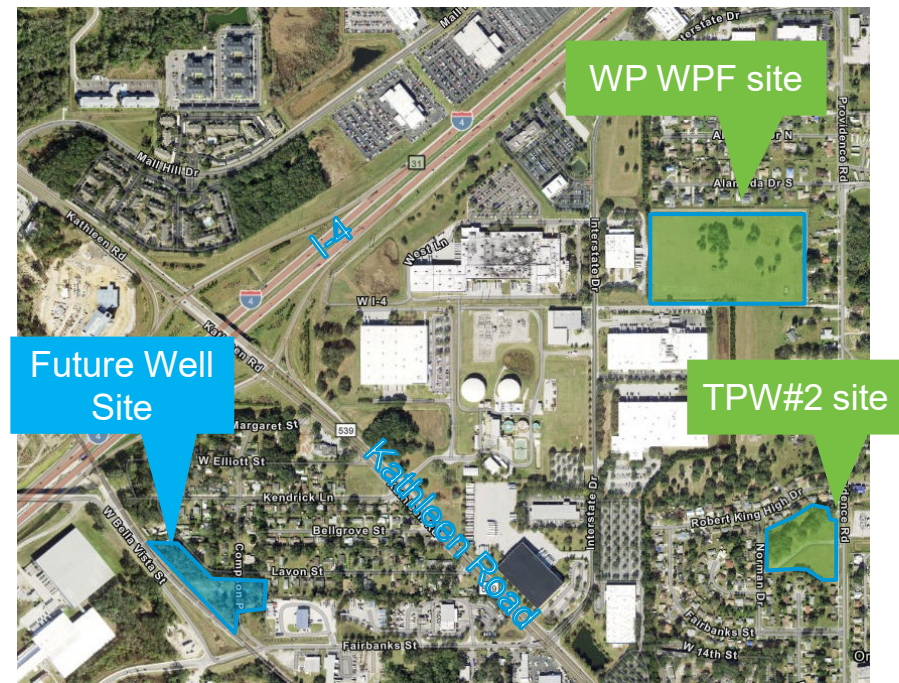
TPW-2 & Monitoring Wells

- 24" casing is installed in the production well; pilot hole drilling at approximately 640' below land surface.
- 12" steel casing at monitoring well is cemented in; the monitoring interval is being drilled; at approximately 1900' bls.



Acquisition is Ongoing

- Water Production Facility complete
- Test Production Well #2 site complete
- Additional well site acquisition is underway
- **Heartland appropriations to be used for all purchases**



Questions?

**Adopt Resolution 2025-24 to Approve the
First Amendment to the Truist Loan
Agreement
*(Action Item)***

Recommendation:

Adopt Resolution 2025-24 to approve the First Amendment to the Truist Loan Agreement

July 30, 2025

RECESS:

WEST POLK WELLFIELD BOARD OF DIRECTORS

COMMENCE:

PRWC BOARD OF DIRECTORS

July 30, 2025

K. Open Discussion

L. Chair / Executive Director Report

O. Adjournment



Adjourned

PRWC Board of Directors
Regular Meeting

July 30, 2025