



January 15, 2025

POLK REGIONAL WATER COOPERATIVE

Lake Myrtle Sports Complex

201 Lake Myrtle Park Road

Auburndale, FL 33823

Member Governments in Attendance:

Member Government

Representative

City of Auburndale	Commissioner Keith Cowie, Primary
City of Bartow	Mayor Trish Pfeiffer, Primary
City of Davenport	Absent
City of Dundee	Vice Mayor Bert Goddard, Primary
City of Eagle Lake	Commissioner Jaymes Perry
City of Fort Meade	Absent
City of Frostproof	Absent
City of Haines City	Absent
City of Lake Alfred	Commissioner Jack Dearmin
Town of Lake Hamilton	Mayor Marlene Wagner
City of Lake Wales	Absent
City of Lakeland	Mayor Bill Mutz, Primary (Chairman)
City of Mulberry	Absent
City of Polk City	Mayor Joe LaCascia, Primary
City of Winter Haven	Mayor Nathaniel Birdsong, Primary (Vice Chairman)
Polk County	Commissioner Becky Troutman
Director of PRWC	Eric DeHaven

A. Call To Order – 2:00 p.m.

Chairman Mutz called the meeting to order @ 2:00PM. There was not a full quorum present of the Regular Board and, therefore, the consent agenda cannot be approved. Since two additional members are enroute, we will postpone the consent agenda for now.

B. Recognition of new primary/alternate appointees of members

Introductions around the room were made and two new members are with us today: Commissioner Perry from Eagle Lake and Commissioner Troutman from Polk County.

C. Agenda Revisions

There are no agenda revisions except to postpone the Consent agenda until a quorum is present.



D. Public Comments (Limited to 3 minutes)

Chairman Mutz asked if any members of the public wished to address the Board. There were no public comments. Chairman Mutz proceeded on to the Regular Board meeting.

F. Regular BOD Items

F.1. Draft 2025 Business Plan Review (Information) Pg 61

Mr. Murry Hamilton, VP of Raftelis Financial Consultants, serves as PRWC's rate consultant within Team One. One primary goal is to review the results of the 2025 business plan with an emphasis of providing a reasonable estimate of costs for FY 2026. Overall program costs are currently \$807M, when compared to last year there is a \$159M increase. This increase was due to the SE project (comprised of 75%) and capital costs on West Polk Project (\$40M). About 35% of the costs will be funded through grants. Members will fund about 1% or \$7.7M. The Business Plan estimate for the Southeast Project in 2024 was \$463M, and for 2025 it is \$579M. Costs are less than the 90% construction estimate.

The financing team has worked hard to readjust the finances to push costs out into the future. The start dates to repay the SRF planning loan have been delayed to February 2025 – August 2027, and the SE SRF design loan repayment is scheduled to begin September 2025. Also, the PRWC has requested for the WP design loan repayment to be delayed to September 2026. Funding shifted from the traditional bank loan to a line of credit. The estimated results are consistent with the adopted reserve policy.

Mr. Hamilton provided a review of current Business Plan costs compared to the 2024 Business Plan and the 60% design scenario. Each of the annual invoices will be related to each contract and a breakdown based on the character of expenditure.

Mr. DeHaven stated on page 63 in the Board packet starts member information for budgeting, and the schedule starts on page 65.

Mr. Hamilton indicated that overall costs are higher but near-term costs are lower than previous Business Plan analysis. This allows members additional time to grow into costs. Polk County was used as an example to show project costs for FY2026 and into the future. The PRWC is looking at ways to keep costs down through competitive contract bidding. Another way to reduce costs potentially is through the Truist Loan to draw money from and delay taking money from WIFIA loans.

Mayor Joe LaCascia asked about the Finance Manager. **Mr. DeHaven** stated that we have extended an offer and are working on contract negotiations. He will provide a resume to the members. **Chairman Mutz** noted that costs are higher but also noted we will have a greater base to pull funding. The reduction in near-term costs is beneficial.



Mayor Trish Pfeiffer asked if the presentation was available and would like for it to be emailed to her. **Mr. DeHaven** noted he will email this presentation to the Board members. **Mr. DeHaven** noted that the 2026 costs will be discussed at the March Board meeting. He noted that several of the smaller members were struggling with costs of the program. The PRWC can provide resources and information to assist in how to pay these costs. He also mentioned the District's grant funding percentage and how the PRWC is trying to obtain additional grant funds.

Chairman Mutz mentioned workshops are a good tool.

Mayor Joe LaCascia recommended that PRWC attend "Polk County Day" in Tallahassee this March. **Mayor Pfeiffer** mentioned that Bartow is supporting the County priorities and water needs.

E. Consent Items

Chairman Mutz noted Mr. Birdsong was now present and we have a quorum of the Regular Board and asked Mr. DeHaven to go over the Consent Agenda briefly. **Mr. DeHaven** mentioned that E.1 – E. 3 have write-ups that explain each item in the packet.

E.1. Approve November 2024 BOD Regular Meeting Minutes (Action) Pg 3

E.2. Approve First Amendment to SWFWMD Agreement 22CF0004005 for West Polk Wellfield Test Production Well #2 (Action) Pg 15

E.3. Approve Amendment to Florida Design Drilling Contract for Well Construction on Southeast and West Polk Projects (Action) Pg 20

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

G. Recess Regular BOD/Commence Combined Projects BOD

H. Recess Combined Projects BOD/Commence Southeast Wellfield BOD

Chairman Birdsong began the Southeast Board meeting. Before starting he asked about the previous Heartland grant funding of \$20M and if we have backed away from it? **Mr. DeHaven** stated that we have tempered that request based on what we expect from the legislature. We are trying to get the fixed \$20M appropriation, but we downsized the request for last year. We are still in the process of working on the annual fixed amount we will request for this year. The Heartland request is for \$36M focused on member receiving facilities and the Southeast Project. **Mayor Pfeiffer** requested a one-page Heartland Report summary that also points out that Polk County is a high growth area. **Mayor Mutz** indicated water is critical and we need to continue to emphasize that legislatively. **Chairman Birdsong** asked Mark to begin our agenda.



H.1. Update on Southeast Wellfield Project (Information) Pg 118

Mark Addison discussed updates on the SE Wellfield project. The 90% design and cost estimate have been completed for cost estimate and construction packages, and 100% design is complete for packages 1, 2b, 4a, 2b, and 6. Drilling of the 17" injection well is complete to a dept of 8,022 ft. The final completion date is scheduled for early March 2025. Florida Design Drilling continues work on production wells and the contact substantial completion date is December 31, 2026. The Water Production Facility will begin construction in the spring if approved on today's agenda. Construction packages 1 and 6 (GMP-2) will begin shortly. Construction package 2A for Lake Hamilton/Dundee testing scheduled for completion in January and demobilization in February. **Mr. Addison** provided an overview of the GMP schedule to the Board. Settlements on easements have been reached on 134 parcels, totaling over \$6.4M. He finished by providing an overview of permits.

H.2. Guaranteed Maximum Price (GMP-3) for the Southeast Wellfield Water Production Facility (Action) Pg 119

Mark Addison introduced **Eric Wagner** from Florida Water Partners to assist in his presentation. GMP-3 includes a 7.5 MGD water production facility expandable to 15 MGD. It also includes the raw water transmission line that is 27,700 linear feet and wellhead improvements. The CMAR, Florida Water Partners, implemented several actions to encourage bidding and reduce project costs. There were 36 total bid packages with 60 bids received. Bids were received on November 21, 2024. Total construction and related costs are \$214,454,324. GMP-3 represents a 4.2% decrease in total cost compared to the 90% construction cost estimate. If approved, construction will begin in March 2025 with substantial completion in 2028. **Mayor Mutz** noted the use of contingency funds and **Mr. Addison** indicated those are used if needed. **Mr. Addison** also discussed the various insurance options for GMP3, and the recommendation was to proceed with individual contractor products/policies meeting the requirements of the CMAR agreement.

Chairman Birdsong noted that this is an important item before the Board.

Motion to approve Guaranteed Maximum Price (GMP-3) for the Southeast Wellfield Water Production Facility, Production Well Sites, and Raw Water Transmission System was made by **Mayor Joe LaCascia** seconded by **Mayor Pfeiffer**. Motion was unanimously approved.

H.3. Approve the Duke Energy Master Service Agreement for Standby Power Generation for the Southeast Wellfield Water Production Facility (Action) Pg 142

Mark Addison introduced **Doug Voda** with Duke Energy to provide an overview of the managed services they provide. Mr. Voda provided an overview of how the PRWC can set up back-up power generation for the Southeast facility. Some advantages of a Managed Service Program



from Duke Energy include capital avoidance, fixed payments throughout the lease, no payments until the system is operational, and participation in programs that reduce energy costs. **Mr. Voda** went over how the facility would be set-up and details on back-up power generation. The monthly contact fee for 180 months is expected to be \$166,625.00/month and with the IST rate (monthly), there could be a monthly reduction of (\$90,744.88) resulting in a net monthly expense of \$75,880.12.

Mayor Joe LaCascia asked what is the length of contract? **Mr. Voda** stated 20 years and discussed equipment life.

Mr. Voda also stated there are 4 energy systems close by: City of Orlando, Gaylor Palms, and (2) in South Carolina. The PRWC visited the Gaylord Palms system.

Mayor Pfeiffer asks the 4 engine the same system for 20 years. **Mr. Voda** stated that this is a 12-engine system, 4 per module and should an engine fail, Duke will replace with the same, like, or better. Also, with 12 engines Duke does not go offline. The system is capable of being operated at any time. The system is located on the site.

Mr. Addison concluded the presentation by providing a present worth evaluation that showed this option was more cost effective than the PRWC providing its own backup generation.

Mr. Birdsong indicated the last slide on the cost analysis was important.

Motion for Staff to approve the Master Services Agreement with Duke Energy One, Inc to provide backup power generation for the Southeast Wellfield Water Production Facility was made by **XXXX** seconded by **Mayor Trish Pfeiffer**. Motion was unanimously approved.

H.4. Revision of Final Points of Connection for the Southeast Wellfield Project (Action) Pg 185

Mary Thomas began her presentation noting that there was a previous request for members to provide their Points of Connection from the points at which the water from the SE plant would be delivered to their facility. This item is to modify some of those points. Revisions include relocation of PCU NERUSA and Auburndale connection points, and omission of Lake Wales because they are not participating in Phase 1.

Motion to Approve Updates to the Final Points of Connection the Southeast Wellfield Project was made by **Mayor Trish Pfeiffer** seconded by **Commissioner Keith Cowie**. Motion was unanimously approved.

H.5. Adopt Resolution 2025-01 Parcel Resolution of Necessity to Acquire Specified Parcels (Land Acquisition Package #16) to Implement the Southeast Lower Floridan Aquifer Water Production Facility and Southeast Transmission Line Projects (Action) Pg 187



Mark Addison mentioned that this resolution authorizes the Cooperative to acquire 4 permanent easements and 4 temporary construction easements over 4 parcels in the Dundee area.

Motion to adopt Resolution 2025-01 Parcel Resolution of Necessity to Acquire Specified Parcels to Implement the Southeast Lower Floridian Aquifer Water Production Facility and Transmission Line Projects was made by **Mayor Trish Pfeiffer** seconded by **Commissioner Bert Goddard**. Motion was unanimously approved.

H.6. Approve the Negotiated Settlement with Alexandra Joseph for PRWC Parcel Number 4072 Permanent and Temporary Construction Easements (Action) Pg 222

Mr. DeHaven indicated this was a negotiated settlement with Alexandra Joseph for a pipeline easement located on Old Bartow Road. He provided a map and pictures of the site. He noted the PRWC has a stipulated order of taking that was granted by the court on January 7, 2025. The PRWC appraisal was for \$57,050 and the Joseph counter-offer was for \$205,708. A settlement was reached at \$150,000, and the PRWC is required to pay statutory attorney fees of \$30,970.50, reaching an estimated total settlement of \$180,970.50.

Motion for Staff to Approve the Negotiated settlement with Alexandra Joseph for PRWC Parcel Number 4072 Permanent and Temporary Construction Easements was made by **Mayor LaCascia** seconded by **Mayor Trish Pfeiffer**. Motion was unanimously approved.

H.7. Approve the Negotiated Settlement Agreement with Matthew and Tiffany Ellis for PRWC Parcel Numbers 5056 PE and TCE (Action) Pg 225

Mr. DeHaven started his conversation reviewing what monetary limits he can approve on easement acquisitions and what needs to come to the Board. Both the previous agenda item and this item exceed his limits of authority so the Board needs to approve. The Executive Director can approve up to \$100,000 or 50% above appraised value (whichever is greater).

Mr. DeHaven then reviewed the Ellis property, providing a map and pictures of the easement area. A stipulated order of taking was approved by the court on May 13, 2024. The PRWC appraisal was for \$78,000 and the Ellis's counteroffer was for \$168,850. A settlement was reached at \$130,000, and PRWC will pay statutory fees of \$40,804.50, and expert costs of \$11,000, with a total easement cost of \$181,804.50.

Motion for approval of the Negotiated Settlement with Matthew and Tiffany Ellis for PRWC Parcel Numbers 5056 PE and TCE was made by **Commissioner Keith Cowie** seconded by **Mayor Bill Mutz**. Motion was unanimously approved.



I. Recess Southeast Wellfield BOD/Commence West Polk BOD

I.1. Update on the West Polk Wellfield Project (Information) Pg 228

Tom Mattiacci discussed that the 60% plant design has been deferred to late 2025. Construction at Test Production Well #2 is imminent, and the injection well 24/7 drilling is delayed to April 2025 due to rig maintenance. The land purchases for the Water Production Facility and TPW #2 site is complete, and Heartland appropriations will be used for all purchases.

I.2. Approve the Deferral of Final Points of Connection for the West Polk Project (Action) Pg 229

Mr. DeHaven mentioned that per Section 12.1 of WP Wellfield Implementation Agreement it requires that Members POC's and Meter Locations be identified by the PRWC and approved by the Board of Directors. Final design will not begin until 2027. Once determined, the POC's will be brought before the Board of Directors for approval prior design completion or by January 2026.

Motion for Staff to approve the Deferral of Final Points of Connection for the West Polk Project was made by **Mayor Nathaniel Birdsong** seconded by **Commissioner Keith Cowie**. Motion was unanimously approved.

J. Recess West Polk BOD/Commence Regular BOD

Mayor Mutz stated we are having difficulty with the pace at which we are acquiring properties. We are at 100 properties of the 300 that we need to get acquired. It may be beneficial to provide the planning departments of each of the cities the easement location that we want to acquire so that can be incorporated into the planning of new developments.

Mayor Birdsong asked about the timeline we are looking at to acquire the remaining 2/3 of the easements. **Mr. DeHaven** mentioned that the remaining 2/3 are in various stages of completion – all have been started. **Mr. DeHaven** plans to contact the Utility Directors and get the names of those in Land Development to see if we can provide them with the shape files to incorporate in their systems, and they can alert us to new developments.

K. Open Discussion

L. Chair / Executive Director Report

Eric DeHaven introduced Tiffani McClain with Valerin, who discussed the groundbreaking ceremony for the PRWC Southeast Wellfield being held on February 26, 2025 @ 10AM. There will be signage at the site because the GPS may send a couple different ways. Also, more information is available on www.prwcwater.org.



Mr. DeHaven also mentioned that the Lake Myrtle Sports Complex facility is under construction and will not be available for the May & July meetings. Most people like Advent Health Field House in Winter Haven but it will need to be checked on to confirm availability. Mayor Trish Pfeiffer mentioned FDOT has a Conference Center in Bartow.

Meeting adjourned by Mayor Bill Mutz @ 3:30PM

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 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.