

May 20, 2026
POLK REGIONAL WATER COOPERATIVE
Lake Myrtle Sports Complex

- A. Call To Order - 2:00 p.m.**
- B. Recognition of new primary/alternate appointees of members**
- C. Agenda Revisions**
- D. Public Comments (Limited to 3 minutes)**
- E. Consent Items**
 - E.1. Approve March 2026 BOD Regular Meeting Minutes (Action)
 - E.2. Approve Brynjulfson CPA Auditing Services Engagement Letter for FY2026 Auditing Services (Action)
 - E.3. Approve Change No. 003 (Deductive) to Guaranteed Maximum Price GMP-3 with Florida Water Partners for the Southeast Wellfield Water Production Facility (Action)
 - E.4. Approve Amendment to the Contract with the Greater Tampa Bay Area Council, Inc. Boy Scouts of America for the Purchase of Skink Mitigation Credits for the Southeast Wellfield Project (Action)
- F. Regular BOD Items**
 - F.1. Approve the Third Amendment to the Employment Agreement for the PRWC Executive Director (Action)
 - F.2. Member Annual Water Charge True-Up Examination (Action)
 - F.3. Approve the Agreement with Tinker LLC for Water Conservation Education Program Materials and Services for the PRWC Water Conservation Program (Action)
- G. Recess Regular BOD/Commence Combined Projects BOD**
 - G.1. Update on the Alafia River Water Supply Project (Information)
 - G.2. Update on Upper Peace River Minimum Flows (Information)

H. Recess Combined Projects BOD/Commence Southeast Wellfield BOD

- H.1. Update on Southeast Wellfield Project (Information)
- H.2. Adopt Resolution 2026-03 Parcel Resolution of Necessity to Acquire Specified Parcels (Parcel 3095 Permanent and Temporary Construction Easement) to Implement the Southeast Lower Floridan Aquifer Water Production Facility and Southeast Transmission Line Projects (Action)
- H.3. Approve the Second Injection Well for the Southeast Wellfield Water Production Facility and Approve Staff to Initiate Amendment 1 to the Southeast WIFIA Loan (Action)
- H.4. Approve the Negotiated Settlement with Boozer Service and Equipment Inc. for PRWC Parcel 12007 Permanent and Temporary Construction Easements (Action)
- H.5. Approve the Mediated Settlement with Dundee Reserve Holdings LLC for PRWC Parcel 3011 Permanent and Temporary Construction Easements (Action)

I. Recess Southeast Wellfield BOD/Commence West Polk BOD

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

J. Recess West Polk BOD/Commence Regular BOD

K. Open Discussion

L. Chair / Executive Director Report

M. Adjournment

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.

Agenda Item E.1.

5/20/2026

SUBJECT

Approve March 2026 BOD Regular Meeting Minutes (Action)

DESCRIPTION

The Board of Directors (BOD) will consider approval of the minutes for:

- Regular PRWC BOD meeting - March 18, 2026

RECOMMENDATION

Recommend approval of minutes for referenced meeting.

FISCAL IMPACT

No fiscal impact.

CONTACT INFORMATION

Eric DeHaven



March 18, 2026
POLK REGIONAL WATER COOPERATIVE
Lake Myrtle Sport Complex

Member Governments in Attendance:

Member Government	Representative
City of Auburndale	Mayor Alex Cam
City of Bartow	Commissioner Trish Pfeiffer
City of Davenport	Commissioner Tom Fellows
City of Dundee	Commissioner Bert Goddard
City of Eagle Lake	Commissioner Steve Williams (Absent)
City of Fort Meade	Commissioner James Watts (Absent)
City of Frostproof	Mayor Mike Hutto (Absent)
City of Haines City	Mayor Morris West
City of Lake Alfred	Mayor Mac Fuller (Secretary/Treasurer)
Town of Lake Hamilton	Commissioner Phyllis Hall (Absent)
City of Lake Wales	Commissioner Keith Thompson
City of Lakeland	Commissioner Mike Musick (via Teams)
City of Mulberry	Commissioner Kathy Barsotti
City of Polk City	Mayor Joe LaCasia
City of Winter Haven	Mayor Nathaniel Birdsong (Vice Chairman)
Polk County	Commissioner Becky Troutman
PRWC	Eric DeHaven

A. Call To Order - 2:00 p.m. – Chairman Birdsong called the meeting to order at 2:00 p.m. **Eric DeHaven** confirmed that a quorum was present and noted that Commissioner Musick was online via TEAMS.

B. Recognition of new primary/alternate appointees of members

Chairman Birdsong noted that there were no new members or alternates present for the meeting.

C. Agenda Revisions

Chairman Birdsong asked if there were any changes to the agenda and **Eric DeHaven** noted that there were no changes.

D. Public Comments (Limited to 3 minutes)

Chairman Birdsong asked if there were any public comments.

E. Consent Items

Chairman Birdsong noted there were four items on the consent agenda. Eric DeHaven provided a brief overview of those items. **Mayor Cam** asked that the minutes be corrected to reflect that he is with the City of Auburndale, not the City of Lake Alfred.

E.1. Approve November 2025 BOD Regular Meeting Minutes (Action)

E.2. Approve Agreements with the City of Winter Haven for PRWC Parcels 9052 and 9053 Permanent and Temporary Construction Easements for the Southeast Wellfield Transmission Main Project (Action)

E.3. Approve Utility and Access Easements with Polk County for the Central and East Regional Utility Service Area Receiving Stations Associated with the Southeast Wellfield Transmission Main Project (Action)

E.4. Approve Change Order No. 001 (Deductive) to Guaranteed Maximum Price GMP-6 with Florida Water Partners for the Southeast Wellfield Transmission Main (Action)

Chairman Birdsong asked for a motion on the Consent Agenda.

*Motion to approve consent items **E1-E4** in the entirety was made by **Mayor Cam** seconded by **Mayor Fuller**. Motion was unanimously approved.*

F. Regular BOD Items

F.1. Attorney-Client Session Between the Board of Directors and Legal Counsel Pursuant to Section 286.011(8), F.S. Pertaining to PRWC v. Tampa Bay Water and Southwest Florida Water Management District (DOAH Case No. 25-005480) - Discussion and Action, if Necessary (Action)

Chairman Birdsong announced that the Cooperative Board of Directors will convene a private attorney-client session. Our attorneys have advised us that they desire to seek the advice of this board concerning pending litigation to which PRWC is presently a party before a court or administrative agency. Therefore, in accordance with section 286.011(8) of the Florida Statutes, we will commence a private attorney-client session.

He noted that the subject matter of this meeting will be confined to settlement negotiations and strategy sessions related to litigation expenditures in the pending case of *Polk Regional Water Cooperative v. Tampa Bay Water and Southwest Florida Water Management District*, DOAH Case No. 25-5480.

The following individuals will be attending this private session:

Chairman Nathaniel Birdsong (Winter Haven)
Vice-Chairman Mac Fuller (Lake Alfred)
Secretary/Treasurer Becky Troutman (Polk County)
Trish Pfeiffer (Bartow)
Tom Fellows (Davenport)
Bert Goddard (Dundee)
Morris West (Haines City)
Alex Cam (Auburndale)
Mike Musick (Lakeland)
Joe LaCascia (Polk City)
Kathy Barsotti (Mulberry)
Keith Thompson (Lake Wales)

The session will also be attended by our Executive Director Eric DeHaven, and the following PRWC attorneys: General Counsel Ed de la Parte and Attorney Nick Porter. It is estimated that this session will last approximately 30 minutes.

Chairman Birdsong also indicated that the entire session will be recorded by a certified court reporter. No portion of the session will be off the record. The court reporter's notes will be fully transcribed and filed with our clerk within a reasonable time after the meeting. The transcript will become part of the public record upon conclusion of the litigation.

At the conclusion of the attorney-client session, we will reconvene in open session to announce the termination of the private meeting. At that time, the Board may decide to take action in connection with this case.

The Board will now move to our alternate room, and the attorney-client meeting will commence momentarily.

BOARD MEMBERS MOVE TO ALTERNATE ROOM FOR SESSION

BOARD MEMBERS RETURN TO BOARD ROOM AND RESUME REGULAR MEETING

Chairman Birdsong reconvened the Cooperative Board of Directors and announced that the attorney-client session is now terminated. He noted that as a result of this session, the Board will consider a settlement agreement concerning the pending case. Hard copies of the settlement agreement are located at the back of the room, a copy will be posted to the Cooperative's website, and a copy will be made available to anyone who requests one.

Chairman Birdsong asked the PRWC General Counsel, Edward de la Parte to discuss the settlement agreement.

Ed de la Parte noted that on February 10 a mediation session between the parties occurred. A settlement in concept resulted from that meeting which has now resulted in a Settlement Agreement that is before you today. The agreement provides that the parties will work together to try and find a 12 MGD project to replace the Alafia River. If an alternative project cannot be determined or is not acceptable to the PRWC, the PRWC can develop an Alafia River project using 5% of the flow available under the minimum flow rule. The agreement ends the litigation and prevents litigation in the future. **Mr. de la Parte** recommended the Board approve the agreement.

Chairman Birdsong asked for a motion and second to approve the Settlement Agreement.

*Motion to approve item F.1 was made by **Mayor West** seconded by **Commissioner Pfeiffer**. Motion was unanimously approved.*

F.2. Accept the Independent Auditors Report for Fiscal Year 2025 (Action)

Chairman Birdsong recognized the PRWC external auditor, **Mike Brynjulfson**. **Mr. Brynjulfson** began his presentation by noting that he has been the PRWC external auditor for the past ten years. He noted he would review the results of six audit reports that are in the Boards packet.

He noted the PRWC audit was an unmodified, clean opinion and that the financial statements are free of material errors and are in accordance with GAAP – the statements are a fair representation of what happened during the year. There were no internal control findings, no instances of noncompliance, and all findings from previous year have been fully corrected.

The audit also noted that the PRWC was in compliance with state statute governing rules for investments and investment policy.

Under the Single Audit the PRWC complied with the applicable state and federal criteria. One small noncompliance finding was identified regarding the failure to list SWFWMD and FDEP as additional insured on the PRWC insurance policy. The matter was addressed by the PRWC.

There were no adverse findings or recommendations associated with the management letter. The governance letter noted no disagreements with management, no difficulties getting the audit completed, and no material adjustments.

Mr. Brynjulfson noted that the PRWC budget and financial statements are increasing over time. He showed a slide of revenue and expenses that demonstrated greater revenue and costs. He also showed assets and liabilities and how quickly the PRWC is evolving.

Chairman Birdsong noted this was a good audit report and asked for any questions.

Motion to approve item F.2 was made by Commissioner Troutman seconded by Mayor LaCascia. Motion was unanimously approved.

F.3. Approve the First Amendment to the Employment Agreement for the PRWC Financial Manager (Action)

Chairman Birdsong noted that one of the reasons for a good audit report was the PRWC bringing out **Laura Guy-Rice** as Financial Manager. **Mr. DeHaven** agreed with this assessment. He began his presentation reviewing the employment agreement with **Laura Guy-Rice** and then noted how the PRWC wanted to amend the current agreement to provide a 5% salary increase to \$89,250.

Mr. DeHaven recommended the Board approve the new employment agreement.

Chairman Birdsong asked if there were any questions.

Motion to approve item F.3 was made by Commissioner Pfeiffer seconded by Commissioner Troutman. Motion was unanimously approved.

F.4. Final 2026 Business Plan Report and Member FY2027 Budgeting Information (Information)

Murray Hamilton provided an overview of the Final PRWC Business Plan and hard copies were distributed to all the members. The slides provided were focused on sources of PRWC funding. Approximately 40% of the total program costs, just under \$800M, are funded with grants and costs have decreased from last year's Business Plan projections.

Mr. Hamilton provided a projection of members' payments out to 2036 (ten years). He noted a summary of additional costs added to the Business Plan costs that include: 1) a new conservation program specialist position for \$65,000 and, 2) an addition \$1.1M for the Combined projects budget for future water supply projects such as the Mosaic reservoir feasibility and a Water Use Application for the Peace River.

He provided a summary of proposed FY2027 PRWC costs that members should plan to budget for in FY2027. He concluded with a discussion on how to reduce program costs.

Chairman Birdsong noted this was for the Boards information and asked if there were any questions. **Mayor West** asked how the projections were developed. **Mr. Hamilton** indicated that each member has a summary schedule that shows how the costs were developed. **Mr. DeHaven** provided additional background. **Mayor West** asked for the implementation agreement table to be sent to all members once again and **Mr. DeHaven** confirmed he would do that.

F.5. Adopt Resolution 2026-02 to Approve the Extension and Amendment of the PRWC Revolving Credit Agreement with Truist Bank and its Affiliate, Truist Commercial Equity, Inc. (Action)

Laura Guy-Rice provided an overview of Resolution 2025-04 which approved the original Line of Credit Loan. The current loan is for \$10M and has a balance used of \$1,217,521.95. The loan expires March 24, 2026, and the PRWC would like to extend the Line of Credit for one year with the same fees and terms offered under the original loan. This item will also be on the agenda for the Southeast and West Polk Boards.

Chairman Birdsong asked if there were any questions and requested a motion.

*Motion to approve item F.5 was made by **Commissioner Troutman** seconded by **Mayor Fuller**. Motion was unanimously approved.*

G. Recess Regular BOD/Commence Combined Projects BOD

G.1. Approve Memorandum of Understanding with Mosaic Fertilizer, LLC and South Ft. Meade Partnership, L.P., LTD. Regarding Water Supply and Water Reservoir Planning and Development (Action)

Eric DeHaven provided an overview of discussions with Mosaic on a potential reservoir location off the Peace River. He provided a map of the property locations involved. Discussions with Mosaic have resulted in a Memorandum of Understanding to evaluate the feasibility of a reservoir. There are no direct costs with the MOU, but the PRWC is requesting \$225,000 in the FY2027 budget for the actual feasibility study. The MOU provides the PRWC to conduct the feasibility study.

Commissioner Pfeiffer asked more about intake location and reservoir location. **Mr. DeHaven** provided an explanation of the raw water pipeline location.

Chairman Birdsong noted the need for treatment location as well and the minimum flow issue with the water management district. **Commissioner Pfeiffer** asked more about how often the District reassesses minimum flow. **Mr. DeHaven** said that once they are set, they usually are left in-place – the Peace River is a special situation because the District never set the full suite of minimum flows for all the flow regimes.

Chairman Birdsong asked for a motion.

*Motion to approve item G.1 was made by **Commissioner Pfeiffer** seconded by **Mayor West**. Motion was unanimously approved.*

G.2. Request to Increase FDEP SRF Planning Loan DW520000 for Costs Associated with West Polk Test Production Well #3 (Action)

Tom Matiacci provided background on the original SRF planning loan. The loan has been used for test wells on both the Southeast and West Polk projects. The West Polk

TPW2 well has come in over budget so \$1.4M more is needed from SRF. He provided a timeline of the SRF loan and its amendments. This is the third amendment.

Mr. DeHaven noted that we did submit this request to the FDEP and it is on their May agenda for approval. The actual agreement, if approved by FDEP, will come before the Board at a later date.

*Motion to approve item G.2 was made by **Commissioner Fellows** seconded by **Mayor Cam**. Motion was unanimously approved.*

H. Recess Combined Projects BOD/Commence Southeast Wellfield BOD

Chairman Birdsong recessed the Combined Projects Board and turned the meeting over to **Chairman Pfeiffer** for the Southeast Board agenda. **Chairman Pfeiffer** welcomed the Board members and noted we would use a role call vote for action items as we did last month.

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

Mark Addison provided an agenda for his presentation. He noted that design is largely complete with only refinements underway. The two booster pump stations are in bid. He provided a summary of the GMP packages.

He next reviewed the status of production wells and noted PW-14 is now under construction. PW-14 is the last well required for Phase 1.

He reviewed the water production facility construction and noted a lot of activity is occurring including the raw water pipeline. The construction remains on schedule. He provided numerous pictures and two videos of site construction.

Mr. Addison then reviewed the construction status of the various transmission line packages. He noted all transmission packages are now under construction, have been provided notice to proceed, or are complete. **Commissioner Troutman** asked about the parcel acquisition and sequencing. **Mr. Addison** responded by noting the contractor will be working with us to schedule appropriately based upon acquisition. He provided pictures of transmission main construction.

He then provided a cost summary of the Southeast Project and noted that prices have decreased over time as our grant funding has increased. He noted the value engineering and bid pricing caused the cost reductions.

Mr. Addison reviewed road closures due to transmission main construction. He provided a link on the PRWC website that keeps the public up to date on road closures. This information was also provided to the City Managers. **Mayor West** asked how often this information is updated. **Mr. Addison** noted it is done daily. **Commissioner West** asked if the cities can be notified ahead of time. **Mr. Addison** noted that is happening through the road closure permit process through the County and cities. He noted

variable message boards are being used. **Shannon Estep** with Valerin also provided additional information on the road closure notification process. Current road closures as well as upcoming closures were reviewed.

Mayor Fuller asked if there was coordination with FDOT. **Mayor LaCascia** noted there is a schedule FDOT keeps.

Mr. Addison reviewed progress on easement acquisition. He noted settlements have been reached on 274 parcels totaling over \$13.5M. He concluded with providing the status of permits and that the majority have been obtained.

Chairman Pfeiffer asked for questions and noted this was a good report.

H.2. Adopt Resolution 2026-02 to Approve the Extension and Amendment of the PRWC Revolving Credit Agreement with Truist Bank and its Affiliate, Truist Commercial Equity, Inc. (Action)

Chairman Pfeiffer indicated that this item was presented by Laura Guy-Rice under Item F.5 on the Regular Board agenda. It now needs to be approved by the Southeast Board. She proceeded to call for a motion.

*Motion to approve item H.2 was made by **Commissioner Troutman** seconded by **Mayor West**. Motion was unanimously approved.*

H.3. Approve the Negotiated Settlement with Alcoma Properties LTD. and UPCO, Inc. for PRWC Parcels 5039, 5044, 5058, 5059, 5082, 5041, 5083-A, 5083-B, 5084, 5076, and 5078 Permanent and Temporary Construction Easements (Action)

Eric DeHaven noted that there were ten parcels along Mammoth Grove Road east of Lake Wales that the PRWC needs easements on for the transmission pipeline. He provided a map and pictures of the parcels and a timeline.

The PRWC appraisal amount was \$230,600 and the property owner wanted \$1,034,500 for the easements. The parties were far apart due to the number of citrus trees that were impacted. The final settlement agreed upon was \$700,000 with additional costs of \$155,380.50 for statutory attorney fees and expert costs of \$75,294.80. The total cost for the easements is \$930,675.30.

The PRWC will receive easements over 6.8 acres representing 1.3 miles of transmission main. The settlement is \$334,500 less than the owners offer and the PRWC avoided a jury trial.

Chairman Pfeiffer asked if there were any questions.

Motion to approve item H.3 was made by Commissioner Troutman seconded by Mayor Fuller. Motion was unanimously approved.

I. Recess Southeast Wellfield BOD/Commence West Polk BOD

Chairman Pfeiffer thanked the members and concluded the Southeast Project agenda and turned the meeting over to **Chairman Musick**. Chairman Musick started the West Polk Project Board and indicated there were three items for the Boards review.

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

Tom Mattiacci began with a review of the West Polk project schedule. He noted that construction of the TPW2 site and the Injection well continues. The project design of the water production facility will begin this summer and continued raw water pipeline design continues based on well site acquisition.

He reviewed the well construction status and noted that the TPW-2 aquifer performance test will begin on March 23rd. He then reviewed the well site acquisition status.

Chairman Musick noted this was for information only.

I.2. Approve the Construction Manager at Risk (CMAR) Pre-Construction Services Addendum with Florida Water Partners for the West Polk Lower Floridan Aquifer Project (Action)

Tom Mattiacci provided an overview of per-construction services by the PRWC's Construction Manager at Risk. He reviewed tasks the CMAR will perform under the addendum in pre-construction and then during the construction phase.

He provided a slide that detailed costs for the addendum and noted the initial authorization is for \$1,196,227. The total fee is \$1,606,792 with the difference to be authorized by the Executive Director at a later date. He also reviewed the insurance requirements.

Chairman Musick asked if there were any questions.

Motion to approve item I.2 was made by Commissioner Pfeiffer seconded by Mayor Cam. Motion was unanimously approved.

I.3. Adopt Resolution 2026-02 to Approve the Extension and Amendment of the PRWC Revolving Credit Agreement with Truist Bank and its Affiliate, Truist Commercial Equity, Inc. (Action)

Chairman Musick noted this item was already presented to the Regular and Southeast Boards and asked for a motion.

Motion to approve item I.3 was made by Commissioner Troutman seconded by Mayor Fuller. Motion was unanimously approved.

J. Recess West Polk BOD/Commence Regular BOD

Chairman Musick concluded the West Polk Board and turned the meeting back over to **Chairman Birdsong** to finish the Regular Board agenda.

K. Open Discussion

Chairman Birdsong asked if any of the members had any topics they would like to discuss.

L. Chair / Executive Director Report

Chairman Birdsong asked **Eric DeHaven** if there were any Executive Director comments. **Mr. DeHaven** indicated there were two items. He noted he would be presenting the PRWC status to the Polk County Commission Board retreat on March 26 and at the Winter Haven Strategic Momentum Session on April 1. He asked if any other members would like a status report, he would be happy to provide that.

M. Adjournment

Chairman Birdsong recessed the Regular Board meeting and then adjourned.

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Agenda Item E.2.

5/20/2026

SUBJECT

Approve Brynjulfson CPA Auditing Services Engagement Letter for FY2026 Auditing Services (Action)

DESCRIPTION

Brynjulfson CPA, P.A. has been providing the Polk Regional Water Cooperative (PRWC) auditing services since 2017, beginning with Fiscal Year (FY) 2016. Since then, the PRWC has extended the contract for auditing services each year. In FY2019, additional services were added to the contract to include a State Single Audit for work required related to the Florida Department of Environmental Protection (FDEP) State Revolving Fund (SRF) Loans which continue today. In FY2024, the PRWC added the preparation of financial statements to the scope of services previously performed by the PRWC accounting firm, Clifton Larson Allen (CLA). In FY2025, additional examinations were added for water charge actual expense reporting for FY2024 and FY2025.

Due to the additional time involved in review of grant requests, fixed assets, and contractual documents and payments, it was determined that getting started early on audit pre-work before the end of the fiscal year is necessary in order to meet the audit deadline of January 31st.

Presented for the Board's consideration is an engagement letter for auditing services inclusive of the applicable single audits and the water charge examination. The fee for the FY2026 audit for basic financial statements is \$35,000, the state single audit is \$4,800 per program, the federal single audit is \$5,900 per program, and the water charge actual expenses examination is \$5,150. Additional hourly rates are provided in the engagement letter for preparation of the audited financial statements which is expected to cost approximately \$3,000. The anticipated final cost for auditing services for FY2026 is approximately \$63,450, including a comprehensive single audit for one federal program and three state programs.

The FY2027 PRWC Administrative Budget will include appropriations of \$63,450 for this engagement for auditing services.

RECOMMENDATION

Approve the engagement letter from Brynjulfson CPA for FY2026 auditing services, including the state single audit, federal single audit, water charge examination, and preparation of audited financial statements.

FISCAL IMPACT

The financial impact to the PRWC for FY2026 auditing services will be approximately \$64,000.

CONTACT INFORMATION

Eric DeHaven
Laura Guy Rice

April 24, 2026

Polk Regional Water Cooperative

c/o Eric DeHaven, Executive Director

We are pleased to confirm our understanding of the services we are to provide Polk Regional Water Cooperative (the "Cooperative"), an independent special district created pursuant to Chapter 189, Florida Statutes and Section 373.1962, Florida Statutes for the year ended September 30, 2026.

Audit Scope and Objectives

We will audit the financial statements of each major fund and the disclosures, which collectively comprise the basic financial statements of the Cooperative as of and for the year ended September 30, 2026. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Cooperative's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Cooperative's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis

We have also been engaged to report on supplementary information other than RSI that accompanies the Cooperative's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole:

- 1) Schedule of Expenditures of Federal Awards or State Financial Assistance (as necessary).
- 2) Schedule of Revenues and Expenses – budget to actual – admin.

The Schedule of Water Charge – Actual Expenses, if included in the Cooperative's annual financial report, will be covered by a separate examination engagement as described in the Reporting section of this letter and will not be included in our in-relation opinion on supplementary information.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objective also includes reporting on –

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and/or major state projects and an opinion (or disclaimer of opinion) on compliance with federal and/or state statutes, regulations, and the terms and conditions of federal and/or state awards that could have a direct and material effect on each major program/project in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and/or Chapter 10.550, Rules of the Auditor General.

A Single Audit will be required if expenditures of federal awards equal or exceed \$1,000,000 during the fiscal year (2 CFR §200.501). A State Single Audit will be required if expenditures of state financial assistance equal or exceed \$750,000 (Section 215.97, Florida Statutes).

Auditor’s Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General (as applicable) and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government’s ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, members, grantors, creditors, financial institutions and other third parties. We will also request written representations from your attorneys as part of the engagement.

Based on our preliminary understanding, areas that may require significant audit attention include funding-source allocation, grant/loan reimbursement activity, direct payments to third parties by funding agencies, capital project costs, debt activity, and related receivables. Our risk assessment may change as planning progresses.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion.

As required by the Uniform Guidance and/or Chapter 10.550, Rules of the Auditor General, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal or state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and Chapter 10.550, Rules of the Auditor General.

However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance and/or Chapter 10.550, Rules of the Auditor General.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Cooperative's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

The Uniform Guidance and Chapter 10.550, Rules of the Auditor General requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and/or state statutes, regulations, and the terms and conditions of federal and/or state awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB *Compliance Supplement* and/or the State of Florida's State Projects *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Cooperative's major programs or major state projects. For federal or state programs that are included in the respective Compliance Supplements, our compliance and internal control procedures will relate to the compliance requirements that those Compliance Supplements identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Cooperative's compliance with requirements applicable to each of its major programs/projects in our report on compliance issued pursuant to the Uniform Guidance and/or Chapter 10.550, Rules of the Auditor General.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported.

Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements

Management is responsible for making all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and Government Auditing Standards.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report

You are responsible for the preparation of the supplementary information in conformity with the applicable criteria as follows:

- Budget-to-actual schedule: prepared in accordance with the applicable budgetary basis/presentation used by management.
- SEFA: prepared in accordance with Uniform Guidance.
- SEFSA/state financial assistance schedule: prepared in accordance with Chapter 10.550, Rules of the Auditor General, Section 215.97, Florida Statutes, and applicable DFS/State project requirements.
- Water-charge schedule: prepared in accordance with Section 13.5 of the Project Implementation Agreements.

You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the applicable criteria described above; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with those criteria; (3) the methods of measurement or presentation have not changed from those used in the prior period or, if they have changed, the reasons for such changes; and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards and/or state financial assistance (including notes and noncash assistance received) in conformity with the Uniform Guidance and/or Chapter 10.550, Rules of the Auditor General. You agree to include our report on the schedule of expenditures of federal awards and/or state financial assistance in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards and/or state financial assistance. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon

Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards and/or state financial assistance in accordance with the Uniform Guidance and/or Chapter 10.550, Rules of the Auditor General; (2) you believe the schedule of expenditures of federal awards and/or state financial assistance, including its form and content, is stated fairly in accordance with the Uniform Guidance or Chapter 10.550, Rules of the Auditor General; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards and/or state financial assistance.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards and/or state financial assistance, and related notes and disclosures.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Non-Audit/Non-Attest Services

We will provide the following non-audit/non-attest services based upon information provided by you.

- Preparing the financial statements and related notes in conformity with accounting principles generally accepted in the United States of America.
- Preparing the Schedule of Expenditures of Federal Awards/Schedule of State Financial Assistance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, Section 215.97, Florida Statutes and applicable DFS/State project requirements.
- Preparing the Water-charge schedule and related notes, prepared in accordance with Section 13.5 of the Project Implementation Agreements.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our nonaudit services and that you have reviewed and approved each of the specific nonaudit services prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

PUBLIC RECORDS In accordance with the provisions of Chapter 119.0701(2), Florida Statutes;

IF THE AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (863) 248-7388, RECORDSCUSTODIAN@PRWCWATER.ORG, 330 W. CHURCH STREET, DRAWER AT01, BARTOW, FLORIDA 33830.

The auditor must comply with public records laws, specifically to:

- 1) Keep and maintain public records required by the Cooperative in order to perform the service(s).
- 2) Upon request from the Cooperative's custodian of public records, provide the Cooperative with a copy of the requested records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- 3) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the term of the Agreement and following completion of the Agreement if the Firm does not transfer the records to the Cooperative.
- 4) Upon completion of the Agreement, transfer, at no cost to the Cooperative, all public records in possession of the Auditor or keep and maintain public records required by the Plan to perform the service. If the Auditor transfers all public records to the Client upon completion of the Agreement, the Auditor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Auditor keeps and maintains public records upon completion of the Agreement, the Auditor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the Cooperative, upon request from the Cooperative's custodian of public records, in a format that is compatible with the information technology systems of the Cooperative.

Brynjulfson CPA, P.A. acknowledges that Section 287.133, Florida Statutes provides that a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or a consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

This agreement may be executed in two or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile, including, without limitation, by facsimile transmission or by electronic delivery in portable document format (".pdf") or tagged image file format (".tiff"), shall be equally effective as delivery of a manually executed counterpart thereof.

Engagement Administration, Fees, and Other

We understand that your employees or designated agent will (1) provide us with an accurate and complete trial balance of all funds prepared on the proper basis of accounting; (2) assist in preparing confirmation information requested by us; we will control the confirmation process and (3) will locate any documents selected by us for testing.

We will provide copies of our reports to the Cooperative; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Brynjulfson CPA, P.A. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State of Florida or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Brynjulfson CPA, P.A. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the State of Florida. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings, as necessary. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards and/or state financial assistance, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

Mike Brynjulfson is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for the *audit services* will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone...etc.) Our estimated total fee can be found in Attachment A of this letter.

Our fee for the *financial statement preparation assistance* will be billed based on actual time incurred at our standard hourly rates as set forth in Attachment A to this letter and will be billed separately from the audit services.

Our invoices for professional services will be rendered as work progresses and are payable on receipt. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we have to terminate our service for nonpayment, or if you should elect to terminate our services, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination even if we have not completed our report. The fees quoted herein are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, for example, because of changes in the nature and/or scope of the audit due to changes in audit or accounting standards, new grants or funding sources, etc., we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. If only minimal additional time is necessary, we will proceed with the work and separately bill this when the services are completed. The quoted rates in Attachment A will be used in the event that additional work outside the scope of this fee proposal is requested or required of us throughout the period of this agreement.

E-Verify: Auditor shall register with and use the Homeland Security's E-Verify System to verify that all employees hired after January 1, 2021 are citizens of the United States or are otherwise legally permitted to perform services in the State of Florida in accordance with F.S. §448.095.

Reporting

We will issue a written report upon completion of our audit of Cooperative's financial statements. Our report will be addressed to members of the Board of Directors of the Cooperative. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Cooperative is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

We will also issue the management letter required by Chapter 10.550, Rules of the Auditor General and a report on the examination of compliance with Section 218.415, Florida Statutes (see next section for detail of this report).

AICPA Professional Standards, AT-C Section 315 – Examination of Compliance with Section 218.415, Florida Statutes.

In connection with the requirements of Chapter 10.550, Rules of the Auditor General, we will perform a separate examination of the Cooperative's compliance with Section 218.415, Florida Statutes, in accordance with AICPA attestation standards. The objective of the examination is to express an opinion on whether the Cooperative complied, in all material respects, with the specified requirements of Section 218.415, Florida Statutes.

Section 218.415, Florida Statutes provides requirements applicable to investment policies adopted by the Cooperative and specifies the types of authorized investments. Pursuant to Section 218.415(22), Florida Statutes, auditors of local government units must include a report as to whether the local governmental unit has complied with Section 218.415, Florida Statutes.

An examination is designed to obtain reasonable assurance about whether the Cooperative complied with the specified requirements in Section 218.415.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material noncompliance may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

You are responsible for, and must evaluate, the Cooperative's compliance with Section 218.415, Florida Statutes and the Cooperative's internal control over compliance.

AICPA Professional Standards, AT-C Section 205 – Examination of Schedule of Water Charge – Actual Expenses

We will examine the Schedule of Water Charge – Actual Expenses of the Cooperative for the Fiscal Year 2026 Water Charge and the related notes to the schedule. The schedule will be prepared by management in accordance with the criteria set forth in Section 13.5 of the applicable Project Implementation Agreements.

The objective of our engagement is to perform an examination of the Cooperative’s Schedule of Water Charge – Actual Expenses (“the Schedule”) of actual values of the fiscal years comprising the FY 2026 Water Charge. The Schedule is prepared in accordance with the cost allocation methodology described in the Cooperative’s Project Implementation Agreements:

- Second Amended and Restated Implementation Agreement – Southeast Wellfield.
- Second Amended and Restated Implementation Agreement – West Polk Lower Floridan Aquifer Wellfield.

Our examination will be conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AICPA), specifically AT-C Section 205, Examination Engagements.

We will examine the Schedule and evaluate whether, in all material respects, it is presented fairly based on:

1. The underlying books, records, and supporting documentation of the Cooperative; and
2. The cost allocation methodology and calculation rules contained in the Project Implementation Agreements.

Our procedures will be tailored to the subject matter and may include:

- Testing actual expense transactions for appropriate classification under the agreement’s cost categories;
- Verifying mathematical accuracy of the Schedule;
- Assessing whether project-level and, when applicable, participant-level allocations are in accordance with the contractual formulas; and
- Reviewing any estimates or assumptions used in the calculation.

Management is responsible for preparing and fairly presenting the Schedule of Water Charge – Actual Expenses and related notes in accordance with Section 13.5 of the applicable Project Implementation Agreements; identifying and documenting the applicable criteria; maintaining records sufficient to support the Schedule; designing, implementing, and maintaining internal control relevant to preparation of the Schedule; and providing us with a written assertion, which may be provided separately and need not accompany our report, and written representations regarding the Schedule.

If the Schedule of Water Charge – Actual Expenses and related notes are included in the Cooperative’s annual financial report, they will be presented separately from the basic financial statements and notes to the financial statements. The schedule and related notes will not be audited as part of the audit of the basic financial statements, and we will not express an opinion on whether they are fairly stated in relation to the basic financial statements as a whole. Our assurance on the schedule and related notes will be provided through our separate independent accountant’s examination report.

Other Items

This agreement is entered into in accordance with Section 218.391(7), Florida Statutes and may be hereafter renewed or extended by mutual agreement of both parties. Furthermore, either party may terminate this agreement upon thirty days written notice.

We appreciate the opportunity to be of service to Cooperative and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,
for **Brynjulfson CPA, P.A.**



RESPONSE:

This letter correctly sets forth the understanding of the **Polk Regional Water Cooperative.**

By: _____ Date: _____

Title: _____

Attachment A – Audit Fee Estimate and Rates
Polk Regional Water Cooperative
April 24, 2026

	Fiscal Year Ending
	September 30,
	2026
<u>Audit Fees</u>	
Audit of the Basic Financial Statements	\$ 35,000
Federal Single Audit - per Major Program (if required)	\$ 5,900
State Single Audit - Per Major Program (if required)	\$ 4,800
<u>Examination fees</u>	
2026 Schedule of Water Charge Actual Expenses Examination	\$ 5,150
<u>Rates per Hour</u>	
Partner/Shareholder/Principal	\$ 260

Audit fees do not include preparation of the basic financial statements, required supplementary information, other supplementary information, the water-charge schedule and related notes, the Schedule of Expenditures of Federal Awards and/or State Financial Assistance, if required, or the annual report to the State of Florida Division of Accounting and Auditing. These services, if requested, will be billed separately as non-audit/non-attest services at the rates set forth in Attachment A.

If the scope of work to be performed changes significantly due to increased activity or new audit or accounting requirements, we reserve the right to renegotiate the fee. Increased project related activities, including loan or grant funding as well as the related project costs, are expected and will be assessed as part of our audit planning procedures. If we deem the scope of the audit work has changed significantly, we will contact the Board of Directors and executive management to discuss a new fee estimate before we incur the additional costs.

SUBJECT

Approve Change No. 003 (Deductive) to Guaranteed Maximum Price GMP-3 with Florida Water Partners for the Southeast Wellfield Water Production Facility (Action)

DESCRIPTION

Guaranteed Maximum Price GMP-3 with Florida Water Partners (“FWP”) was approved by the Project Board on January 15, 2025 in the amount of \$214,454,324.00. GMP-3 consists of the water production facility, production well site improvements, and raw water transmission main construction. A Conditional Notice-to-Proceed was issued to FWP on February 12, 2025 and a Construction Notice-to-Proceed was subsequently issued on May 20, 2025.

Rule 12A-1.094, F.A.C., Public Works Contracts, “governs the taxability of transactions in which contractors manufacture or purchase supplies and materials for use in public works contracts, as that term is referred to in Section 212.08(6), F.S”. Additionally, Article 14 of the Construction Manager-at-Risk (“CMAR”) Agreement allows the Cooperative to exercise its right to purchase directly various construction materials, supplies and equipment that may be part of a Subcontract (a.k.a., “Cooperative Purchased Material”).

On July 30, 2025, the Board approved Change Order No. 001 to GMP-3 for the direct-purchase of certain equipment items, resulting in sales tax savings of \$647,373.94. The corresponding deductive change order amount of \$12,531,077.94 resulted in a revised GMP of \$201,923,246.06. On November 19, 2025, the Board approved Change Order No. 002 to GMP-3 for additional equipment items, resulting in an additional sales tax savings of \$903,265.46. Change Order No. 002 deducted an additional \$16,936,211.46 in equipment costs from GMP-3, resulting in a revised GMP of \$184,987,034.60. At that time, the Project Board was advised that a subsequent deductive change order would be required to capture additional tax savings for equipment items included in GMP-3.

Exhibit “A” summarizes the GMP-3 owner-direct purchase equipment items, including one (1) additional equipment item which is included in Change Order No. 003. The corresponding sales tax savings associated with the Change Order No. 003 equipment purchase is \$101,324.00. Change Order No. 003 deducts an additional \$1,851,324.00 in equipment costs from GMP-3, resulting in a revised GMP of \$183,135,710.60 (Exhibit H). The approval of GMP-3 will result in a total tax savings of \$1,651,963.40 for the Southeast Wellfield WPF, production well sites, and raw water transmission system. In accordance with the CMAR Agreement, the FWP remains responsible for shop drawings, placing ordering, taking delivery, installation/testing of materials, and warranties. Additionally, the Cooperative is not liable for interruption or delays, defects or other problems associated with Cooperative Purchased Material.

RECOMMENDATION

Approve Change Order No. 003 (Deductive) to Guaranteed Maximum Price GMP-3 with Florida Water Partners for the Southeast Wellfield Water Production Facility, Production Well Sites, and Raw Water Transmission System (Action).

FISCAL IMPACT

Tax savings in the amount of \$101,324.00.

CONTACT INFORMATION

Mark Addison

EXHIBIT "A" - PRWC GMP-3 Owner Direct Purchase Spreadsheet

Bid package	Equipment	Vendor/Supplier	Supplier Number	PO Number	Actual GMP Deduct	Actual Pre-Tax Amount	Actual Sales Tax Savings	Notes/Status
BP.05	Electrical Gear	CED Jacksonville	28	SE-2025-25	\$ 4,881,199.48	\$ 4,604,858.00	\$ 276,341.48	Change Order #001
BP.05	Generators	Ring Power	29	SE-2025-26	\$ 1,135,002.60	\$ 1,070,710.00	\$ 64,292.60	Change Order #001
11.01	SS Slide Gates	Fontaine	30	SE-2025-10	\$ 145,047.86	\$ 137,592.00	\$ 7,455.86	Change Order #001
11.03	Shaftless Screw Conveyors	JDV	33	SE-2025-30	\$ 795,767.70	\$ 756,100.00	\$ 39,667.70	Change Order #002
11.05	Horiz. Cent. Pumps	DXP Enterprises	17	SE-2025-3	\$ 133,801.00	\$ 128,411.00	\$ 5,390.00	Change Order #001
11.06	Axially Split Cent. Pumps	DXP Enterprises	17	SE-2025-6	\$ 511,441.00	\$ 488,411.00	\$ 23,030.00	Change Order #001
11.07	Multistage Cent. Pumps	Hudson Pumps	20	SE-2025-11	\$ 1,362,419.10	\$ 1,285,735.00	\$ 76,684.10	Change Order #002
11.09	Vert. Turbine Cent. Pumps	DXP Enterprises	17	SE-2025-5	\$ 3,008,461.00	\$ 2,870,411.00	\$ 138,050.00	Change Order #001
11.11	Sub Cent. Pumps	DXP Enterprises	17	SE-2025-12	\$ 138,818.00	\$ 132,300.00	\$ 6,518.00	Change Order #002
11.12	Sub. Vert. Turbine Pumps	DXP Enterprises	17	SE-2025-13	\$ 2,561,421.00	\$ 2,437,411.00	\$ 124,010.00	Change Order #001
11.13	Chemical Metering Pumps	Hudson Pumps	20	SE-2025-21	\$ 294,314.40	\$ 278,740.00	\$ 15,574.40	Change Order #002
11.16	CO2 Storage & Handling	MKI Services, Inc.	35	SE-2026-04	\$ 1,851,324.00	\$ 1,750,000.00	\$ 101,324.00	Change Order #003
11.18	Rapid Mixing Equipment	SPX Flow	18	SE-2025-7	\$ 521,245.54	\$ 491,693.90	\$ 29,551.64	Change Order #002
11.19	Static Mixers	StatiFlo	19	SE-2025-8	\$ 154,704.00	\$ 145,900.00	\$ 8,804.00	Change Order #001
11.20	Thickener Equipment	Westech	22	SE-2025-15	\$ 2,836,181.44	\$ 2,690,168.00	\$ 146,013.44	Change Order #002
11.21	Self-Cleaning Strainers	Boll	32	SE-2025-27	\$ 784,438.82	\$ 741,312.00	\$ 43,126.82	Change Order #002
11.22	RO Membrane System	Biwater	23	SE-2025-16	\$ 4,749,849.58	\$ 4,480,943.00	\$ 268,906.58	Change Order #002
11.23	Dewatering Equipment	Westech	22	SE-2025-17	\$ 4,682,018.76	\$ 4,436,431.00	\$ 245,587.76	Change Order #002
11.24	Air Stripping Tower System	Bioair	26	SE-2025-20	\$ 771,158.02	\$ 739,523.00	\$ 31,635.02	Change Order #002
		Totals			\$ 31,318,613.30	\$ 29,666,649.90	\$ 1,651,963.40	

EXHIBIT "H"
CHANGE ORDER

POLK REGIONAL WATER COOPERATIVE
SE WELLFIELD GMP-3

Cooperative _____
Engineer _____
Contractor _____

PROJECT: CHANGE ORDER NO: 003

GUARANTEED MAXIMUM PRICE GMP-3
Water Production Facility, RWM & Well Sites INITIATION DATE: 5/20/26

TO CONTRACTOR: PROJECT NO: GMP-3

FLORIDA WATER PARTNERS
A GARNEY/WHARTON-SMITH JOINT VENTURE LLC CONTRACT DATE: 1/15/25

The contract is changed as follows:

Deductive change order in the amount of \$1,851,324.00 for the Owner Direct Purchase of equipment for the Southeast Wellfield Water Production Facility.

The original Guaranteed Maximum Price was..... \$214,454,324.00
 Net Change by previously authorized Change Orders..... (\$ 29,467,289.40)
 The Guaranteed Maximum Price prior to this change order was.....\$184,987,034.60
 The Guaranteed Maximum Price will be (~~increased~~) (decreased)
 (~~unchanged~~) by this Change Order in the amount of.....(\$ 1,851,324.00)
 The new Guaranteed Maximum Price including this Change Order will be..... \$183,135,710.60
 The Contract Time will be (~~increased~~) (~~decreased~~) (unchanged) by (0) days
 The date of Substantial Completion as of date of this Change Order therefore is: September 6, 2028

N/A	Florida Water Partners	Polk Regional Water Cooperative
_____ ENGINEER	_____ CONTRACTOR	_____ COOPERATIVE
	370 East Crown Road Winter Garden, FL 34787	330 West Church Street Bartow, FL 33830
_____ ADDRESS	_____ ADDRESS	_____ ADDRESS

By _____ By _____ By _____
Chairman/Vice Chairman

Executive Director

Date _____ Date _____ Date _____

To the CONTRACTOR: Your acceptance of this Change Order shall constitute a modification to our agreement and will be performed subject to all of the same terms and conditions as contained in our Agreement indicated above, as fully as if the same were repeated in this acceptance. The adjustment, if any, to the agreement shall constitute a full and final settlement of any and all claims arising out of or related to the change set forth herein, including claims for impact and delay costs.

SUBJECT

Approve Amendment to the Contract with the Greater Tampa Bay Area Council, Inc. Boy Scouts of America for the Purchase of Skink Mitigation Credits for the Southeast Wellfield Project (Action)

DESCRIPTION

Sand skinks are a federally designated endangered or threatened species that exist in dry habitats, like those along Central Florida’s sand ridges. The Florida sand skink is found in only seven Central Florida counties, including Polk County. Under the National Environmental Policy Act (“NEPA”), the EPA is required to assess the environmental effects of projects receiving federal funds. Therefore, in order to obtain the WIFIA loan, the PRWC had to conduct an environmental assessment of the Southeast and West Polk project under NEPA.

TeamOne has worked with US Fish and Wildlife Service (“USFWS”) to assess the environmental impacts of the two projects on endangered and threatened species. The USFWS has allowed a phased-approach to mitigate the impacts of the project to the habitat of the Florida sand sink, since the transmission pipeline and other elements will be finalized in stages.

In May 2023 a final determination of sand skink impacts was completed for the Southeast Water Production Facility. Mitigation was accomplished through the purchase of 27.74 acres of skink mitigation credits from the Greater Tampa Bay Area Council, Inc. Boy Scouts of America through the Ancient Islands Conservation Bank. The negotiated price for this purchase was \$20,000 per credit, for a total cost of \$554,800.

An additional 15.49 credits were estimated to be needed for all segments of the Southeast Transmission Main and remaining well sites, of which 0.49 credits were needed to proceed with Construction Package 1. At the May 21, 2025 PRWC Board meeting, the Board of Directors approved an agreement with the Greater Tampa Bay Area Council, Inc. Boy Scouts of America that allows the PRWC to purchase 0.49 credits for \$9,800 and reserves the right to purchase an additional 15 credits, as needed, at a cost of \$20,000 per credit with a \$90,000 non-refundable deposit which is applied to the purchase price. The total cost to purchase the 0.49 credits and reserve the additional 15 credits was \$99,800.

In April 2026, the PRWC purchased an additional seven credits under the agreement at a total cost of \$98,000 for use on the PRWC transmission line, including the raw water line and well sites. In addition, the PRWC requested a one-year extension to the current agreement with the Boy Scouts of America to allow additional time to complete the final evaluation of mitigation credits needed to complete the project including needs associated with member receiving facilities. The Boy Scouts of America agreed to a one-year extension with no change to the costs of credits as reflected in the attached amendment (Exhibit A).

RECOMMENDATION

Approve the Amendment to the Contract with the Greater Tampa Bay Area Council, Inc. Boy Scouts of America for the reservation and purchase of skink mitigation credits for the Southeast Wellfield Project

FISCAL IMPACT

There is no cost change associated with this amendment. There is a total of eight skink mitigation credits that remain available to the PRWC under the current contract and this amendment.

CONTACT INFORMATION

Mary Thomas
Eric DeHaven

Exhibit A

FIRST AMENDMENT TO MITIGATION RESERVATION AND SALES AGREEMENT

This **FIRST AMENDMENT TO MITIGATION RESERVATION AND SALES AGREEMENT** (the “Amendment”) is hereby entered into by and between **GREATER TAMPA BAY AREA COUNCIL, INC., BOY SCOUTS OF AMERICA** (hereinafter “Seller”), and the **POLK REGIONAL WATER COOPERATIVE** (hereinafter “Purchaser”), and shall be effective as of the date of the last party to sign this Amendment (the “Amendment Effective Date”).

WITNESSETH:

WHEREAS, the Seller and Purchaser entered into that certain Mitigation Reservation and Sales Agreement (the “Contract”) with an Effective Date of May 21, 2025, pertaining to the reservation and purchase of skink conservation credits at the Ancient Islands Conservation Bank (USFWS # 04EF2000-2016-F-0505) for the **SOUTHEAST WELLFIELD PHASE 2** project; and

WHEREAS, Section 3 of the Contract established a Reservation Term of three hundred sixty-five (365) days from the Effective Date; and

WHEREAS, the Seller and Purchaser desire to extend the Reservation Term by an additional three hundred sixty-five (365) days on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, each intending to be legally bound, do hereby warrant and agree as follows:

SECTION 1. EXTENSION OF RESERVATION TERM

The Reservation Term established under Section 3 of the Contract is hereby extended by an additional three hundred sixty-five (365) days. Accordingly, the Reservation Term shall now expire seven hundred thirty (730) days from the Effective Date of the Contract.

SECTION 2. RATIFICATION

Except as expressly modified by this Amendment, all terms, covenants, and conditions of the Contract remain in full force and effect and are hereby ratified and confirmed by the parties. In the event of any conflict between the terms of the Contract and this Amendment, the terms of this Amendment shall control.

SECTION 3. COUNTERPARTS

This Amendment may be executed in any number of counterparts, each of which shall be considered an original, but such counterparts together shall constitute one and the

same instrument. The signature pages may be detached from one counterpart and reattached to another counterpart in order to form a fully executed original instrument. Signatures to this Amendment transmitted by facsimile or electronic mail will be valid and effective to bind the party so signing.

SECTION 4. AMENDMENT EFFECTIVE DATE

For the purposes of this Amendment, the “Amendment Effective Date” shall mean the date of the signature of the last party to sign this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized representatives as of the Amendment Effective Date.

SELLER:

**Greater Tampa Bay Area Council, Inc., Boy Scouts of
America,
A Florida not-for-profit corporation:**

By: _____


Mike Butler, Executive Director

Date: _____

5/4/26

PURCHASER:

**POLK REGIONAL WATER
COOPERATIVE
SOUTHEAST WELLFIELD
PROJECT BOARD**

Secretary/Treasurer

By: _____
Chairman/Vice-Chairman

Print Name

Print Name

Date: _____

(SEAL)

APPROVED AS TO FORM AND CORRECTNESS

Legal Counsel

Print Name

Agenda Item F.1.

5/20/2026

SUBJECT

Approve the Third Amendment to the Employment Agreement for the PRWC Executive Director (Action)

DESCRIPTION

On March 16, 2022 the Polk Regional Water Cooperative (“Cooperative”) entered into an Employment Agreement with Eric C. DeHaven as Executive Director/Project Administrator of the Cooperative (“Contract Employee”), which remains in full force and effect. On May 1, 2022, the Contract Employee assumed his duties as Executive Director/Project Administrator. Section 4 of the Employment Agreement establishes a base salary for the Contract Employee of \$115,00, payable on a monthly or biweekly basis. The Employment Agreement also provides that the Cooperative shall evaluate a potential adjustment of the Contract Employee’s salary on an annual basis, beginning on May 2, 2023.

At the Cooperative’s May 17, 2023 meeting the Board of Directors voted to adopt Amendment No. 1 to the Employment Agreement, which increased the Contract Employee’s base salary by five (5%) percent to \$120,750. At the Cooperative’s May 15,2024 meeting the Board voted to adopt Amendment No. 2 to the Employment agreement, which increased the base salary to \$126,788. At the Cooperative’s May 19, 2025 meeting the Board voted to approve Amendment No.3 to the Employment Agreement, which increased the base salary to \$139,467.

Following the Cooperative’s March 18, 2026 board meeting, the Board Chairman, Commissioner Nat Birdsong, and the Contract Employee met to discuss the Contract Employee’s performance and base salary. A performance evaluation form used for the evaluation is attached as Exhibit A. Following the performance review the Board Chair has decided to recommend to the Board of Directors a 10% increase to the Contract Employee’s salary based on the Contract Employee’s exemplary performance over the past year regarding complicated matters critical to the future of the Cooperative. This would increase the Contract Employee’s base salary to \$153,414 effective for the payment period beginning in May 2024.

I was directed by the Board Chair to prepare Amendment No. 4 to the Employment Agreement approving a ten percent increase to \$153,414 which will be provided as a handout to the Board. The completed evaluation form will also be provided as a handout to the Board.

RECOMMENDATION

Approve the Fourth Amendment to the Employment Contact for the PRWC Executive Director.

FISCAL IMPACT

Like the Contract Employee's current salary, the source of funds for this salary increase will be the Cooperative's administrative and project budgets.

CONTACT INFORMATION

Ed de la Parte

Polk Regional Water Cooperative (PRWC)

Executive Director Annual Performance Review (Rev. 4/25/25)

Reviewer: _____

Date: _____

Performance Dimension	Score	Supporting Comments
<i>Evaluate each performance dimension from 1 to 5 using the scale below. Add supporting comments when appropriate.</i>		
I. Fiscal Management/Management of Assets		
<ul style="list-style-type: none"> Thorough and effective preparation/management of budgets 		
<ul style="list-style-type: none"> Timely updates of PRWC regarding financial conditions 		
<ul style="list-style-type: none"> Project increments progress and maximizing their value 		
<ul style="list-style-type: none"> Assists PRWC in establishing long-term financial goals 		
II. Leadership		
<ul style="list-style-type: none"> Supports appropriate courses of action & achieves PRWC goals 		
<ul style="list-style-type: none"> Plans & organizes responses to requests/complaints/concerns 		
<ul style="list-style-type: none"> Effective at setting vision and tone with Legal, TeamOne, and Construction Manager at Risk 		
III. Policy and Planning		
<ul style="list-style-type: none"> Effectively assists PRWC in establishing long-range goals 		
<ul style="list-style-type: none"> Anticipates future needs & meets those needs appropriately 		
<ul style="list-style-type: none"> Provides unbiased advice/alternatives to facilitate decision-making 		
IV. Outside Stakeholder Relations		
<ul style="list-style-type: none"> Maintains the PRWC's image for service & professionalism 		
<ul style="list-style-type: none"> Maintains a liaison with private individuals and organizations involved in matters relating to the PRWC 		
<ul style="list-style-type: none"> Inspires an attitude of helpfulness and courtesy 		
<ul style="list-style-type: none"> Maintains positive relationships with other governmental units 		
V. Communications		
<ul style="list-style-type: none"> Verbal: conducted in an open, responsive, and courteous manner 		
<ul style="list-style-type: none"> Written: understandable, succinct, and audience-appropriate 		
<ul style="list-style-type: none"> Facilitates a flow of information to various constituencies 		
<ul style="list-style-type: none"> Timely, forthright, and encourages two-way feedback 		
VI. Relationships with PRWC Members		
<ul style="list-style-type: none"> Proper and prompt response to requests 		
<ul style="list-style-type: none"> Assists in resolving problems at the administrative level to avoid future complications 		
<ul style="list-style-type: none"> Informs the PRWC members of administrative, financial, and project developments 		
VII. Management Style		
<ul style="list-style-type: none"> Sound judgment (rational, reflects the known facts) 		
<ul style="list-style-type: none"> Decisive (appropriately thorough, timely, provides a strategic perspective, etc.) 		
<ul style="list-style-type: none"> Impartial/open (objective, unbiased, and encourages collaboration) 		
Performance Evaluation Scale		
1 = Immediate Improvement	2 = Below Average	3 = Average Performance
4 = Meets Expectations	5 = Exceeds Expectations	

Agenda Item F.2.

5/20/2026

SUBJECT

Member Annual Water Charge True-Up Examination (Action)

DESCRIPTION

This agenda item includes a request to accept two examination reports for the water charge - actual expenses prepared by Brynjulfson CPA, P.A. and an overview of the PRWC true-up results for Board information.

The annual invoicing of water charges to project participants for the Southeast and West Polk projects commenced with Fiscal Year (FY) 2024. This agenda item covers the billing of water charges for FY2024 and FY2025 which were based on projections in the respective annual Business Plans. Per the Implementation Agreements, the PRWC is to undergo an annual true-up examination of the projected to actual values. The water charge - actual expenses reports are the results of the examinations performed on FY2024 and FY2025 water charges previously billed.

An overview of the results of the examinations will be presented along with the impact on project participants in FY2027.

RECOMMENDATION

Accept the Schedule of Water Charge - Actual Expenses for the Fiscal Year 2024 Water Charge and the Schedule of Water Charge - Actual Expenses for the Fiscal Year 2025 Water Charge.

FISCAL IMPACT

Results of the annual water charge true-up are proposed to be applied to the FY2027 preliminary budget to be presented to the Board at the July 29, 2026 meeting. This will result in a reduction in the amount members need to budget for FY2027.

CONTACT INFORMATION

Eric DeHaven
Laura Guy-Rice



**Schedule of Water Charge – Actual Expenses
For the Fiscal Year 2024 Water Charge**

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Schedule of Water Charge – Actual Expenses 2

Notes to the Schedule of Water Charge – Actual Expenses 3

INDEPENDENT ACCOUNTANT'S EXAMINATION REPORT

To the Members of the Board of Directors
Polk Regional Water Cooperative

We have examined the accompanying Schedule of Water Charge – Actual Expenses of Polk Regional Water Cooperative (the “Cooperative”) for the Fiscal Year 2024 Water Charge (the “Schedule”). The Cooperative’s management is responsible for preparing and fairly presenting the Schedule in accordance with the criteria set forth in Section 13.5 of the applicable Project Implementation Agreements as described in Notes 1 and 2 to the Schedule. Our responsibility is to express an opinion on the Schedule based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule is presented in accordance with the applicable criteria in all material respects. An examination involves performing procedures to obtain evidence about the Schedule. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

As discussed in Note 1 to the Schedule, the Schedule was prepared by management for the purpose of reporting the Fiscal Year 2024 water charge based on actual project costs and other funding sources and to support the retrospective determination of credits or additional billings to project participants as contemplated by Section 13.5 of the applicable Project Implementation Agreements. Accordingly, the Schedule is not intended to present the Cooperative’s financial position, changes in net position, or cash flows in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

In our opinion, the Schedule is fairly presented, in all material respects, in accordance with the criteria set forth in Section 13.5 of the applicable Project Implementation Agreements, as described in Notes 1 and 2 to the Schedule.

The criteria used to prepare the Schedule are contained in the applicable Project Implementation Agreements and are intended only for the information and use of the Cooperative, its Board of Directors, management, and the project participants subject to those agreements. As a result, the Schedule and this report are not suitable for any other purpose. Our report is intended solely for these specified parties and should not be used by anyone other than these specified parties.

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
April 21, 2026

Polk Regional Water Cooperative
Schedule of Water Charge – Actual Expenses
Fiscal Year 2024 Water Charge

	Southeast Wellfield	West Polk Lower Floridan Aquifer	Total
WATER CHARGE - ACTUAL EXPENSES			
BASE RATE CHARGES			
Debt Service Cost	\$ 6,468,787	\$ 2,418,683	\$ 8,887,470
Capital Renewal and Replacement Cost	-	-	-
Fixed Operation and Maintenance Cost	-	-	-
Reserves	-	-	-
TOTAL BASE RATE CHARGE	<u>6,468,787</u>	<u>2,418,683</u>	<u>8,887,470</u>
WATER USE CHARGES			
Variable Operation and Maintenance Cost	-	-	-
TOTAL WATER USE CHARGE	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL WATER CHARGE - ACTUAL EXPENSES	<u>\$ 6,468,787</u>	<u>\$ 2,418,683</u>	<u>\$ 8,887,470</u>
LESS: OTHER FUNDING SOURCES			
Interest earned on unspent loan proceeds	\$ (5,271,444)	\$ (1,949,712)	\$ (7,221,156)
WATER CHARGE - ACTUAL EXPENSES, NET OF OTHER FUNDING SOURCES	<u>\$ 1,197,343</u>	<u>\$ 468,971</u>	<u>\$ 1,666,314</u>
ESTIMATED WATER CHARGES			
ESTIMATED WATER CHARGE PER RES 2023-22	\$ 2,572,022	\$ -	\$ 2,572,022
ESTIMATED WATER CHARGE PER RES 2023-23	-	815,047	815,047
TOTAL ESTIMATED WATER CHARGES FOR FY 2023 AND 2024	<u>\$ 2,572,022</u>	<u>\$ 815,047</u>	<u>\$ 3,387,069</u>
GROSS PROJECT PARTICIPANT ADJUSTMENT (CREDIT)	<u>\$ (1,374,679)</u>	<u>\$ (346,076)</u>	<u>\$ (1,720,755)</u>

Note 1 - Purpose and nature of the schedule. The accompanying Schedule of Water Charge - Actual Expenses (the "Schedule") was prepared by management of the Polk Regional Water Cooperative (the "Cooperative") for the purpose of reporting the Fiscal Year 2024 water charge based on actual project costs and other funding sources, and to support the retrospective determination of credits or additional billings to project participants, as contemplated by Section 13.5 of each applicable Project Implementation Agreement. The Schedule is intended to be used in connection with an examination engagement performed in accordance with the AICPA standards for attestation engagements. The Schedule is not intended to present the financial position, changes in net position, or cash flows of the Cooperative in conformity with accounting principles generally accepted in the United States of America.

Note 2 - Criteria and basis of presentation. The Schedule was prepared in accordance with the criteria set forth in Section 13.5 of the Project Implementation Agreements. The Schedule presents the water charge based on actual expenses for the fiscal year, net of other funding sources, and compares the resulting amount to estimated water charges assessed during the fiscal year to determine the gross project participant adjustment (credit).

Note 3 - Overview of water charge components. Under the Project Implementation Agreements, the water charge generally consists of a base rate charge and a water use charge. For purposes of the Schedule, actual expenses are presented in aggregate by major categories (including base rate charge components such as debt service cost and fixed costs, and water use charge components such as variable operation and maintenance cost), along with other funding sources and the resulting adjustment.

Note 4 - Allocation between PRWC projects. For purposes of preparing the Schedule, management allocates costs between the Cooperative's two projects based on the project that gave rise to the cost, where such project-specific identification is available. However, debt service and related fiscal charges associated with the main loan obtained by the Cooperative to finance both projects are allocated using the following percentages:

PROJECT	Allocation
Southeast Wellfield	73%
West Polk Lower Floridan Aquifer Wellfield	27%

The allocation is a management estimate applied for Schedule preparation and does not, by itself, establish final participant-specific billings. Upon completion of both projects, total actual expenses will be determined for each project and a final true-up allocation will be made based on the actual project expenses incurred.

Certain costs qualifying as water charge components under Note 3 were incurred by other Cooperative cost centers, including combined projects and administrative functions. For Schedule presentation purposes, these amounts are netted against the related expense components and, therefore, are not separately presented as individual expense components or as Other Funding Sources.

Note 5 - Accounting, audit/examination, and adjustments under Section 13.5. Section 13.5 requires the Cooperative to maintain accounts and records of actual water use by project participants, revenues received from all sources to meet project cash needs, and actual project costs (including, as applicable, debt service, capital renewal and replacement, fixed operation and maintenance, reserves, and variable operation and maintenance). The Cooperative is required to determine what the water charge should have been for each project participant based on actual costs during each fiscal year and using that data, prepare the Schedule of Water Charge – Actual Expenses and have an examination performed. For purposes of verifying the base rate charge portion, it is assumed that project participants used the quantity of water specified in their project water estimates even if actual water use was less. Any underpayment is added to, and any overpayment is deducted from, the participant's base rate charge for the upcoming fiscal year.

Polk Regional Water Cooperative
Notes to the **Schedule of Water Charge – Actual Expenses**

Note 6 - Other funding sources. The Schedule reflects other funding sources that reduce the amount otherwise required to be recovered from project participants through the water charge. For Fiscal Year 2024, other funding sources presented on the Schedule include interest earned on unspent loan proceeds.

Note 7 - Use of estimates. Preparation of the Schedule requires management to make estimates and assumptions that affect the reported amounts, including the classification of certain costs within water charge components, the identification and measurement of other funding sources, and the allocation of aggregated costs between projects as described in Note 4. Actual results may differ from those estimates.

Note 8 - Subsequent billings or credits to project participants. The gross project participant adjustment (credit) presented on the Schedule represents the difference between estimated water charges assessed during the fiscal year and the water charge based on actual expenses, net of other funding sources. The timing and manner of applying any resulting credits or additional amounts to project participants are governed by the Project Implementation Agreements, including Section 13.5.

The project participant credits for the FY2024 water charge are shown below:

Project Participant	Southeast Wellfield				West Polk Lower Floridan Aquifer Wellfield			
	Original Estimated		Final	Difference	Original Estimated		Final	Difference
	Charge per	Percent	Allocation	Additional Due/	Charge per	Percent	Allocation	Additional Due/
	Resolution 2023-22	of Total	of Actual	(Credit)	Resolution 2023-23	of Total	of Actual	(Credit)
		Expenses				Expenses		
Auburndale	\$ 236,157	9%	\$ 109,937	\$ (126,220)	\$ 9,242	1%	\$ 5,318	\$ (3,924)
Bartow	60,536	2%	28,181	(32,355)	33,270	4%	19,143	(14,127)
Davenport	418,029	16%	194,603	(223,426)	-	0%	-	-
Dundee	126,109	5%	58,707	(67,402)	-	0%	-	-
Eagle Lake	157,626	6%	73,379	(84,247)	-	0%	-	-
Haines City	484,568	19%	225,579	(258,989)	-	0%	-	-
Lake Alfred	224,165	9%	104,355	(119,810)	-	0%	-	-
Lake Hamilton	70,133	3%	32,649	(37,484)	-	0%	-	-
Lakeland	55,202	2%	25,698	(29,504)	583,219	72%	335,579	(247,640)
Polk City	-	0%	-	-	89,492	11%	51,493	(37,999)
Polk County	516,770	20%	240,570	(276,200)	90,574	11%	52,115	(38,459)
Winter Haven	222,727	9%	103,685	(119,042)	9,250	1%	5,322	(3,928)
	<u>\$ 2,572,022</u>	<u>100%</u>	<u>\$ 1,197,343</u>	<u>\$ (1,374,679)</u>	<u>\$ 815,047</u>	<u>100%</u>	<u>\$ 468,971</u>	<u>\$ (346,076)</u>



**Schedule of Water Charge – Actual Expenses
For the Fiscal Year 2025 Water Charge**

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INDEPENDENT ACCOUNTANT'S EXAMINATION REPORT

To the Members of the Board of Directors
Polk Regional Water Cooperative

We have examined the accompanying Schedule of Water Charge – Actual Expenses of Polk Regional Water Cooperative (the “Cooperative”) for the Fiscal Year 2025 Water Charge (the “Schedule”). The Cooperative’s management is responsible for preparing and fairly presenting the Schedule in accordance with the criteria set forth in Section 13.5 of the applicable Project Implementation Agreements as described in Notes 1 and 2 to the Schedule. Our responsibility is to express an opinion on the Schedule based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule is presented in accordance with the applicable criteria in all material respects. An examination involves performing procedures to obtain evidence about the Schedule. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

As discussed in Note 1 to the Schedule, the Schedule was prepared by management for the purpose of reporting the Fiscal Year 2025 water charge based on actual project costs and other funding sources and to support the retrospective determination of credits or additional billings to project participants as contemplated by Section 13.5 of the applicable Project Implementation Agreements. Accordingly, the Schedule is not intended to present the Cooperative’s financial position, changes in net position, or cash flows in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

In our opinion, the Schedule is fairly presented, in all material respects, in accordance with the criteria set forth in Section 13.5 of the applicable Project Implementation Agreements, as described in Notes 1 and 2 to the Schedule.

The criteria used to prepare the Schedule are contained in the applicable Project Implementation Agreements and are intended only for the information and use of the Cooperative, its Board of Directors, management, and the project participants subject to those agreements. As a result, the Schedule and this report are not suitable for any other purpose. Our report is intended solely for these specified parties and should not be used by anyone other than these specified parties.

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
April 21, 2026

Polk Regional Water Cooperative
Schedule of Water Charge – Actual Expenses
Fiscal Year 2025 Water Charge

	Southeast Wellfield	West Polk Lower Floridan Aquifer Wellfield	Total
WATER CHARGE - ACTUAL EXPENSES			
BASE RATE CHARGES			
Debt Service Cost	\$ 5,694,468	\$ 1,544,139	\$ 7,238,607
Capital Renewal and Replacement Cost	-	-	-
Fixed Operation and Maintenance Cost	-	-	-
Reserves	-	-	-
TOTAL BASE RATE CHARGE	<u>5,694,468</u>	<u>1,544,139</u>	<u>7,238,607</u>
WATER USE CHARGES			
Variable Operation and Maintenance Cost	-	-	-
TOTAL WATER USE CHARGE	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL WATER CHARGE - ACTUAL EXPENSES	<u>\$ 5,694,468</u>	<u>\$ 1,544,139</u>	<u>\$ 7,238,607</u>
LESS: OTHER FUNDING SOURCES			
Interest earned on unspent loan proceeds	\$ (2,897,947)	\$ (1,071,844)	\$ (3,969,791)
WATER CHARGE - ACTUAL EXPENSES, NET OF OTHER FUNDING SOURCES	<u>\$ 2,796,521</u>	<u>\$ 472,295</u>	<u>\$ 3,268,816</u>
ESTIMATED WATER CHARGES			
ESTIMATED WATER CHARGE PER RES 2024-26	\$ 4,226,243	\$ -	\$ 4,226,243
ESTIMATED WATER CHARGE PER RES 2024-33	-	295,699	295,699
TOTAL ESTIMATED WATER CHARGES FOR FY 2025	<u>\$ 4,226,243</u>	<u>\$ 295,699</u>	<u>\$ 4,521,942</u>
GROSS PROJECT PARTICIPANT ADJUSTMENT (CREDIT)	<u>\$ (1,429,722)</u>	<u>\$ 176,596</u>	<u>\$ (1,253,126)</u>

Note 1 - Purpose and nature of the schedule. The accompanying Schedule of Water Charge - Actual Expenses (the "Schedule") was prepared by management of the Polk Regional Water Cooperative (the "Cooperative") for the purpose of reporting the Fiscal Year 2025 water charge based on actual project costs and other funding sources, and to support the retrospective determination of credits or additional billings to project participants, as contemplated by Section 13.5 of each applicable Project Implementation Agreement. The Schedule is intended to be used in connection with an examination engagement performed in accordance with the AICPA standards for attestation engagements. The Schedule is not intended to present the financial position, changes in net position, or cash flows of the Cooperative in conformity with accounting principles generally accepted in the United States of America.

Note 2 - Criteria and basis of presentation. The Schedule was prepared in accordance with the criteria set forth in Section 13.5 of the Project Implementation Agreements. The Schedule presents the water charge based on actual expenses for the fiscal year, net of other funding sources, and compares the resulting amount to estimated water charges assessed during the fiscal year to determine the gross project participant adjustment (credit).

Note 3 - Overview of water charge components. Under the Project Implementation Agreements, the water charge generally consists of a base rate charge and a water use charge. For purposes of the Schedule, actual expenses are presented in aggregate by major categories (including base rate charge components such as debt service cost and fixed costs, and water use charge components such as variable operation and maintenance cost), along with other funding sources and the resulting adjustment.

Note 4 - Allocation between PRWC projects. For purposes of preparing the Schedule, management allocates costs between the Cooperative's two projects based on the project that gave rise to the cost, where such project-specific identification is available. However, debt service and related fiscal charges associated with the main loan obtained by the Cooperative to finance both projects are allocated using the following percentages:

PROJECT	Allocation
Southeast Wellfield	73%
West Polk Lower Floridan Aquifer Wellfield	27%

The allocation is a management estimate applied for Schedule preparation and does not, by itself, establish final participant-specific billings. Upon completion of both projects, total actual expenses will be determined for each project and a final true-up allocation will be made based on the actual project expenses incurred.

Certain costs qualifying as water charge components under Note 3 were incurred by other Cooperative cost centers, including combined projects and administrative functions. For Schedule presentation purposes, these amounts are netted against the related expense components and, therefore, are not separately presented as individual expense components or as Other Funding Sources.

Note 5 - Accounting, audit/examination, and adjustments under Section 13.5. Section 13.5 requires the Cooperative to maintain accounts and records of actual water use by project participants, revenues received from all sources to meet project cash needs, and actual project costs (including, as applicable, debt service, capital renewal and replacement, fixed operation and maintenance, reserves, and variable operation and maintenance). The Cooperative is required to determine what the water charge should have been for each project participant based on actual costs during each fiscal year and using that data, prepare the Schedule of Water Charge – Actual Expenses and have an examination performed. For purposes of verifying the base rate charge portion, it is assumed that project participants used the quantity of water specified in their project water estimates even if actual water use was less. Any underpayment is added to, and any overpayment is deducted from, the participant's base rate charge for the upcoming fiscal year.

Notes to the Schedule of Water Charge – Actual Expenses

Note 6 - Other funding sources. The Schedule reflects other funding sources that reduce the amount otherwise required to be recovered from project participants through the water charge. For Fiscal Year 2025, other funding sources presented on the Schedule include interest earned on unspent loan proceeds.

Note 7 - Use of estimates. Preparation of the Schedule requires management to make estimates and assumptions that affect the reported amounts, including the classification of certain costs within water charge components, the identification and measurement of other funding sources, and the allocation of aggregated costs between projects as described in Note 4. Actual results may differ from those estimates.

Note 8 - Subsequent billings or credits to project participants. The gross project participant adjustment (credit) presented on the Schedule represents the difference between estimated water charges assessed during the fiscal year and the water charge based on actual expenses, net of other funding sources. The timing and manner of applying any resulting credits or additional amounts to project participants are governed by the Project Implementation Agreements, including Section 13.5.

The project participant credits for the FY2025 water charge are shown below:

Project Participant	Southeast Wellfield				West Polk Lower Floridan Aquifer Wellfield			
	Original Estimated		Final	Difference	Original Estimated		Final	Difference
	Charge per	Percent	Allocation	Additional Due/	Charge per	Percent	Allocation	Additional Due/
	Resolution 2024-26	of Total	of Actual	(Credit)	Resolution 2024-33	of Total	of Actual	(Credit)
		Expenses				Expenses		
Auburndale	\$ 427,696	10%	\$ 283,008	\$ (144,688)	\$ 3,752	1%	\$ 4,723	\$ 971
Bartow	93,400	2%	61,803	(31,597)	13,508	5%	23,615	10,107
Davenport	705,360	17%	466,739	(238,621)	-	0%	-	-
Dundee	233,289	6%	154,368	(78,921)	-	0%	-	-
Eagle Lake	168,627	4%	111,581	(57,046)	-	0%	-	-
Haines City	907,374	21%	600,413	(306,961)	-	0%	-	-
Lake Alfred	259,069	6%	171,427	(87,642)	-	0%	-	-
Lake Hamilton	129,746	3%	85,853	(43,893)	-	0%	-	-
Lakeland	25,780	1%	17,060	(8,720)	236,787	80%	377,836	141,049
Polk City	-	0%	-	-	1,124	1%	4,723	3,599
Polk County	881,594	21%	583,354	(298,240)	36,773	12%	56,675	19,902
Winter Haven	394,308	9%	260,915	(133,393)	3,755	1%	4,723	968
	<u>\$ 4,226,243</u>	<u>100%</u>	<u>\$ 2,796,521</u>	<u>\$ (1,429,722)</u>	<u>\$ 295,699</u>	<u>100%</u>	<u>\$ 472,295</u>	<u>\$ 176,596</u>

Agenda Item F.3.

5/20/2026

SUBJECT

Approve the Agreement with Tinker LLC for Water Conservation Education Program Materials and Services for the PRWC Water Conservation Program (Action)

DESCRIPTION

In September 2023 the PRWC Board of Directors approved the first PRWC Conservation Budget (FY2024) and then on March 20, 2024, the Board approved the Conservation Projects Implementation Agreement. This budget and Implementation Agreement represent a new cost center associated with the PRWC to be used for water conservation initiatives. Since then, the PRWC has included funds consisting of member government annual contributions of \$75,000 matched by Heartland Grant funds for a total of \$150,000 each year.

The Conservation Work Group has now developed a conservation project with Tinker LLC who supply utility-based education programs and materials for use in elementary school classrooms. The Scope-of-Services for this project includes:

- 1) End-to-end Program Implementation including 5th Grade teacher recruitment within the PRWC service area (Polk County);
- 2) Providing 5th grade classroom lessons and activities including conservation kits and instructional materials;
- 3) Oversight of material logistics and delivery with participating teachers/classrooms;
- 4) Performance of monthly progress reporting, program data collection and analysis, and final report delivery to the PRWC on the success of program.

The program materials include:

- 1) Printed teacher guide and student workbooks,
- 2) Water conservation kits which contain:
 - a. Bathroom sink aerator;
 - b. Sand shower timer;
 - c. Toilet leak detection tablets;
 - d. Sprinkler gage;
 - e. Teflon tape;
 - f. Customized “turn off the tap” toothbrush;
 - g. Florida Friendly plant seed packets with UF/IFAS Polk extension link;
 - h. Fridge magnet (irrigation monthly check-up list);
 - i. Direct print reuseable tote bag.

The program is designed to reach 4,000 students in FY2026/2027. The total cost of the program and contract is \$118,000 of which 50% will be reimbursable from funds provided by the Heartland Headwaters Act. Polk County, as well as many other governments in Florida, have successfully used the Tinker LLC program in the past for water conservation education. If approved, the Tinker education program will be used in select classrooms beginning in the fall semester of 2026.

The agreement with Tinker LLC is attached (Exhibit A).

RECOMMENDATION

Approve the Agreement with Tinker LLC for Water Conservation Education Materials and Services for the PRWC Water Conservation Program.

FISCAL IMPACT

The Tinker LLC program cost under this agreement is \$118,000 of which 50% will be reimbursable from funds provided by the Heartland Headwaters Act. Funds are available in the PRWC Conservation Program budget.

CONTACT INFORMATION

Eric DeHaven

Exhibit A

**AGREEMENT BETWEEN THE POLK REGIONAL WATER COOPERATIVE AND
TINKER, LLC, FOR WATER CONSERVATION EDUCATION PROGRAM MATERIAL AND SERVICES**

This Agreement is made as of this ____ day of _____, 2026, by and between Tinker, LLC, a California limited liability company with a principal address 160 Alamo Plaza Unit 177, Alamo, CA 94507, hereinafter referred to as "Vendor," and the Polk Regional Water Cooperative, an interlocal entity organized under sections 163.01 and 373.713, Florida Statutes, with a principal address of 330 West Church Street, Bartow, FL 33830, hereinafter referred to as "PRWC." In consideration of the mutual benefits, terms, and conditions hereinafter specified, the Parties agree as set forth below.

WHEREAS, the PRWC seeks to procure a vendor to provide a water-conservation education program for elementary schools within PRWC member utility service areas that are participating in the PRWC Conservation Implementation Agreement executed on July 24, 2024, and

WHEREAS, the Vendor is the only known vendor capable of providing the specialized services required to administer the PRWC's Water Conservation Education Program; and

WHEREAS, the Vendor is the original creator and copyright holder of the proprietary digital-hybrid program model and all related instructional materials, which are supplied directly by the developer; and

WHEREAS, based on the information provided to PRWC staff and contractors, the Vendor has been deemed a single source to provide and manage the program; and

WHEREAS, the Vendor will directly coordinate all water-conservation education programming with the participating elementary schools; and

WHEREAS, the PRWC desires to engage Vendor to provide the goods and services described in the Vendor Quote and Scope of Services attached hereto as **Exhibit A** (the "Goods and Services") over a multi-year period; and

WHEREAS, the Vendor has agreed to provide the Goods and Services in accordance with the terms and conditions set forth herein and the attached quote.

NOW THEREFORE, for and in consideration of the mutual covenants and promises as hereinafter set forth and of the faithful performance of such covenants and conditions, the PRWC and Vendor do hereby agree as follows:

1. **GOODS AND SERVICES:** Vendor shall provide all equipment, materials, tasks, and labor necessary to provide the Goods and Services as described in the quote attached hereto as **Exhibit A** and incorporated into this Agreement by reference. Vendor shall provide all Goods and Services and perform any Services diligently, carefully, and thoroughly consistent with good business practice. Time shall be of the essence concerning all matters outlined in this Agreement. Vendor shall warrant that the Services are free from improper workmanship and defective materials for a period of two years following completion of the Services.

2. **COMMENCEMENT OF SERVICES, TERM, RENEWALS:**

a) Work under this Agreement shall commence upon the PRWC giving written notice to proceed to the Vendor along with a purchase order. The Vendor shall complete all Services in

accordance with the schedule set forth in **Exhibit A**. Time is of the essence for the Vendor's performance of the duties, obligations, and responsibilities required by this Agreement.

- b) This Agreement shall be for an initial term of two (2) years, commencing upon full execution, ("Initial Term"), unless otherwise terminated or extended as provided in this Agreement.
- c) The PRWC reserves the right to renew the Agreement for one (1) additional one-year renewal term(s) (each an "Extension Term") on the same terms and conditions stated in this Agreement, subject to Vendor's satisfactory performance as determined by the PRWC, determination by the PRWC that renewal will be in the best interest of the PRWC, and confirmation that continued contracting with Vendor serves the PRWC's needs. The Initial Term and any Extension Term(s) are collectively referred to as the "Term."

3. **FEE:** As compensation for Goods provided and Services rendered by Vendor to the PRWC shall pay the Vendor an annual amount not to exceed \$118,000.00 ("Fee"). Fees shall be charged in accordance with the Fee Schedule attached hereto as **Exhibit A**, and as specified in the quote. The Fee shall be the sole compensation paid to Vendor in connection with the rendition of the Goods and Services and the performance of any and all of its other obligations under this Agreement and shall include any out-of-pocket or other expenses, including travel expenses, incurred by Vendor.

4. **NOTICES:** All Notices to the PRWC shall be in writing by email and certified mail return receipt requested, or customarily used overnight transmission with proof of delivery, sent to:

PRWC:

Eric DeHaven, Executive Director
Polk Regional Water Cooperative
330 West Church Street,
Bartow, FL 33830
ericdehaven@prwcwater.org

Copy:

Edward de la Parte, PRWC Attorney
101 E. Kennedy Blvd., Suite 3100
Tampa, FL 33602
edelaparte@dgfirm.com

Vendor:

Tinker, LLC
P.O. Box 177
Alamo, CA 94507
Telephone: 925-208-4497
Email: joe.thrasher@tinkerprograms.com

5. **INVOICES AND PAYMENT:** Invoices must identify the PO number and should be emailed and mailed to:

Eric DeHaven, Executive Director
Polk Regional Water Cooperative
330 West Church Street,
Bartow, FL 33830
ericdehaven@prwcwater.org

Invoices shall show the nature of the service and date(s) of service. Invoices based on hourly rates shall show the actual hours worked, the person performing Services, the nature of the service, hourly rate, and

date(s) of service. Invoices may be submitted in accordance with the schedule specified in **Exhibit A**; however, all Services provided before September 30th of any given year must be invoiced by September 30th of that year. Vendor shall provide a W-9 with the first invoice.

Payment shall only be made for Services actually performed pursuant to this Agreement. The fee shall be paid based on receipt of a proper invoice.

Payment will be made within 45 days of receipt of a proper invoice in accordance with the Local Government Prompt Payment Act, Section 218.70, et al., Florida Statutes. No payment made under this Agreement shall be conclusive evidence of the performance of this Agreement by Vendor, either wholly or in part, and no payment shall be construed to be an acceptance of or to relieve Vendor of liability for the defective, faulty, or incomplete rendition of the Services.

6. **TAX EXEMPT:** Prices applicable to the PRWC do not include applicable state and local sales, use, and related taxes. The PRWC is exempt from state and local sales and use taxes and shall not be invoiced for the same. Upon request, the PRWC will provide the Vendor with proof of tax-exempt status.

7. **SOVEREIGN IMMUNITY:** Nothing in this Agreement or herein shall be considered or construed to waive the PRWC's rights and immunities under common law or section 768.28, Florida Statutes, as may be amended.

8. **ATTORNEY'S FEES:** If either Party sues to enforce the Agreement, each Party shall bear its own attorney's fees and court costs.

9. **PUBLIC RECORDS:** The PRWC is a public agency subject to Chapter 119, Florida Statutes. The Vendor shall comply with Florida's Public Records Law. Specifically, the Vendor shall:

- a) Keep and maintain public records required by the PRWC to perform the service;
- b) Upon request from the PRWC's custodian of public records, provide the PRWC with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Fla. Stat. or as otherwise provided by law;
- c) Ensure that public records that are exempt or that are confidential and exempt from public record disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and, following completion of the contract, Vendor shall destroy all copies of such confidential and exempt records remaining in its possession once the Vendor transfers the records in its possession to the PRWC; and
- d) Upon completion of the contract, the Vendor shall transfer to the PRWC, at no cost to the PRWC, all public records in the Vendor's possession. All records stored electronically by the Vendor must be provided to the PRWC, upon request from the PRWC's custodian of public records, in a format compatible with the PRWC's information technology systems.

IF THE VENDOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE VENDOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (863) 248-7388, RECORDSCUSTODIAN@PRWCWATER.ORG, 330 W. CHURCH STREET, BARTOW, FLORIDA 33830.

10. **VENUE, JURISDICTION, WAIVER OF JURY TRIAL**

This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. Any legal action, suit, or proceeding arising out of or relating to this Agreement shall be instituted in the appropriate state court in Polk County, Florida, and each Party irrevocably submits to the exclusive jurisdiction of such court in any such action, suit, or proceeding. Any disputes that arise between the parties regarding the performance of this Agreement and cannot be resolved through negotiations shall be submitted to a court of competent jurisdiction exclusively in Polk County, Florida. This Agreement shall be construed under Florida Law. THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION OR LEGAL PROCEEDING RELATED TO THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

11. **TERMINATION FOR CONVENIENCE:** The PRWC may terminate this Agreement for convenience upon fourteen (14) calendar days of written notice. In this event, the Vendor shall be compensated for Services performed through the termination date.

12. **TERMINATION FOR CAUSE:** In addition to all other remedies available to the aggrieved Party, this Agreement shall be subject to cancellation by either Party for cause, should the other Party neglect or fail to perform or observe any of the terms, provisions, conditions, or requirements herein contained, if such neglect or failure shall continue for a period of thirty (30) calendar days after receipt by the defaulting Party of written notice of such neglect or failure.

13. **INDEMNIFICATION:** Vendor shall indemnify and hold harmless the PRWC and its elected and appointed officers, member governments, agents, assigns and employees, consultants, separate Vendors, any of their subcontractors, or sub-subcontractors (collectively, "Indemnified Party"), from and against claims, demands, or causes of action whatsoever, and the resulting losses, damages, costs, and expenses, including but not limited to attorneys' fees, including paralegal expenses, liabilities, damages, orders, judgments, or decrees, sustained by the Indemnified Party arising out of or resulting from (A) Vendor's performance or breach of Agreement, (B) acts or omissions, negligence, recklessness, or intentional wrongful conduct by Vendor's, its agents, employees, subcontractors, participants, and volunteers, and (C) Vendor's failure to take out and maintain insurance as required under this Agreement. Vendor shall pay all claims and losses in connection therewith and shall investigate and defend all claims, suits, or actions of any kind or nature against an Indemnified Party, where applicable, including appellate proceedings, and shall pay all costs, judgments, and attorneys' fees which may issue thereon. The obligations of this section shall survive indefinitely regardless of the termination of the Agreement. If considered necessary by the PRWC, any sums due the Vendor under this Agreement may be retained by the PRWC until all claims subject to this indemnification obligation have been settled or otherwise resolved. Any amount withheld shall not be subject to payment of interest by the PRWC.

14. **INSURANCE:** Vendor shall maintain, at all times, in force during the contract period the insurance as specified with an insurer licensed to do business in the State of Florida; rated "A VIII" or better by A.M. Best Rating Company for Class VIII financial size category. PRWC must be named as an additional insured with respect to liability arising from all work being performed for PRWC, for Automobile and General Liability policies of insurance. The certificate holder must be PRWC. Workers' Compensation Insurance is required to provide statutory benefits, including those that may be required by any applicable federal statute. Any sole proprietor or partner actively engaged in the construction industry, and any corporate officer of a construction or non-construction industry corporation who elects to be exempt from the provisions of the workers' compensation law must provide either a workers' compensation exemption certificate (construction industry) or a letter stating the exemption status and number of employees (non-

construction industry). For non-exempt vendors, Employers Liability in the amount of \$1,000,000. Commercial General Liability Insurance \$1,000,000 combined single limit of liability for bodily injuries, death, and property damage, and personal injury resulting from any one occurrence, including the following coverages: Completed Operations, Broad Form CG. Comprehensive Automobile Liability Insurance \$1,000,000; combined single limit of liability for bodily injuries, death and property damage resulting from any one occurrence, including all owned, hired and non-owned vehicles. The general liability and worker's compensation policies shall contain a waiver of subrogation in favor of PRWC. An original certificate of insurance must be on file in with PRWC before a purchase order will be issued.

15. **LIMITATION OF LIABILITY:** Notwithstanding any provision of the Agreement to which it is applicable, the PRWC shall not be liable or responsible to Vendor beyond the amount remaining due to Vendor under the Agreement, regardless of whether said liability be based in tort, contract, indemnity or otherwise; and in no event shall the PRWC be liable to Vendor for punitive or exemplary damages or lost profits or consequential damages.

16. **INDEPENDENT CONTRACTOR:** The Agreement does not create an employee/employer relationship between the Parties. The Parties intend that the Vendor is an independent contractor pursuant to the Agreement and shall not be considered the PRWC's employee for any purpose. Vendor shall not have the right to bind the PRWC to any obligation not expressly undertaken by the PRWC under this Agreement.

17. **COMPLIANCE WITH LAWS:** Vendor hereby warrants and agrees that at all times material to the Agreement, Vendor shall perform its obligations in compliance with all applicable federal, state, and local laws, rules, and regulations, including section 501.171, Florida Statutes. Non-compliance may constitute a material breach of the Agreement.

18. **ASSIGNMENT:** If this Agreement and any interests granted herein shall be assigned, transferred, or otherwise encumbered under any circumstances by Vendor, Vendor must gain prior written consent from the PRWC thirty (30) business days before such transfer. For purposes of this Agreement, any company ownership change shall constitute an assignment that requires the PRWC's approval. Notwithstanding the foregoing, Vendor may, without the PRWC's consent, assign this Agreement in whole or in part as part of a corporate reorganization, consolidation, merger, or sale of substantially all of its assets related to this Agreement. Vendor shall provide the PRWC with written notice of any such corporate reorganization, consolidation, merger, or sale of substantially all of its assets related to this Agreement within thirty (30) calendar days of such event.

19. **NO LIEN.** The Vendor shall not at any time permit any lien, attachment, or any other encumbrance under the laws of the State of Florida, or otherwise, by any person or persons whomsoever to be filed or recorded against the PRWC, against any PRWC property or money due or to become due for any work done or materials furnished under this Agreement by Vendor.

20. **AGREEMENT SUBJECT TO FUNDING:** The Agreement shall remain in full force and effect only as long as the expenditures provided for in the Agreement have been approved by the PRWC Board of Directors as provided in its annual budget for the fiscal years of this Agreement and is subject to termination based on lack of funding.

21. **NON-EXCLUSIVE:** This Agreement is non-exclusive. The PRWC may retain additional entities to perform the same or similar work.

22. **REPRESENTATION OF AUTHORITY:** Vendor represents and warrants that this Agreement constitutes the legal, valid, binding, and enforceable obligation of Vendor and that neither the execution nor performance of this Agreement constitutes a breach of any agreement that Vendor has with any third

party or violates applicable law. Vendor further represents and warrants that execution of this Agreement is within Vendor's legal powers, and each individual executing this Agreement on behalf of Vendor is duly authorized by all necessary and appropriate action to do so on behalf of Vendor and does so with full legal authority.

23. **RIGHTS IN DOCUMENTS AND WORK:** Any and all videos, photographs, documents, materials, data, or other work created by Vendor in connection with performing the Services, whether finished or unfinished ("Documents and Work"), shall be owned by the PRWC, and Vendor hereby transfers to the PRWC all right, title, and interest, including any copyright or other intellectual property rights, in or to the Documents and Work. Upon completion of this Agreement, the Documents and Work shall become the property of the PRWC and shall be delivered by Vendor to the PRWC within seven (7) days after completion. Any compensation due to Vendor may be withheld until all Documents and Work are received as provided in this Agreement. Vendor shall ensure that the requirements of this section are included in all agreements with all subcontractor(s).

24. **THIRD-PARTY BENEFICIARIES:** The Parties acknowledge that there are no third-party beneficiaries to this Agreement and that no third party shall be entitled to assert a right or claim against either of them based upon this Agreement.

25. **MATERIALITY AND WAIVER OF BREACH:** Each requirement, duty, and obligation set forth in this Agreement was bargained for at arm's length and is agreed to by the Parties. Each requirement, duty, and obligation set forth in this Agreement is substantial and important to the formation of this Agreement, and each is, therefore, a material term. The PRWC's failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach shall not be deemed a waiver of any subsequent breach and shall not be construed as a modification of this Agreement. To be effective, any waiver must be in writing and signed by an authorized signatory of the Party granting the waiver.

26. **COUNTERPARTS AND MULTIPLE ORIGINALS:** This Agreement may be executed in multiple originals and may be executed in counterparts, whether signed physically or electronically. Each of these shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

27. **FORCE MAJEURE:** Neither Party shall be liable for any failure or delay in performing its obligations under this Agreement if such failure or delay is caused by force majeure events beyond the reasonable control of such Party, including but not limited to acts of God, hurricane, tornado, fire, flood, earthquake, explosion, war, terrorism, riot, civil disorder, act of any government body, or other similar causes. The Party affected by such force majeure event shall notify the other Party within a reasonable time of the commencement and termination of the force majeure event. The time for performance shall be extended for a period equal to the duration of the force majeure event, provided that if such period exceeds sixty (60) consecutive days, either Party may terminate this Agreement upon written notice to the other Party.

28. **NON-DISCRIMINATION:** Vendor and any subcontractors shall not discriminate on the basis of race, color, sex, religion, national origin, disability, age, marital status, political affiliation, sexual orientation, pregnancy, or gender identity and expression in the performance of this Agreement.

29. **ENTIRE AGREEMENT:** This Agreement supersedes all prior and contemporaneous negotiations, understandings, and agreements, written or oral, between the parties. This Agreement may not be modified except by the parties' mutual agreement set forth in writing and signed by the parties.

30. **SEVERABILITY:** If any provision of this Agreement or application thereof to any person or situation shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement and the application of such provisions to persons or situations other than those as to which it shall have been held invalid or unenforceable, shall not be affected thereby, and shall continue in full force and effect, and be enforced to the fullest extent permitted by law.

31. **AMENDMENTS:** No amendment, modification, or alteration of the terms of this Agreement shall be binding unless the same is in writing, dated subsequent to the date hereof, and duly executed by the Parties.

32. **HEADINGS:** The headings contained in this Agreement are for the convenience of reference only and shall not affect the interpretation of this Agreement.

33. **NO CONSTRUCTION AGAINST DRAFTER:** The Parties acknowledge that they have both participated in the negotiation and preparation of this Agreement. Accordingly, this Agreement shall not be construed more strictly against either Party, regardless of which Party was responsible for its preparation.

34. **ANTI-HUMAN TRAFFICKING:** On or before the effective date of this Agreement, Vendor shall provide the PRWC with an affidavit attesting that the Vendor does not use coercion for labor or services, in accordance with Section 787.06(13), Florida Statutes.

35. **DISCRIMINATORY VENDOR AND SCRUTINIZED COMPANIES LISTS; COUNTRIES OF CONCERN.** Vendor represents that it has not been placed on the "discriminatory vendor list" as provided in Section 287.134, Florida Statutes, and that it is not a "scrutinized company" pursuant to Sections 215.473 or 215.4725, Florida Statutes. Vendor represents and certifies that it is not, and for the duration of the Term will not be, ineligible to contract with the PRWC on any of the grounds stated in Section 287.135, Florida Statutes. Vendor represents that it is and will remain in compliance with Section 286.101, Florida Statutes, for the duration of the Term.

36. **VERIFICATION OF EMPLOYMENT ELIGIBILITY.** Vendor represents that Vendor and each subcontractor have registered with and use the E-Verify system maintained by the United States Department of Homeland Security to verify the work authorization status of all newly hired employees in compliance with the requirements of Section 448.095, Florida Statutes, and that entry into this Agreement will not violate that statute. If Vendor violates this section, the PRWC may immediately terminate this Agreement for cause, and Vendor shall be liable for all costs incurred by the PRWC due to the termination.

37. **PUBLIC ENTITY CRIME ACT:** Vendor represents that it is familiar with the requirements and prohibitions under the Public Entity Crime Act, Section 287.133, Florida Statutes, and represents that its entry into this Agreement will not violate that Act. Vendor further represents that there has been no determination that it committed a "public entity crime" as defined by Section 287.133, Florida Statutes, and that it has not been formally charged with committing an act defined as a "public entity crime" regardless of the amount of money involved or whether Vendor has been placed on the convicted vendor list.

38. **ENTITIES OF FOREIGN CONCERN:** The provisions of this section apply only if Vendor or any subcontractor will have access to an individual's personal identifying information under this Agreement. Vendor represents and certifies: (i) Vendor is not owned by the government of a foreign country of concern; (ii) the government of a foreign country of concern does not have a controlling interest in Vendor; and (iii) Vendor is not organized under the laws of and does not have its principal place of business in, a foreign

country of concern. On or before the effective date, Vendor and any subcontractor that will have access to personal identifying information shall submit to the PRWC executed affidavit(s) under penalty of perjury, in a form approved by the PRWC attesting that the entity does not meet any of the criteria in Section 287.138(2), Florida Statutes. Compliance with the requirements of this section is included in the requirements of a proper invoice for purposes of Section 6. Terms used in this section that are not otherwise defined in this Agreement shall have the meanings ascribed to such terms in Section 287.138, Florida Statutes.

(Signatures on following page)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year set forth below.

POLK REGIONAL WATER COOPERATIVE

By: _____
_____, Chairman

Date: _____

ATTEST:

By: _____
_____, Secretary

APPROVED AS TO FORM AND CORRECTNESS:

Edward P. de la Parte, Legal Counsel

TINKER, LLC

By: _____

Date: _____

EXHIBIT A
VENDOR QUOTE AND SCOPE OF SERVICES

1) Vendor Responsibilities

Tinker, LLC (“Vendor”) shall be fully responsible for providing all labor, materials, administration, coordination, logistics, and expertise necessary to deliver the Water Conservation Education Program. Responsibilities include, but are not limited to, the following:

a) End-to-End Program Implementation

- i) Teacher Recruitment and Follow-Up for Polk County Public School District Elementary schools within the PRWC member utility service areas that are participating in the PRWC Conservation Implementation Agreement executed on July 24, 2024.
 - (1) Identify, contact, and enroll eligible 5th-grade teachers.
 - (2) Conduct routine follow-up to ensure participation and provide support.
- ii) Classroom Lessons and Activities
 - (1) Deliver curriculum and lesson plans aligned with applicable educational standards.
 - (2) Ensure activities meet the learning objectives of the Water Conservation Education Program.
- iii) Material Logistics and Delivery
 - (1) Package and deliver all water conservation kits and instructional materials directly to participating teachers.
 - (2) Ensure timely and complete distribution of all program materials.
- iv) d. Program Data Collection and Analysis
 - (1) Collect program participation data, teacher feedback, engagement metrics, and kit utilization results.
 - (2) Analyze data to evaluate program performance and effectiveness.
- v) Monthly Progress Reporting
 - (1) Provide monthly written reports summarizing program implementation, data collected, challenges, outreach status, and achievements.
- vi) Final Program Report
 - (1) Deliver a comprehensive final report at the conclusion of the program, including participation metrics, outcomes analysis, and recommendations.

b) Program Materials

Vendor shall produce, print, assemble, and deliver all program materials, including:

- i) **Printed Teacher Guide** – One (1) per participating teacher
- ii) **Printed Student Workbooks** – One (1) per student
- iii) **Water Conservation Kits** – One (1) per participating teacher and one (1) per student, containing:
 - (1) Bathroom sink aerator (1.0 GPM)

- (2) Sand Shower timer (branded with PRWC logo)
- (3) Toilet leak detection tablet (2 pack)
- (4) Direct print reusable tote bag
- (5) Sprinkler Gauge
- (6) Teflon Tape
- (7) Toothbrush (customized with turn off the tap message)
- (8) Seeds (Florida-friendly plant with customization: link to UF/IFAS Polk Extension)
- (9) Magnet (irrigation monthly check-up list)

c) Compliance and Program Standards

- i) Ensure all program materials and instructional content meet educational requirements and utility conservation objectives.
- ii) Maintain all proprietary rights, copyrights, and program models necessary for program delivery.
- iii) Provide professional and timely communication with PRWC staff or designee throughout the project term.

2) PRWC Responsibilities

The PRWC shall support the program by providing oversight, timely coordination, and internal alignment as follows:

a) 2.1 Program Monitoring and Feedback

- i) Monitor vendor performance throughout the contract term.
- ii) Provide timely feedback, clarifications, and approvals needed for program continuity.
- iii) Ensure internal processing of vendor invoices is completed promptly.

b) PRWC-Provided Information

- i) Provide the vendor with relevant program-related information upon request, branding guidelines and any PRWC-specific conservation messaging.
- ii) Support communication with local schools or district partners, if needed, to ensure smooth implementation.

3) Budget Table

	Rate	Quantity*	Estimated Budget
End to End Program Services	\$12.75 per participant	4,000	\$ 51,000.00
Program Materials	\$14.00 per participant	4,000	\$ 56,000.00
Shipping	\$2.75 per participant	4,000	\$ 11,000.00
Lump Sum Total			\$ 118,000.00

**Budget includes all applicable costs including end-to-end implementation, taxes and shipping.*

SUBJECT

Update on the Alafia River Water Supply Project (Information)

DESCRIPTION

The 2017 Phase 2 Implementation Agreement Engineers Report established the top priorities for alternative water supply options in the Polk County region. One of the highest ranked projects was a surface water project that captured flows from the North and South prongs of the Alafia River in Polk County. Initial analysis by TeamOne indicated up to 15 MGD of long-term annual average surface water flow was available to the PRWC. This project continues to be listed as a future water supply source for the PRWC in both the Central Florida Water Initiative (CFWI) and Southwest Florida Water Management District (SWFWMD) Regional Water Supply Plans. PRWC water supply demand projections indicate that between 14 and 27 MGD of additional alternative water supply, beyond conservation and the Southeast, West Polk Projects, and Peace River/Peace Creek projects, will be needed by 2070. The Alafia River will potentially be a critical option to provide this additional supply.

On July 22, 2025, the Southwest Florida Water Management District (SWFWMD) approved a water use permit modification request from Tampa Bay Water (TBW). The permit modification will allow TBW to increase their withdrawal from 10% to 19% of river flows after minimum low flow criteria are met. Water availability analysis by the PRWC indicates that the permit modification granted to Tampa Bay Water makes a PRWC water supply project on the Alafia no longer be viable. Following discussions with TBW and SWFWMD regarding PRWC concerns, the PRWC filed a petition for a formal administrative hearing with the District on September 30, 2025.

An Administrative Law Judge was appointed, and a hearing date was set for March 4-11, 2026. Following on-going legal actions, the parties agreed to delay the hearing to attempt mediation. On March 12, 2026, a mediation session between the PRWC, SWFMWD, and TBW occurred. As a result of the mediation session a framework was established for a settlement agreement. On March 18, 2026, the PRWC Board of Directors approved the *“Notice of Change of Agency Action and Settlement and Coordination Agreement Between Polk Regional Water Cooperative, Tampa Bay Water, and Southwest Florida Water Management District”* (Exhibit A). On March 24, 2026, the SWFWMD approved the document and then on April 20, 2026, TBW approved the document.

The Settlement Agreement provides for the following actions to occur:

- 1) The parties shall file a joint motion requesting the Administrative Law judge to accept the agreement and relinquish jurisdiction to the District to issue a final Order dismissing the petition and issue a final permit;

- 2) A Water Supply Planning Committee will be formed by the three settlement agreement signatories to participate in structured planning and identification of an alternative project to the PRWC's use of the Alafia. The PRWC shall have until December 31, 2032, to decide if it wishes to pursue an alternative project or use the Alafia River as an alternative water supply source.
- 3) The PRWC has until 2040 to submit a permit application to the SWFWMD. The PRWC and TBW agree not to challenge each other over a permit application or modification submitted by either entity up to 2040;
- 4) If the PRWC elects to use the Alafia River as an alternative water supply source, obtains a water use permit, and constructs the necessary infrastructure the TBW permit will be modified to allow the PRWC to use up to 5% of flows for a PRWC alternative water supply project.

PRWC staff will provide an overview of the settlement agreement and final actions to conclude the petition.

RECOMMENDATION

This is an information item, and no action is required by the Board.

FISCAL IMPACT

The total legal challenge budget approved by the BOD is \$430,820. As of May 1, 2026, the amount of funds used totaled \$385,435.

CONTACT INFORMATION

Eric DeHaven
Katie Gierok
Ed de la Parte

Exhibit A

**NOTICE OF CHANGE OF AGENCY ACTION
AND
SETTLEMENT AND COORDINATION AGREEMENT BETWEEN
POLK REGIONAL WATER COOPERATIVE, TAMPA BAY WATER, &
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**

This Notice of Change of Agency Action and Settlement and Coordination Agreement Between Polk Regional Water Cooperative, Tampa Bay Water, & Southwest Florida Water Management District (“Agreement”) is entered into by and among the Polk Regional Water Cooperative, an interlocal entity organized under sections 163.01 and 373.713, Florida Statutes, (“PRWC”), Tampa Bay Water, a Regional Water Supply Authority, an interlocal entity organized under sections 163.01 and 373.715, Florida Statutes, (“TBW”), and the Southwest Florida Water Management District, an independent special district of the State of Florida (“District”). PRWC, TBW, and the District are each a Party and collectively the Parties.

WHEREAS, portions of the Alafia River begin in Polk County flow west into and through Hillsborough County and eventually discharge into Hillsborough Bay; and

WHEREAS, the District has established minimum flows in the Alafia River pursuant to Sections 373.042 and 373.0421, Florida Statutes, and Rule 40D-8.041(11) and (12), Florida Administrative Code; and

WHEREAS, the minimum flow established by the District for the Lower Alafia River in Rule 40D-8.041(12)(c), Florida Administrative Code, limits consumptive use of the river to no more than 19% of the daily flow to the Lower Alafia River System that is above 120 cubic feet per second (“cfs”); and

WHEREAS, Water Use Permit No. 20011794.002 (the “Existing Permit”), which was issued by the District to TBW on November 27, 2012, authorizes TBW to withdraw no more than 10% of the available flow above the Minimum Flow threshold up to a maximum daily diversion of 60 million gallons per day (“mgd”); and

WHEREAS, on May 22, 2025, TBW applied to the District for Water Use Permit No. 200111794.003 (the “Proposed Permit”), which requested modification of its Existing Permit to increase the withdrawal from 10% to 19% of the available flow above the Minimum Flow threshold up to a maximum daily diversion of 75 mgd; and

WHEREAS, on June 17, 2025, the PRWC submitted Water Use Permit Application No. 20021263.000, requesting to withdraw an annual average of 15 to 16 mgd of surface water from the North and South Prongs of the Alafia River for public supply use (“PRWC Permit Application”); and

WHEREAS, on July 22, 2025, the District issued a Notice of Final Agency Action approving the Proposed Permit at the flow rates requested by TBW; and

WHEREAS, on September 29, 2025, the PRWC petitioned for a formal administrative hearing challenging that action, which proceeding is pending before the Florida Division of Administrative Hearings as Case No. 25-5480 (“DOAH Proceeding”); and

WHEREAS, on February 12, 2026, mediation between the Parties’ representatives began and initially resulted in a general basis for amicable settlement on points of agreement which has resulted in an abeyance of the DOAH Proceeding until April 22, 2026, to allow time for the Parties to reach a written settlement agreement; and

WHEREAS, the Parties desire to resolve the DOAH Proceeding and avoid additional litigation concerning TBW’s Alafia River withdrawals, to modify and extend the duration of TBW’s Alafia River Water Use Permit, to withdraw PRWC’s Permit Application, as well as to establish a structured, collaborative planning and technical coordination process that respects each Party’s statutory authority and fiscal constraints; and

WHEREAS, the District’s staff has reviewed Tampa Bay Water’s application for the Proposed Permit and the Notice of Final Agency Action issued on July 22,

2025, together with the applicable minimum flows and levels and the District's water use permitting standards and Basis of Review; and

WHEREAS, based on that review, the District has determined that certain revisions to the Proposed Permit are consistent with the applicable criteria for issuance of a water use permit, including extending the permit expiration date to 2040 and amending Special Condition 9 to clarify the calculation of Baseline Flow, the flow-based diversion schedule, and a coordinated allocation provision that operates in conjunction with any qualifying PRWC water use permit application submitted in 2032 or later consistent with this Agreement, together with conforming clarifications; and

WHEREAS, the Parties desire to provide notice of the revisions to the Proposed Permit contemplated by this Agreement and completely settle, release, and discharge all claims among themselves regarding the DOAH Proceeding, including the PRWC Permit Application; and

NOW THEREFORE, in consideration of the mutual covenants in this Agreement and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree, as follows:

I. EFFECTIVE DATE. This Agreement shall become effective on the date it is duly executed by all of the Parties. The last date of execution by all the Parties shall be known as the "Effective Date" of this Agreement.

II. CONTINGENT. This Agreement is contingent upon the District's Final Order granting TBW a Final Permit that is in substantially the same form as that contained in the attached Exhibit A, Draft Final Permit, including the changes to the "Total Quantities Authorized Under This Permit" section, Special Condition 9.d., and an expiration date to extend fourteen (14) years after the date of issuance.

III. DURATION. This Agreement shall remain in effect for thirty-five (35) years from the date of the issuance of the Final Permit.

IV. RELINQUISHING JURISDICTION, DISMISSAL, AND WITHDRAWAL OF PRWC PERMIT APPLICATION. Within five (5) days of the Agreement's Effective Date, the Parties shall file a joint motion in the DOAH Proceeding requesting the Administrative Law Judge accept the Agreement and relinquish jurisdiction to the District for the Parties to act in compliance with this Agreement. This process will allow the District to enter a Final Order dismissing the Petition with prejudice, issuing the Final Permit, and closing the case at its next monthly Governing Board business meeting. Furthermore, the PRWC will withdraw its pending PRWC Permit Application within five (5) days from the date of the District's Final Order issuing the Final Permit.

V. PRWC COVENANT NOT TO CHALLENGE TBW. If TBW seeks to modify or renew Water Use Permit 20011794 et seq. with the District on or before 2040, the PRWC agrees that it shall not contest any agency action that results from TBW's water use permit modification or renewal application. This includes not opposing a permit application when it is being processed at the District and not filing, pursuing or participating as an intervenor in an administrative challenge pursuant to Chapter 120, Florida Statutes, or any successor statute, or initiating or participating in any other judicial action seeking to challenge any agency action that results from TBW's renewal. Additionally, the PRWC will not support or finance any third party bringing either an administrative or judicial challenge to any agency action on Water Use Permit 2001194 et seq.

VI. TBW COVENANT NOT TO CHALLENGE PRWC. If the PRWC proceeds with submitting a water use permit application to the District after December 31, 2032, but before December 31, 2040, to withdraw surface water from the North or South Prongs of the Alafia River consistent with the terms of this Agreement, TBW agrees that it will not contest any agency action that results from the PRWC's application submittal. This includes not opposing this permit application when it is being processed at the District and not filing, pursuing or participating as an intervenor in an administrative challenge pursuant to Chapter 120, Florida Statutes, or any successor statute, or initiating or participating in any other judicial action seeking to challenge any agency action that results from the PRWC's application for withdrawals from the North or South prongs of the Alafia River . Additionally, TBW will not support or finance any third party bringing either an

administrative or judicial challenge to any agency action against the PRWC water use permit for withdrawals from the North or South Prongs of the Alafia River.

VII. TBW PERMIT.

- a. Modification of the Proposed Permit. The Parties agree to the modifications of the Proposed Permit, as attached hereto and incorporated herein as Exhibit A. Special Condition 9 shall only be modified before 2040 if the PRWC accepts an Alternative Project as set forth in the Settlement Agreement.
- b. TBW's Obligation to Modify Final Permit

After December 31, 2032, PRWC shall give TBW written notice at least ninety (90) days prior to commencement of the actual withdrawal of water for potable water use by the PRWC from the North or South Prongs of the Alafia River, at which time within thirty (30) days, TBW shall submit a letter to the District to limit its permitted withdrawal from the Lower Alafia River based on the below modified diversion schedule to be effective upon the first day of actual withdrawal water for potable supply by the PRWC.

1. No diversion from the Alafia River may occur when the calculated Baseline Flow for the previous day is 128 cfs (82.7 mgd) or less.
2. For a calculated Baseline Flow between 128 cfs (82.7 mgd) and 149 cfs (96.3 mgd) for the previous day, the daily diversion is limited to the difference between the Baseline Flow and 128 cfs (82.7 mgd).
3. For a calculated Baseline Flow of 149 cfs (96.3 mgd) or greater for the previous day, the daily diversion is limited to 14% of the Baseline Flow.
4. The maximum diversion on any single day shall not exceed 75 mgd (116.1 cfs).

If the PRWC does not submit a written request for TBW to limit its permitted withdrawal from the Alafia River prior to the expiration date of the Final Permit in

2040, then TBW shall no longer be required to reduce its withdrawal from the Alafia River.

VIII. WATER SUPPLY PLANNING COMMITTEE. Within thirty (30) days of the Effective Date, the Parties will designate a representative to be the single point of contact for meeting scheduling. Within three (3) months of the Effective Date, representatives of TBW, PRWC, and the District shall schedule and attend quarterly meetings for the Water Supply Planning Committee to participate in structured planning and regulatory coordination to improve collaboration and align regional planning assumptions. Such coordination shall at a minimum include: (a) Identification of potential water supply projects, and TBW and District cooperation with feasibility studies if so undertaken by the PRWC, to provide an annual average of 12 mgd to meet the PRWC's water demands from sources other than the Alafia River; (b) Joint participation in the District's 2030 Regional Water Supply Planning process; (c) Identification of regional water resources and water supply development options; and, (d) Use of existing planning forums or technical workgroups to facilitate a dialogue on regional water supply planning activities.

IX. PRWC WATER SUPPLY PROJECT. The PRWC has until December 31, 2032, to identify alternative water supply project(s) as described below, or elect to pursue a project on the Alafia River, otherwise the PRWC waives any claim to withdraw water from the Alafia River pursuant to this Agreement. If the Parties identify water supply project(s) with an annual average capacity 12 mgd or greater before December 31, 2032, the PRWC will decide if the project(s) is/are feasible to replace the Alafia River as a potential water supply. The PRWC's decision shall be approved by the PRWC's Board of Directors on or before December 31, 2032. If the PRWC selects the identified alternative water supply projects(s), it waives any claim to withdraw water from the Alafia River pursuant to this Agreement. If no water supply project(s) with an annual average capacity of 12 mgd or greater is/are identified, or if the PRWC determines in its sole discretion the identified project(s) is/are not feasible, the PRWC may pursue a withdrawal from the Alafia River in accordance with this Agreement if such project has been determined feasible by the PRWC no later than December 31, 2032, otherwise TBW is released from its obligation to potentially reduce its allocation from 19% to 14%.

X. TERMINATION. This Agreement may only be terminated by written consent of all the Parties.

XI. MISCELLANEOUS PROVISIONS.

- a. Notice. Notices under this Agreement must be in writing and delivered by hand, nationally recognized overnight courier, or email with confirmation of receipt, to the following representatives (or successors designated by notice):

As to the TBW: Tampa Bay Water
2575 Enterprise Road
Clearwater, Florida 33763
Attn: Chuck Carden
General Manager
Phone: (727) 796-2355
Fax: (727) 791-2388

With a copy to: Persson, Cohen, Mooney, Fernandez &
Jackson, P.A.
(Which Shall Not 236 Pedro Street
Constitute Notice) Venice, Florida 34285-2322

Attn: Kelly Fernandez, Esq.
Phone: (941) 306-4730
Fax: (941) 306-4832

As to the PRWC Polk Regional Water Cooperative
330 W. Church Street
Bartow, FL 33831-9005
Attn: Eric DeHaven
Executive Director
Phone: (863) 534-6475
Fax: (863) 534-7069

With a copy to: de la Parte, Gilbert, McNamara &
Caldevilla, P.A.
(Which Shall Not 101 E. Kennedy Boulevard
Constitute Notice) Suite 3100
Tampa, FL 33602
Attn: Edward P. de la Parte, Jr., Esq.
Phone: (813) 229-2775
Fax: (813) 229-2712

As to the District: Southwest Florida Water Management
District
7601 U.S. Highway 301 North
Tampa, FL 33637
Attn: Brian Armstrong
Executive Director
Phone: (352) 505-1298
Fax: (352)754-3493

With a copy to: Office of the General Counsel, Southwest
Florida Water Management District
(Which Shall Not 7601 U.S. Highway 301 North
Constitute Notice) Tampa, FL 33637
Attn: Chris Tumminia
General Counsel
Phone: (813) 985-7481
Fax: (813) 367-9776

- b. Authority to Enter Agreement. The Parties each have the power, authority, and legal right to enter into and perform the obligations set forth in this Agreement, and the execution and delivery and performance hereof by the Parties has been duly authorized by the governing authority of each of the Parties.
- c. Entire Agreement. This Agreement represents the entire understanding and agreement between the Parties with respect to the subject matter and supersedes or replaces all prior representations, statements, and

understandings between the Parties with respect to the matters and things addressed herein, either written or oral.

- d. Binding Effect. All of the terms and provisions of this Agreement, whether so expressed or not, shall be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective legal representatives, successors and permitted assigns.
- e. Default and Remedy.
 - i. Default. Failure on the part of any Party to observe, comply with, perform or maintain in any material way any term, covenant, condition, duty, obligation, representation or express warranty contained in this Agreement shall constitute a Default under this Agreement.
 - ii. Notice of Default and Opportunity to Cure. Upon occurrence of an alleged Default by any Party, the other Party shall deliver written notice to the Party allegedly in Default that identifies the specific nature of the alleged Default. The Party receiving such notice shall have thirty (30) days within which to cure the alleged Default. Provided that, if the alleged Default is of such nature that it cannot be reasonably cured within thirty (30) days, the Party allegedly in Default shall have such additional time as may be reasonably necessary to cure the alleged Default, so long as within said period, the alleged defaulting Party commences the cure and diligently prosecutes such cure until completion.
 - iii. Remedy for Default. For any alleged Default not cured as provided in Article XI.e.ii of this Agreement, the non-Defaulting Party may seek any remedy it may have available in law or in equity against the alleged Defaulting Party once completing the Dispute Resolution and Mediation provisions within Article XI.e.iv.

- iv. Dispute Resolution and Mediation. Prior to seeking any legal remedy for Default, the Parties shall be required to engage in dispute resolution and mediate the dispute with all the Parties. A Party shall submit a dispute to be resolved by delivering to the other Parties a written notice requesting resolution of the dispute. Within ten (10) business days after receipt of the written notice, the Parties will first confer in good faith at the executive level in attempt to resolve the dispute.

If that first meeting is unsuccessful, the Party submitting a dispute to be resolved shall deliver to the other Parties a written notice requesting mediation and include a list of three (3) potential mediators for consideration. Within ten (10) business days of the receipt of written notice, the Parties will select one of the proposed mediators or mutually agree to a mediator. To the extent practicable, all mediators shall have special competence and experience with respect to the subject matter under consideration. Within thirty (30) days following the selection, mediation will be scheduled. This mediation shall occur in-person and be held at location mutually selected by the Parties, or at a location of the mediator's choosing if the Parties cannot agree. The Parties shall share equally in the fees and expenses of the mediator. Each Party shall pay their respective attorney's fees, expert fees and other expenses related to the mediation. Any settlement achieved through mediation shall be made in writing and approved by the Parties.

If a settlement is not reached within one hundred and eighty (180) days after the initiation of mediation or, if the mediator declares an impasse, then a Party may seek any and all legal or equitable remedies for the alleged Default. The mediation process set forth herein is intended to be a waiver of or a substitute or replacement for the conflict resolution process set forth in Chapter 164, Florida Statutes, which is acknowledged by all Parties.

- f. Time Extensions. The Parties by joint written consent may extend or change any of the deadlines specified in this Agreement.
- g. Amendment or Modification. This Agreement may not be amended or modified without prior written consent of all of the Parties to this Agreement. Any amendments or modifications, in whole or in part, will be documented through a written instrument that sets forth such changes and which is signed by all of the Parties.
- h. Waiver. Any failure by a Party to exercise any right, power or privilege under this Agreement shall not constitute a waiver of that right, power, or privilege under this Agreement.
- i. Assignability. This Agreement may not be assigned without the prior written consent of all of the Parties to this Agreement.
- j. Third Parties. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement, on any person other than the Parties, their legal representatives, successors and permitted assigns. Nothing in this Agreement is intended to relieve or discharge the obligation of any third person to any Party, nor shall any provision of this Agreement be interpreted to give any third person any right of subrogation or action over or against the Parties.
- k. Recording. The Parties intend this Agreement to be an interlocal agreement pursuant to section 163.01, Florida Statutes, and it shall be recorded by the PRWC with the Clerk of the Circuit Court in and for Polk, Hillsborough, Pasco, and Pinellas Counties, Florida.
- l. Severability. If any part of this Agreement is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder shall not be invalidated and shall be given full force and effect so far as possible.

- m. Governing Law and Venue. This Agreement and all transactions contemplated by this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Florida without regard to any contrary conflicts of law principle. Venue of all proceedings in connection with this Agreement shall be exclusively in Sarasota County, Florida and each Party waives whatever their respective rights may have been in the selection of venue.
- n. Headings. The headings contained in this Agreement are for convenience of reference only, and shall not limit or otherwise affect in any way the meaning or interpretation of this Agreement.
- o. Attorney's Fees. The Parties agree that each Party shall bear its own attorney's fees and costs incurred in connection with this Agreement.
- p. Waiver of Jury Trial. The Parties expressly and specifically waive the right to a jury trial as to any issue in any way connected to this Agreement.
- q. Counterparts and Electronic Signature. This Agreement may be executed in counterparts, each of which is an original, and by electronic signature or scanned copies, each of which is deemed an original.
- r. No Construction Against Drafting Party. The Parties to this Agreement expressly recognize that this Agreement results from a negotiation process in which each Party was given the opportunity to consult with counsel and contribute to the drafting of this Agreement. Given this fact, no legal or other presumptions against the Party drafting any portion of this Agreement concerning its construction, interpretation, or otherwise shall accrue to the benefit of any Party to this Agreement and each Party expressly waives the right to assert such presumption in any proceeding or disputes connected with, arising out of, or involving this Agreement.

- s. Public Records and Sunshine Compliance. Each Party shall comply with applicable public records and open meetings laws. The Parties acknowledge that documents created or received under this Agreement may be public records subject to disclosure.

- t. Preservation of Authority. Each Party expressly preserves its statutory authority and discretion, including but not limited to, the District's authority to regulate consumptive uses of water, evaluate and act on applications, and ensure adequate water supply; TBW's authority under its interlocal agreement and governing statutes; and PRWC's authority under its interlocal agreement and governing statutes.

- u. Miscellaneous Provisions.
 - i. No Party shall be deemed to be an agent of any other Party nor shall represent that it has the authority to bind any other Party.

 - ii. In computing any time period under this Agreement, any reference to days shall mean calendar days, unless business days are specifically referenced. In computing any period of time under this Agreement, exclude the day of the event that triggers the computation of the period of time. If the last day of a period of time is a Saturday, Sunday or legal holiday, the period of time shall run until the end of the next calendar day which is not a Saturday, Sunday or legal holiday.

 - iii. Nothing in this Agreement shall be deemed a waiver of any Party's police powers.

[Signatures begin on the following pages]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers as of the Effective Date.

POLK REGIONAL WATER COOPERATIVE

By: Nathanial Birdsong

Name: Nathanial Birdsong

Title: Chair

Date: March 18, 2026

Approved as to Form and Correctness:

Edward P. de la Parte, Jr.

Edward P. de la Parte, Jr.

Legal Counsel

TAMPA BAY WATER, A REGIONAL WATER SUPPLY AUTHORITY

By: _____

Name: Lisset Hanewicz

Title: Chairman, Commissioner Hillsborough County


Date: _____

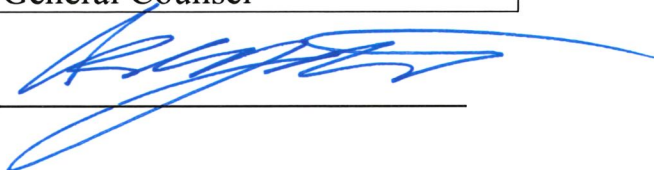
Approved as to Form and Correctness:

Kelly Fernandez, Esq.
Legal Counsel

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

By: 
John Mitten, Chair

Approved as to Legal Form and Content

Chris Tumminia, Esq.
General Counsel

Attest: 

Name: Ashley Bell Barnett

Filed this 24th day of March 2026.


Deputy Agency Clerk

TAMPA BAY WATER, A REGIONAL WATER SUPPLY AUTHORITY


By: _____

Name: Lisset Hanewicz

Title: Chair, Council Member for City of St. Petersburg


Date: 4/20/2026

Attest:



Charles H. Carden, Secretary

Approved as to Form and Correctness:



Kelly Fernandez, Esq.

Legal Counsel

Exhibit A - Proposed TBW Permit
Available upon request

SUBJECT

Update on Upper Peace River Minimum Flows (Information)

DESCRIPTION

The PRWC Combined Projects Implementation Agreement was executed by the PRWC members in March 2017 for the purpose of implementing approved candidate projects. In 2019 the PRWC and its members amended the Combined Projects Implementation Agreement to include the Peace River Surface Water Supply Project and the PRWC and Southwest Florida Water Management District (District) executed a Cooperative Funding Initiative agreement for \$961,100 (District provided 50% funding) to perform a feasibility study of the project. In May of 2022 the PRWC completed a draft report and provided it as a deliverable to the SWFWMD. The report included a conceptual plan for a surface water intake, reservoir, and water treatment facility on the Peace River south of Fort Meade. The projected annual average raw water capacity of the project was estimated at 28 MGD.

In November 2023, the PRWC and District amended the funding agreement to postpone the project until the District completed its reevaluation of the minimum flows for the Upper Peace River. At that time, the District was unwilling to move forward with several project tasks until final revised minimum flows were adopted.

The District is now in the process of adopting revised minimum flows for the Upper Peace River. The revised minimum flows are undergoing peer review with rule adoption scheduled for late 2026. The PRWC Board of Directors allocated funds in the amount of \$49,828 at the November 19, 2025, meeting for TeamOne to participate in the peer review/rule process to review the technical competence of the proposed revised minimum flows.

The PRWC and TeamOne have participated in a series of peer review meetings with the District to review the proposed minimum flows. Prior to the final peer review meeting, the PRWC submitted a technical memorandum (Exhibit A) to the District with a series of recommendations:

- 1) The District should provide additional justification for its reliance on total inundated area (flood plain) as the primary ecological metric for establishing high flow restrictions. Use of a frequency/duration-based metric might be more appropriate;
- 2) The District should better establish that a 15% loss in inundated area (flood plain) produces measurable ecological harm;
- 3) The District should consider refining its approach to determine whether specific flow reductions compromise ecological functions rather than relying on a fixed percentage reduction;

- 4) Most importantly, the District should replace a twelve-month ground water adjustment factor derived from the PRIM2 model with a single annual adjustment rate at each river gage location. This would eliminate operational (for future withdrawals) and ecological deficiencies in the current approach.

Under the District's proposed revised minimum flows, technical analysis by TeamOne indicates that the PRWC would still have access to an estimated annual average capacity of up to 17-18 MGD from the Peace River based upon how the district responds to the PRWC comments. The Peer Review Committee plans to provide the district with a final draft report in May 2026.

RECOMMENDATION

This item is provided for the Board's information and no action is required.

FISCAL IMPACT

No fiscal impact.

CONTACT INFORMATION

Eric DeHaven

Exhibit A

Date: **4/8/2026**

Project No.: **204792**

To: **Eric DeHaven, Executive Director, Polk Regional Water Cooperative**

From: **Tony Janicki, PhD, Environmental Science Associates**
A. Dale Helms, PE, Carollo Engineers

Subject: **Review Comments on the Proposed Minimum Flows for the Upper Peace River from Bartow to Zolfo Springs, Florida**

1 Executive Summary

This technical analysis identifies ecological and methodological deficiencies in the Southwest Florida Water Management District’s (“District”) November 2025 draft report entitled *A Reevaluation of Minimum Flows for the Upper Peace River from Bartow to Zolfo Springs, Florida* (the “Draft Report”). The Draft Report proposes to replace the existing minimum flows adopted in 2006 with a four-block flow regime (**Table 1**) that includes new high-flow restrictions (Blocks 3A and 3B) designed to protect floodplain inundation. These new high-flow restrictions will substantially reduce the quantity of water available for consumptive use by the Polk Regional Water Cooperative (“Cooperative”) from the Upper Peace River.

Table 1 Proposed Upper Peace River Minimum Flows and Allowable Flow Reductions

River Segment	Index Gage Name (Site ID)	Flow Block	Flow Range	Maximum Allowable Reduction ^a	Minimum Flow ^a
Upper	Bartow (02294650)	1	≤ 30 cfs	0%	100% ^b
		2	> 30 cfs and ≤ 71 cfs	12%	30 cfs or 88% ^c
		3A	> 71 cfs and ≤ 483 cfs	15%	85%
		3B	> 483 cfs	7%	93%
Middle	Fort Meade (02294898)	1	≤ 21 cfs	0%	100% ^b
		2	> 21 cfs and ≤ 120 cfs	12%	21 cfs or 88% ^c
		3A	> 120 cfs and ≤ 529 cfs	10%	90%
		3B	> 529 cfs	7%	93%
Lower	Zolfo Springs (02295637)	1	≤ 40 cfs	0%	100% ^b
		2	> 40 cfs and ≤ 274 cfs	13%	40 cfs or 87% ^c
		3A	> 274 cfs and ≤ 1,047 cfs	9%	91%
		3B	> 1,047 cfs	7%	93%

Notes:

^a Based on previous day baseline flow.

^b A 95% annual exceedance is proposed to account for uncertainties related to annual rainfall variations, provisional USGS data, sinkhole losses, Lake Hancock water storage capacity, and structure maintenance, etc.

^c Whichever is greater.

The Cooperative's water supply operations will depend on withdrawing water from the Upper Peace River at a future intake station located near Bowling Green during high-flow periods and storing it in a reservoir for use throughout the year, including during low-flow periods when the Cooperative is unable to withdraw. The proposed Block 3A and 3B restrictions at the Zolfo Springs index gage would limit the Cooperative to withdrawing no more than 7-9% of the flow during these critical high-flow periods, reducing the Cooperative's potentially available long-term average available withdrawals from approximately 28 million gallons per day (mgd) to approximately 17-18 mgd—a reduction of approximately 36-39%.

The Florida Water Resource Implementation Rule (Rule 62-40.473, Florida Administrative Code) for establishment of Minimum Flows and Levels (MFLs), requires that "...consideration shall be given to natural seasonal fluctuations in water flows or levels, nonconsumptive uses, and environmental values associated with coastal, estuarine, riverine, spring, aquatic and wetlands ecology, including:

- Recreation in and on the water;
- Fish and wildlife habitats and the passage of fish;
- Estuarine resources;
- Transfer of detrital material;
- Maintenance of freshwater storage and supply;
- Aesthetic and scenic attributes;
- Filtration and absorption of nutrients and other pollutants;
- Sediment loads;
- Water quality; and
- Navigation."

The District's MFL approach for the Upper Peace River included establishment of a baseline flow condition that provided the basis for comparison to various potential MFL flow regimes. To account for seasonal variability of the effects of flow changes on critical river characteristics, flow-based blocks were defined. A HEC-RAS hydraulic model of the Upper Peace River was established to provide quantitative estimates of the relationships between streamflow and various metrics that represent the MFL water resource values (WRVs).

A number of potential concerns associated with the proposed revisions to the current Upper Peace River MFLs have been identified including:

- **Choice of MFL floodplain metric—inundated floodplain area**
- **Non-linear ecological responses to changes in flows**
- **Percent-of-flow methodology**
- **Groundwater component of MFL determination**

Identified technical deficiencies associated with these issues are discussed herein. The District should consider these comments and revise the Draft Report so that the proposed Upper Peace River MFLs are grounded in sound science and appropriately balance the statutory objectives of ecological protection and the provision of water for reasonable-beneficial use.

2 MFL Approaches to Address Ecological and Water Resource Values

The following generally describes the approaches used by the District for the evaluation of each potential WRV.

2.1 Recreation in and on the Water

Using the HEC-RAS model output, the Recreation WRV was evaluated by assessing water depths and analyzing potential changes in floodplain inundation. Water levels were reviewed to ensure protection of the floodplain and instream fish and invertebrate habitats.

2.2 Navigation

The navigation criterion is defined as the flow corresponding to a water depth of 0.5 ft (0.15 m), consistent with several previous minimum flow evaluations conducted for the Lower Santa Fe River (HSW, 2021), Charlie Creek (Deak et al., 2023), Horse Creek (Ghile et al., 2023), and Little Manatee River (Holzwardt et al., 2023). Given the availability of existing boat launch facilities and docks along the river, the waterway is not expected to support commercial and large-scale recreational boating, aside from canoeing or kayaking.

2.3 Water Quality

The District analyzed 14 water quality parameters. These analyses included assessment of temporal trends in these parameters. Spatial variability was also examined in relation to variation in river flows. The potential impacts of river flows on both temporal and spatial variability were also examined. As part of the minimum flow evaluation, The inundation of floodplain areas can largely contribute to both temporal and spatial variability. The results from these analyses indicate that the recommended minimum flows for the Upper Peace River are not expected to negatively affect water quality or impair the water designated use of the water body.

2.4 Sediment Loads

Variation in sediment loads (the total quantity of sediment transported by a river, including both suspended particles and bedload) can significantly alter stream habitats for fishes and macroinvertebrates. Sediment loads are largely affected by river flow, channel morphology, and sediment size. The relative change between the baseline and minimum flow conditions provides a useful measure of the potential effects of the recommended minimum flows on sediment loads. The District concluded that the recommended minimum flows will not significantly reduce sediment loads in the Upper Peace River.

2.5 Filtration and Absorption of Nutrients and Other Pollutants

The relationships between the Filtration and Absorption of Nutrients and Other Pollutants WRV and river flow were assessed by the District. As was observed for several other WRVs, variation in river flows can significantly affect this environmental value. This environmental value is also linked to other WRVs, including Recreation in and on the Water, Fish and Wildlife and the Passage of Fish, Transfer of Detrital Material, Sediment Loads, and Water Quality. The District assessed this environmental value by evaluating system bathymetry, floodplain inundation, and instream habitats. This WRV is perhaps most closely linked to the inundation of floodplain areas.

2.6 Aesthetic and Scenic Attributes

The District concluded that the aesthetic and scenic attributes of the Upper Peace River are closely intertwined with other WRVs (i.e., Recreation In and on the Water, Fish and Wildlife and the Passage of Fish, Transfer of Detrital Material, Filtration and Absorption of Nutrients and Other Pollutants, Sediment Loads, Water Quality, and

Navigation). Therefore, minimum flows that are protective of these other WRVs will also protect the river's aesthetic and scenic attributes.

2.7 Estuarine Resources

The District noted that the Upper Peace River flows through the middle and lower segments of the Peace River before ultimately emptying into Charlotte Harbor estuary. The Upper Peace River is not directly connected to estuarine resources. Therefore, the District did not consider this WRV directly relevant for the development of minimum flows for the Upper Peace River.

2.8 Maintenance of Freshwater Storage and Supply

While the maintenance of freshwater storage and supply is protected through the implementation of the District's Water Use Permitting and Environmental Resource Permitting Programs, the established MFL will provide the regulatory basis for its water supply.

2.9 Transfer of Detrital Material Transfer

The District considered the Transfer of Detrital Material WRV (i.e., the movement of loose organic material, debris, and decomposing biota from floodplain overbanks into the main channel) for MFL development of recommended minimum flows for the Upper Peace River. Maintenance of the floodplain habitats in the Upper Peace River is essential to detrital transfer processes, including serving as sources or sinks, and conduits for organic matter production, export, and utilization. Of particular importance is the inundation of floodplain areas at the proposed Block 3A and 3B MFLs.

2.10 Fish and Wildlife Habitat and the Passage of Fish

To support the Fish and Wildlife Habitat and the Passage of Fish WRV, the District defined an MFL that protected the full range of flow conditions. The protection of fish passage is ensured by the low flow conditions that provide for an adequate water depth to allow passage. The District applied the System for Environmental Flows Analysis (SEFA) to define the flows necessary to sustain instream habitats for fish and wildlife. Woody habitat inundation analysis was performed to ensure adequate inundation of habitats for microbial colonization and subsequent probable use by other organisms. The higher MFL block flows and water levels were also evaluated to ensure the protection of critical floodplain habitats for fish and wildlife.

3 Ecological Issues Associated with Proposed Revisions to Current MFLs

A central assumption of the proposed MFLs is that the Block 3A and 3B flow restrictions are necessary to protect the area of Upper Peace River floodplains, and that maintaining a minimum floodplain inundation area is necessary to prevent “significant harm.” This assumption rests on the choice of the most appropriate floodplain characteristic, which in this case is area of floodplain inundation. A number of MFLs previously established by the state’s water management districts applied this approach. Is there any evidence that supports the assumption that ecological function varies with the area of floodplain that is inundated?

3.1 Choice of MFL Floodplain Metric: Inundated Floodplain Area

Recent research, for example a study authored by Cliff Neubauer and others of the St. Johns River Water Management District (Neubauer et al., 2008), has concluded that inundation frequency, duration, and timing are more ecologically important than total inundation area. Similar results were reported by Scott et al. (2019). The District should provide further justification to support the choice of inundated area as the best metric of floodplain health and productivity.

3.2 Non-Linear Ecological Responses

Floodplain ecosystems typically exhibit threshold effects and non-linear responses to flow changes, not the linear relationship assumed by the 85% area proposed threshold. D’Amario et al. (2019), published in *Scientific Reports*, found that nonlinear ecological responses occur in “half of all analyses, with some evidence of multiple breakpoints.” Dodds et al. (2010) established the theoretical framework for understanding thresholds in freshwater systems, defining a threshold as a point where “the system responds rapidly to a relatively small change in a driver.” The existence of ecological thresholds means that a 15% reduction in floodplain area may fall well within the range of ecological resilience, producing no detectable harm.

3.3 Percent-of-Flow Methodology

The District employs a percent-of-flow methodology to establish the Block 3A and 3B minimum flows. The District has a long history of applying this methodology particularly in both MFL development and water use permitting. However, a comprehensive meta-analysis published in *Water Supply* (Gebreegziabher et al., 2023) characterized percent-of-flow methods as “simplistic hydrological approaches with low data requirements that address only physical aspects and provide simplistic answers with little or no ecological relevance.” Some of the environmental community has shifted toward “functional flows” approaches that identify specific ecological functions (fish migration, nutrient cycling, floodplain connectivity, sediment transport) and evaluate whether specific flow reductions actually compromise those functions. The California Environmental Flows Framework, for example, identifies five discrete components of the annual hydrograph that support key biophysical processes, rather than imposing fixed percentage reductions. Yarnell et al. (2020) provide a rigorous methodology for selecting ecologically relevant flow metrics tied to specific ecological outcomes, representing the current state of the science. If possible, the District should consider this criticism.

4 Groundwater Component of MFL Determination

4.1 Development of Groundwater Adjustment Rates

A central component of the District's proposed MFL methodology is the estimation of baseline flows—i.e., what river flows would have been without the influence of regional groundwater withdrawals. To derive these baseline flows, the District used the Peace River Integrated Model, Version 2 (PRIM2), a coupled groundwater/surface water model. The PRIM2 model was run for two scenarios covering the years 2003 to 2018: one using existing (100%) groundwater pumpage rates, and one using a 50% reduction in groundwater pumpage. The monthly differences in simulated streamflow between these two scenarios were then doubled to estimate the streamflow changes attributable to the full elimination of groundwater withdrawals. These estimated monthly streamflow differences—referred to as groundwater impact adjustment rates—were then added to actual historical gaged streamflows at each of the three index gages (Bartow, Fort Meade, and Zolfo Springs) to produce estimated baseline daily flows for MFL development.

Because the PRIM2 model was only run for the 16-year period from 2003 to 2018, the District needed to extend the adjustment factors to cover the full desired baseline period of 1975 to 2022. To accomplish this, yearly adjustment rates were determined by dividing the estimated total groundwater use in each of the baseline years by the average groundwater use for the 16-year PRIM2 modeling period. These yearly adjustments were then applied to the average monthly adjustment factors for the PRIM2 modeling period. The resulting final factors were applied to the daily gaged record of the river to estimate daily baseline flows for the 1975–2022 period (Draft Report, Section 5.4).

The resulting monthly adjustment rates, as reported in Table 5-6 of the Draft Report, vary significantly by month and by gage location. At Bartow, adjustments range from –0.62 cfs (May) to +32.73 cfs (September), with an annual average of +13.41 cfs. At Fort Meade, adjustments range from +4.31 cfs (May) to +34.78 cfs (September), with an annual average of +17.14 cfs. At Zolfo Springs, adjustments are predominantly negative, ranging from –25.18 cfs (June) to +12.22 cfs (October), with an annual average of –6.54 cfs. These adjustment factors are central to the District's determination of both baseline flows and MFL compliance status.

4.2 Application of Monthly Adjustment Rates to Determine Available Water

The District's proposed method for implementing the MFLs for compliance purposes uses the monthly groundwater adjustment rates to convert daily gaged flows into estimated daily baseline flows. Specifically, on any given day, the monthly adjustment rate for that calendar month is added to (or subtracted from) the observed gaged flow at each index gage to compute the estimated baseline flow. The proposed percent-of-flow diversion limits (by block) are then applied to these adjusted baseline flows to determine the allowable daily diversions. This methodology is described in the District's March 27, 2026 presentation (Ghile, 2026) and would also serve as the basis for determining permissible limits for new surface water withdrawals from the Upper Peace system upstream of Zolfo Springs.

4.3 Impracticality of Monthly Adjustment Rates

Applying the groundwater impact adjustment rates on a monthly basis creates operationally problematic and scientifically questionable transitions at calendar month boundaries. Because each adjustment rate changes discretely at the turn of each month, the estimated baseline flow—and therefore the allowable diversion—can change abruptly from one day to the next even though the actual river flow may not change appreciably. For example, if the river is experiencing nearly the same gaged flow on the 31st of one month as on the 1st of the following month, the monthly adjustment factor applied to that flow will differ solely because of the calendar date. This could result in a situation where a water user is permitted to withdraw water from the river on the 31st but is no longer permitted to withdraw on the 1st, despite the streamflow being essentially identical on both days. From

an operational standpoint, particularly for a surface water supply project that depends on consistent withdrawal opportunities during high-flow periods, this approach is impractical and perhaps unnecessarily restrictive. The Cooperative’s proposed withdrawal from the Upper Peace River near Bowling Green would require consistent and predictable operational rules, and tying withdrawal eligibility to a monthly adjustment rate that shifts arbitrarily at calendar boundaries undermines that objective.

4.4 Ecological Unsoundness of Monthly Adjustment Rates

Beyond the operational difficulties, the use of monthly groundwater adjustment rates for MFL compliance is ecologically unsound. Groundwater interactions with the Upper Peace River do not change discretely at the boundary of each calendar month. Groundwater discharge to, and recharge from, a river is a continuous process governed by the hydraulic gradient between the aquifer and the stream, which responds to regional pumping patterns, seasonal rainfall, and aquifer storage on timescales that do not align with the calendar. As Flannery (2026) has observed, the Upper Peace River is a highly complex system for modeling groundwater interactions with streamflow, in large part because of extensive physical alterations to its watershed—particularly widespread phosphate mining, which currently accounts for approximately 25% of the upper river basin. Mined lands in close proximity to the river, including large areas of clay settling ponds, have very little recharge to the Floridan aquifer and disrupt localized groundwater flow to the river (Flannery, 2026). There have also been large historical changes in groundwater use in the upper river basin, much of which occurred when water use records were not nearly as complete as today.

From an ecological perspective, the organisms, habitats, and biogeochemical processes that the MFLs are designed to protect do not respond to arbitrary monthly categorizations of groundwater influence. Fish passage, floodplain inundation, sediment transport, nutrient cycling, and detrital transfer are all driven by actual flow conditions in the river at any given time—not by the calendar month in which that flow occurs. A fish moving through a reach on the last day of one month experiences the same hydraulic conditions as on the first day of the next month if the flow is the same. Similarly, floodplain connectivity and the biogeochemical processes it supports are governed by the magnitude and duration of flows, not by monthly administrative boundaries. Applying different groundwater adjustments to identical river conditions solely because of a calendar date change introduces an artificial discontinuity that has no ecological basis and no relationship to the continuous physical processes occurring in the river system.

The ecological deficiency of the monthly adjustment factor approach is compounded by the fact that each monthly rate adjustment is applied as a fixed flow quantity regardless of the rate of flow in the river. As Flannery (2026) has demonstrated, because the adjustment factor for a given month does not vary with the flow rate, the resulting determination of allowable withdrawals produces anomalous seasonal patterns that bear no rational relationship to the ecological needs of the river system. For example, using the District’s methodology at the Fort Meade gage, at a gaged flow of 150 cfs in June, an allowable net withdrawal of 9.6 cfs can be calculated, yet at that same 150 cfs flow rate no water can be withdrawn at all during August, September, October, November, or December—months that are generally less ecologically sensitive than the early summer period when fish spawning and recruitment are active. In September, no water can be withdrawn until gaged flows reach 314 cfs or greater. These results are ecologically counterintuitive: the monthly adjustment rates effectively permit withdrawals during ecologically critical low-flow periods in some months while prohibiting withdrawals during less sensitive high-flow periods in other months, solely because of how the fixed monthly adjustment interacts with the rate of flow.

This fundamental mismatch between the adjustment factor methodology and the ecological realities of the river undermines the capacity of the proposed MFLs to fulfill their statutory mandate of preventing “significant harm” to the water resources and ecology of the Upper Peace River. The purpose of an MFL is to ensure that withdrawals do

not cause unacceptable ecological degradation; yet a methodology that produces arbitrary seasonal variations in water availability—unrelated to actual ecological sensitivity or the magnitude of flow—cannot reliably achieve that objective. Flannery (2026) has recommended that the District examine adjustment rates based directly on the rate of flow, possibly incorporating a seasonal component, which would more accurately reflect the hydrologic and ecological characteristics of the river and provide a more scientifically defensible basis for protecting the system from significant harm.

4.5 Alternative Approach Using a Single Groundwater Adjustment Rate

In place of the twelve monthly adjustment factors, the District could also consider applying a single average annual groundwater impact adjustment rate at each MFL index gage location. The long-term average values from the PRIM2 model, as reported in the Draft MFL Report Table 5-6, provide a straightforward basis for such an approach: +13.4 cfs for Bartow, +17.1 cfs for Fort Meade, and -6.5 cfs for Zolfo Springs. Applying a single adjustment rate at each gage would eliminate the artificial monthly discontinuities that create operationally impractical and ecologically meaningless transitions in the determination of allowable withdrawals. For MFL implementation and compliance, substituting a single annual average groundwater adjustment rate for the monthly rates would have a negligible effect on the estimated long-term water availability but would provide substantial operational and ecological advantages.

A single annual adjustment rate would make practical operation of a surface water supply project simpler and more predictable, while still being protective of the water resources and ecology of the system. The single rate would also better reflect the underlying reality that groundwater interactions with the river are continuous processes that are more accurately characterized by long-term averages than by month-to-month fluctuations in a model output. It is recommended that the District consider adopting this approach for the operational implementation and ongoing compliance of the proposed MFLs.

5 Conclusions

The Upper Peace River is both an ecologically significant waterbody and a vital potential source of water supply for the citizens of Polk County. The Cooperative recognizes that the District has a statutory obligation to establish MFLs that prevent significant harm to the water resources and ecology of the river. At the same time, Section 373.042, Florida Statutes, requires that the establishment of minimum flows account for the needs of both the natural system and reasonable-beneficial uses of water, including public water supply.

This analysis has identified a number of ecological, methodological, and technical deficiencies in the Draft Report that, if left unaddressed, will result in MFLs that are unnecessarily restrictive without providing a corresponding ecological benefit—thereby depriving the citizens of Polk County of a critical water supply resource without adequate scientific justification. The District should revise the Draft Report to address the following concerns.

Choice of Floodplain Metric. The Draft Report uses inundated floodplain area as the primary ecological metric for establishing the Block 3A and 3B flow restrictions. Recent peer-reviewed research indicates that inundation frequency, duration, and timing are more ecologically important than total inundation area. The District should provide additional justification for its reliance on inundated area or, alternatively, incorporate frequency- and duration-based metrics that more accurately reflect floodplain ecological function.

Non-Linear Ecological Responses and the 15% Habitat Loss Threshold. The Draft Report assumes that maintaining at least 85% of baseline floodplain inundation area is necessary to prevent significant harm. However, floodplain ecosystems exhibit threshold effects and non-linear responses to flow changes, not the linear relationship implicit in a fixed percentage standard. The District should evaluate whether a 15% reduction in inundated area actually produces measurable ecological harm or falls within the range of ecological resilience, and should justify the selected threshold with site-specific data rather than relying on a generalized assumption.

Percent-of-Flow Methodology. The District applies a percent-of-flow methodology to establish the Block 3A and 3B minimum flows. While the District has a long and defensible history of using this approach, the scientific community has increasingly recognized the limitations of percent-of-flow methods for assessing ecological impacts. The District should consider supplementing or refining its approach by evaluating whether specific flow reductions actually compromise identifiable ecological functions—such as fish migration, floodplain connectivity, and sediment transport—rather than relying exclusively on a fixed percentage reduction.

Groundwater Adjustment Rate Methodology. The District's use of monthly-averaged groundwater adjustment rates derived from the PRIM2 model to estimate baseline flows raises three distinct concerns. First, the monthly adjustment rates create operationally impractical discontinuities at calendar month boundaries, where the allowable withdrawal can change abruptly from one day to the next despite no change in actual river flow. Second, the monthly adjustments are ecologically unsound because groundwater interactions with the river are continuous processes that do not follow the calendar, and the organisms and habitats that the MFL is designed to protect respond to actual flow conditions, not to administrative monthly categories. Third, because each monthly adjustment rate is a fixed quantity applied regardless of the actual rate of flow, the methodology produces anomalous seasonal patterns in water availability that bear no rational relationship to the ecological sensitivity of the river at different flow magnitudes—undermining the capacity of the proposed MFLs to fulfill their statutory mandate of preventing significant harm. The District could consider replacing the twelve monthly adjustment factors with a single annual average adjustment rate at each gage, as doing so would produce a negligible

difference in long-term water availability while eliminating the operational and ecological deficiencies of the monthly approach. Alternatively, the District could also examine whether adjustment rates based directly on the rate of flow would more accurately reflect the hydrologic and ecological characteristics of the river.

The Cooperative is committed to working constructively with the District to develop minimum flows that are scientifically defensible, ecologically protective, and operationally workable. The Upper Peace River can and should serve both ecological and water supply functions. The issues identified in this analysis are not insurmountable, but they require the District to revise the Draft Report so that the proposed MFLs are grounded in sound science, reflect the severely altered condition of the upper river watershed, and appropriately balance the statutory objectives of environmental protection and the provision of water for the reasonable-beneficial use of the citizens of Polk County.

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Agenda Item H.1.

5/20/2026

SUBJECT

Update on Southeast Wellfield Project (Information)

DESCRIPTION

This will be a recurring agenda item to keep the PRWC Board of Directors updated on progress related to the design, permitting and construction of the Southeast Wellfield Project. Staff will provide an overview of:

- 1) Design and Cost Estimating;
 - a. Transmission Main
- 2) Bidding and Construction;
 - a. Production wells
 - b. Water Production Facility
 - c. Transmission Main
- 3) Land acquisition;
- 4) Permitting;
- 5) Other key activities as needed.

RECOMMENDATION

This is an information item and no action is required.

FISCAL IMPACT

No fiscal impact.

CONTACT INFORMATION

Mark Addison

Agenda Item H.2.

5/20/2026

SUBJECT

Adopt Resolution 2026-03 Parcel Resolution of Necessity to Acquire Specified Parcels (Parcel 3095 Permanent and Temporary Construction Easement) to Implement the Southeast Lower Floridan Aquifer Water Production Facility and Southeast Transmission Line Projects (Action)

DESCRIPTION

Pursuant to Cooperative Resolution 2023-06, as amended by Resolutions 2024-34, 2025-05 and 2025-30, the Cooperative Board approved the construction of the SEFLA WPF raw water transmission line as depicted in said resolution and the SETM finished water pipeline as depicted in said resolution as necessary, practical and in the best interest of the Cooperative and its member governments and that the acquisition of such property and property rights are needed for such construction. Resolution 2026-03 constitutes a Parcel Resolution for the SELFA WPF raw water transmission line and SETM finished water pipeline projects, specifically related to those parcels described in Exhibits "A," "B," "C" and "D." This resolution authorizes the Cooperative, its officers, employees, contractors and attorneys to acquire permanent and temporary construction easement(s) in certain lands described in Exhibits "A," "B," "C" and "D" by negotiation, contract or legal proceedings, including eminent domain proceedings pursuant to Chapters 73 and 74, Florida Statutes.

RECOMMENDATION

Adopt Resolution 2026-03 Parcel Resolution of Necessity to acquire Specified Parcels (Parcel 3095 Permanent and Temporary Construction Easements).

FISCAL IMPACT

No fiscal impact.

CONTACT INFORMATION

Mark Addison
Ed de la Parte

POLK REGIONAL WATER COOPERATIVE

Resolution 2026-03

**PARCEL RESOLUTION OF NECESSITY TO ACQUIRE CERTAIN SPECIFIED PARCELS
TO IMPLEMENT
THE SOUTHEAST LOWER FLORIDAN AQUIFER WATER PRODUCTION FACILITY AND
SOUTHEAST TRANSMISSION LINE PROJECTS**

The Polk Regional Water Cooperative (“Cooperative”), created pursuant to Section 373.713, Florida Statutes, and an Interlocal Agreement pursuant to Section 163.01, Florida Statutes, in lawful session and in regular order of business properly presented, finds that:

WHEREAS, the Cooperative as an independent special district created pursuant to Chapter 189, Section 373.713, Florida Statutes and an Interlocal Agreement entered into on June 1, 2016 pursuant to Section 163.01, Florida Statutes by Polk County and 15 municipalities within Polk County (the “Interlocal Agreement”) for the purpose of developing AWS projects to meet the future potable water needs of the citizens of Polk County; and

WHEREAS, the Interlocal Agreement was approved by a Final Order of the Secretary of the Florida Department of Environmental Protection on September 26, 2023, pursuant to Section 373.713(1), Florida Statutes; and

WHEREAS, in April 2021, the Cooperative and 15 of its member governments entered into the Implementation Agreement for the Southeast Wellfield, which obligates the Cooperative to construct and operate the Southeast Wellfield Project to supply the participating member governments 15.15 million gallons a day of potable water by 2045 (the “Implementation Agreement”); and

WHEREAS, the Southeast Wellfield Project consists of the Southeast Lower Floridan Aquifer Water Production Facility (“SELFA WPF”) and the Southeast Transmission Main (“SETM”); and

WHEREAS, the Cooperative is in the process of constructing the first phase of the SELFA WPF, which consists of a 5 raw water wells, approximately 10 miles of raw water transmission line and a water treatment plant capable of producing 7.5 million gallons a day of high quality potable water and the SETM, which consists of approximately 61 miles of water transmission pipeline to deliver the finished water from the water treatment plant to the project participants for use in their water service areas; and

WHEREAS, pursuant to Cooperative Resolution 2023-06, as amended by Cooperative Resolutions 2024-34 and 2025-05, the Cooperative Board designated the SELFA WPF and SETM Projects as approved projects pursuant to the Interlocal Agreement and the Implementation Agreement; and

WHEREAS, pursuant to Cooperative Resolution 2023-06, as amended by Cooperative Resolutions 2024-34 and 2025-05, the Cooperative Board approved the construction of the SEFLA WPF raw water transmission line as depicted in said resolution and the SETM finished water pipeline as depicted in said resolution as necessary, practical and in the best interest of the Cooperative and its member governments and that the acquisition of such property and property rights are needed for such construction is necessary for the performance of its duties and for the construction, reconstruction and maintenance of said facilities for the use of the general public; and that the Cooperative is authorized to make such acquisition by gift, purchase or condemnation.

WHEREAS, the Cooperative has been granted the power of eminent domain pursuant to the Interlocal Agreement and Section 163.01(7)(f) and 373.713(2)(e), Florida Statutes for the condemnation of private property interest for public use, and to acquire any interest in such real property as is necessary for the purpose of carrying out the Interlocal Agreement; and

WHEREAS, before exercising the power of eminent domain the Cooperative Board of Directors is required to adopt a resolution authorizing the acquisition of property for any purpose set forth in the Interlocal Agreement for the Cooperative’s purpose or use subject to limitations set forth in Sections 73.013 and 73.014, Florida Statutes; and

WHEREAS, the Cooperative has bifurcated its eminent domain resolution into two separate resolutions; the Project Resolution, authorizing acquisition of property and property rights for the SELFA WPF raw water transmission line and SETM finished water pipeline projects, and the Parcel Resolution, authorizing the parcel acquisition and identifying the specific property and property rights to be acquired for the projects; and

WHEREAS, this Resolution constitutes a Parcel Resolution for the Southeast Wellfield Project; and

WHEREAS, the Cooperative has determined the need to acquire a non-exclusive permanent easement for construction of the Southeast Wellfield Project on certain lands located in Polk County, Florida, as more fully described in **Exhibit “A”**, the nature, terms and duration of the nonexclusive permanent easement as set forth in **Exhibit “B”**; and

WHEREAS, the Cooperative has determined the need to acquire a non-exclusive temporary construction easement for construction of the Southeast Wellfield Project on certain lands located in Polk County, Florida, as more fully described in **Exhibit “C”**, the nature, term and duration of the nonexclusive temporary construction easement as set forth in **Exhibit “D”**; and

WHEREAS, absent a relinquishment of the property pursuant to Section 73.013(4), Florida Statutes, land to be acquired will not be conveyed to natural persons or private entities and the land is not being acquired to abate or eliminate a public nuisance or to prevent or eliminate a slum or blight; and

WHEREAS, the Cooperative intends in good faith to construct the Southeast Wellfield Project on, under or over the described property; and

WHEREAS, the Cooperative has caused to be surveyed the line and area of construction by map or survey and location for the project; and

WHEREAS, the Cooperative shall comply with Chapters 73 and 74, Florida Statutes; and

WHEREAS, upon compliance with Chapters 73 and 74, Florida Statutes, the Cooperative is hereby authorized to exercise its power of eminent domain to acquire an interest in real property by initiating condemnation proceedings under Chapters 73 and 74, Florida Statutes.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. The forgoing findings are incorporated herein by reference and made a part hereof.

Section 2. That after consideration of the factors described in the foregoing recitals, the description of the property and interests described as Parcels (3095-PE) and (3095-TCE) in **Exhibits "A," "B," "C," and "D"** attached hereto and the same is ratified and confirmed and found to be reasonably necessary for the Cooperative's public purpose in constructing the Southeast Wellfield Project.

Section 3. That the Cooperative, its officers, employees, contractors and attorneys are hereby authorized and directed to acquire by negotiation, contract or legal proceedings, including eminent domain proceedings pursuant to Chapters 73 and 74, Florida Statutes, as may be necessary to acquire permanent and temporary construction easements in certain lands located in Polk County, Florida described in **Exhibits "A," "B," "C" and "D."**

Section 4. That the proper offices of the Cooperative are hereby authorized to do all things necessary and proper under the applicable provisions of Chapters 73, 74 and 163, Florida Statutes and the Interlocal Agreement and Implementation Agreements.

Section 5. That this Resolution shall take effect immediately upon its adoption.

Section 6. That if any phrase, portion or part of this Resolution is found to be invalid or unconstitutional by a court of competent jurisdiction, such phrase, portion or part shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remainder of the Resolution.

DONE at Auburndale, Florida this 20th day of May, 2026

Southeast Wellfield Project Board of the Polk Regional Water Cooperative:

Chair

Secretary/Treasurer

Approved as to Form:

Edward P. de la Parte
Legal Counsel

EXHIBIT A

Nonexclusive Permanent Easement Legal Descriptions

[See Attached 3 Pages]

DESCRIPTION
3095-PE

DESCRIPTION:

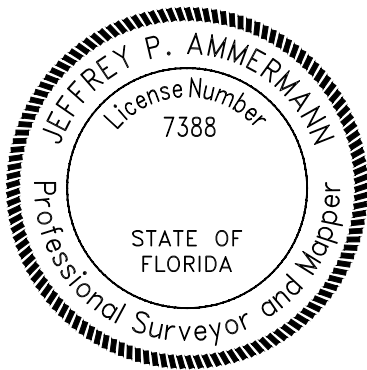
A parcel of land being a portion of the parcel described in Official Records Book 13638, Pages 1787 through 1791, Public Records of Polk County, Florida, as located in Section 35, Township 28 South, Range 27 East, being more particularly described as follows:

BEGIN at the Northwest corner of the Northeast 1/4 of the Southeast 1/4 of said Section 35; thence North 00°15'42" East, along the West line of the Southeast 1/4 of the Northeast 1/4 of said Section 35; a distance of 35.00 feet; thence North 89°23'56" East, parallel to the South line of said Southeast 1/4 of the Northeast 1/4; a distance of 622.18 feet to the intersection with the East line of said parcel as described in said Official Records Book 13638, Pages 1787 through 1791; thence South 00°30'16" East, along said East line, 35.00 feet to the intersection with said South line of said Southeast 1/4 of the Northeast 1/4; thence South 89°23'56" West, along said South line, 622.65 feet to the POINT OF BEGINNING.

Said parcel contains 21,784.61 square feet, more or less.

CERTIFICATION:

I hereby certify that this Description with Sketch was made under my direction and was made in accordance with Standards of Practice adopted by the State of Florida Department of Agriculture and Consumer Services, Board of Professional Surveyors and Mappers, Chapter 5J-17 of the Florida Administrative Code, pursuant to Section 472.027, Florida Statutes.



Jeffrey P
Ammermann

Digitally signed by
Jeffrey P Ammermann
Date: 2025.11.19
13:56:23 -05'00'

JEFFREY P. AMMERMAN, P.S.M.
FLORIDA REGISTRATION PSM 7388
JAMMERMAN@CHASTAINSKILLMAN.COM
THIS ITEM HAS BEEN DIGITALLY SIGNED AND SEALED BY THE ABOVE
SURVEYOR ON THE DATE ADJACENT TO SEAL. ANY SIGNATURE MUST BE
VERIFIED ON ANY ELECTRONIC COPIES. PRINTED COPIES OF THIS DOCUMENT
ARE NOT CONSIDERED VALID WITHOUT A RAISED SEAL.

SHEET 1 OF 2
SEE SHEET 2 FOR
DESCRIPTION SKETCH, LEGEND,
AND SURVEYOR'S NOTES

PREPARED BY: CHASTAIN-SKILLMAN, LLC. - 205 EAST ORANGE STREET SUITE #110 LAKELAND, FLORIDA 33801 - (863) 646-1402 - LB 262		CS PROJECT: 8825.03
DRAWN BY: S. CHILDS		3095-PE
FIELD BOOK: — PAGE: —	DATE: 11/19/2025	SHEET NO. V-01

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LEGEND:

- P.B. = PLAT BOOK
- PG. = PAGE
- O.R. = OFFICIAL RECORDS BOOK
- M.B. = MAP BOOK
- PE = PERMANENT EASEMENT
- TCE = TEMPORARY CONSTRUCTION EASEMENT
- D.B. = DEED BOOK
- ID = IDENTIFICATION

DESCRIPTION SKETCH
3095-PE

NOTES:

- 1) This is not a Boundary survey.
- 2) The bearings are based on the South line of the SE 1/4 of the NE 1/4 of Section 35, Township 28 South, Range 27 East, Polk County, Florida, being South 89°23'56" West.
- 3) See sheet 1 of 2 for description, certification, and Surveyor's signature and seal.

PARCEL ID: 272835-000000-012010
OWNER: KB HOME ORLANDO LLC
(O.R. 13638, PG. 1787)

WEST LINE OF THE
SE 1/4 OF THE NE 1/4
OF SECTION 35 AND WEST
LINE OF PARCEL
(O.R. 13638, PG. 1787)

SUBJECT PARCEL
3095-PE
CONTAINING 21,784.61 SQUARE FEET,
MORE OR LESS

PARCEL LINE
(O.R. 12843, PG. 2052)

NORTH LINE OF PARCEL II
(O.R. 13638, PG. 1787)

35.00'

N 89°23'56" E 622.18'

35.00'

L1

L2

S 89°23'56" W 622.65'
(BASIS OF BEARINGS)

SOUTH LINE OF THE
SE 1/4 OF THE NE 1/4
OF SECTION 35

POINT OF BEGINNING
NW CORNER OF THE NE 1/4
OF THE SE 1/4 OF SECTION 35,
TOWNSHIP 28 SOUTH,
RANGE 27 EAST

EAST LINE OF PARCEL
(O.R. 13638, PG. 1787)

LINE TABLE

LINE #	BEARING	LENGTH
L1	N 00°15'42" E	35.00'
L2	S 00°30'16" E	35.00'



SCALE
1" = 100'

SHEET 2 OF 2

CS PROJECT: 8825.03

**PREPARED BY: CHASTAIN-SKILLMAN, LLC. - 205 EAST ORANGE STREET SUITE #110
LAKELAND, FLORIDA 33801 - (863) 646-1402 - LB 262**

3095-PE

DRAWN BY: S. CHILDS

FIELD BOOK: — PAGE: —

DATE: 11/19/2025

SHEET NO. V-01

EXHIBIT B

Nonexclusive Permanent Easement

[See Attached 2 Page]

The nature, terms and duration of the nonexclusive permanent easement (the "Easement") which the Polk Regional Water Cooperative ("PRWC") acquires from the property owners/interest holders ("Owner") of the real property shown and described on Exhibit "A" are:

The Easement in, upon and through the following described land in the County of Polk, State of Florida, to-wit:

SEE ATTACHED EXHIBIT "A"
(the "Easement Area")

1. The permanent perpetual water line Easement interests and rights acquired by PRWC are the perpetual right, privilege and authority to construct, install, maintain, operate, inspect, patrol, ingress and egress, test, repair, alter, substitute, relocate, resize, replace and remove the water transmission line or lines and related fixtures and/or appurtenances thereto, and vehicular and pedestrian access over the easement area, for the transmission of water and such other improvements as are reasonably necessary in connection with the water supply project for the PRWC.
2. In the event that the construction and installation of the water transmission line or lines and related fixtures and/or appurtenances thereto impact Owner's improvements, PRWC shall, to the extent practicable, relocate or replace with the same, like, or better quality and at their original locations or as near as is reasonably practicable, all fences, roads, driveways, sidewalks, parking areas, irrigation systems, wells, septic tanks and septic drain fields, that PRWC damaged or caused to be removed, relocated or replaced from the Easement before or during initial construction and installation of the water transmission line or lines and related fixtures and/or appurtenances. Furthermore subject to PRWC's acquired easement rights, PRWC will restore the surface of all disturbed areas within the Easement to its original contour and condition, as near as is reasonably practicable.
3. This Grant of Easement shall not be construed as a grant of right of way and is limited to a PRWC Easement. The Owner shall have the right to use the area subject to the Easement granted hereby, including without limitation for improved parking areas, improved driveways, and landscaping, which are not inconsistent with the use of the Easement by PRWC for the purposes granted hereby. Inconsistent improvements to the use of the Easement by Owner for the purposes granted hereby, including mounded landscaping, building foundations and overhangs, foundations for pole mounted commercial signage, and other permanent structures and related foundations shall be strictly prohibited. With the specific written approval of PRWC, the limited use of trees, walls, and mounded landscaping may be utilized within the Easement by Owner.
4. Owner reserves the right to grant permission or other easements to other parties for ingress and egress. In addition, the Owner reserves the right to grant

permission or other easements to other parties for the purpose of installing and maintaining underground utilities, including without limitation, electrical, gas, broadband, fiber optic and cable (but not other water transmission lines), with the prior written consent of PRWC. PRWC shall not unreasonably withhold, condition, or delay its decision concerning such utility easements. Owner's request to grant permission or an easement to other parties must be written and delivered 1) in person, 2) via certified or registered mail (return receipt), or 3) via nationally recognized overnight delivery service to the attention of the Executive Director of the Polk Regional Water Cooperative at the then-current address of the PRWC as reflected on the PRWC website. If after sixty (60) days, PRWC has not responded to Owner's request to grant permission or an easement to other parties, Owner may assume PRWC has granted permission for same. Any permissions or easements granted under this Paragraph prior to Owner's development of the subject property must be perpendicular to the PRWC easement.

5. In the event that PRWC performs emergency related repairs, unscheduled infrastructure adjustment activities, or scheduled community improvement projects within said Easement, PRWC shall be responsible for restoring the disturbed portions of all existing approved and permitted improvements in as good or better condition that existed prior to the disturbance activity by PRWC.

EXHIBIT C

Nonexclusive Temporary Construction Easement Legal Descriptions

[See Attached 3 Pages]

DESCRIPTION
3095-TCE

DESCRIPTION:

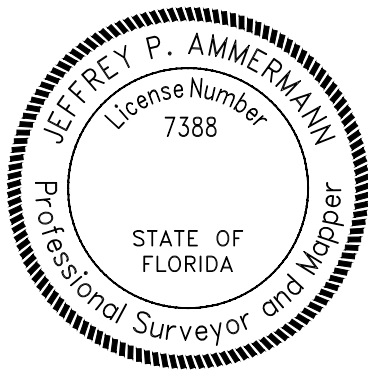
A parcel of land being a portion of the parcel described in Official Records Book 13638, Pages 1787 through 1791, Public Records of Polk County, Florida, as located in Section 35, Township 28 South, Range 27 East, being more particularly described as follows:

COMMENCE at the Northwest corner of the Northeast 1/4 of the Southeast 1/4 of said Section 35; thence North 00°15'42" East, along the West line of the Southeast 1/4 of the Northeast 1/4 of said Section 35; a distance of 35.00 feet to the POINT OF BEGINNING; thence continue North 00°15'42" East, along said West line, 5.00 feet; thence North 89°23'56" East, parallel to the South line of said Southeast 1/4 of the Northeast 1/4; a distance of 590.82 feet to the intersection with the East line of said parcel described in Official Records Book 13638, Pages 1787 through 1791 Public Records of Polk County, Florida; thence South 00°21'58" East, along said East line, 3.03 feet; thence North 89°24'17" East, along the South line of said parcel described in Official Records Book 13638, Pages 1787 through 1791, a distance of 31.30 feet to the intersection with the East line of the said parcel as described in said Official Records Book 13638, Pages 1787 through 1791; thence South 00°30'16" East, along said East line, 1.97 feet; thence South 89°23'56" West, parallel to the South line of said Southeast 1/4 of the Northeast 1/4, a distance of 622.18 feet to the POINT OF BEGINNING.

Said parcel contains 3,015.96 square feet, more or less.

CERTIFICATION:

I hereby certify that this Description with Sketch was made under my direction and was made in accordance with Standards of Practice adopted by the State of Florida Department of Agriculture and Consumer Services, Board of Professional Surveyors and Mappers, Chapter 5J-17 of the Florida Administrative Code, pursuant to Section 472.027, Florida Statutes.



Jeffrey P
Ammermann
Digitally signed by
Jeffrey P Ammermann
Date: 2025.11.19
15:47:05 -05'00'

JEFFREY P. AMMERMAN, P.S.M.
FLORIDA REGISTRATION PSM 7388
JAMMERMAN@CHASTAINSKILLMAN.COM
THIS ITEM HAS BEEN DIGITALLY SIGNED AND SEALED BY THE ABOVE
SURVEYOR ON THE DATE ADJACENT TO SEAL. ANY SIGNATURE MUST BE
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SHEET 1 OF 2
SEE SHEET 2 FOR
DESCRIPTION SKETCH, LEGEND,
AND SURVEYOR'S NOTES

CS PROJECT: 8825.03

PREPARED BY: CHASTAIN-SKILLMAN, LLC. - 205 EAST ORANGE STREET SUITE #110
LAKELAND, FLORIDA 33801 - (863) 646-1402 - LB 262

3095-TCE

DRAWN BY: S. CHILDS

FIELD BOOK: — PAGE: —

DATE: 11/19/2025

SHEET NO. V-01

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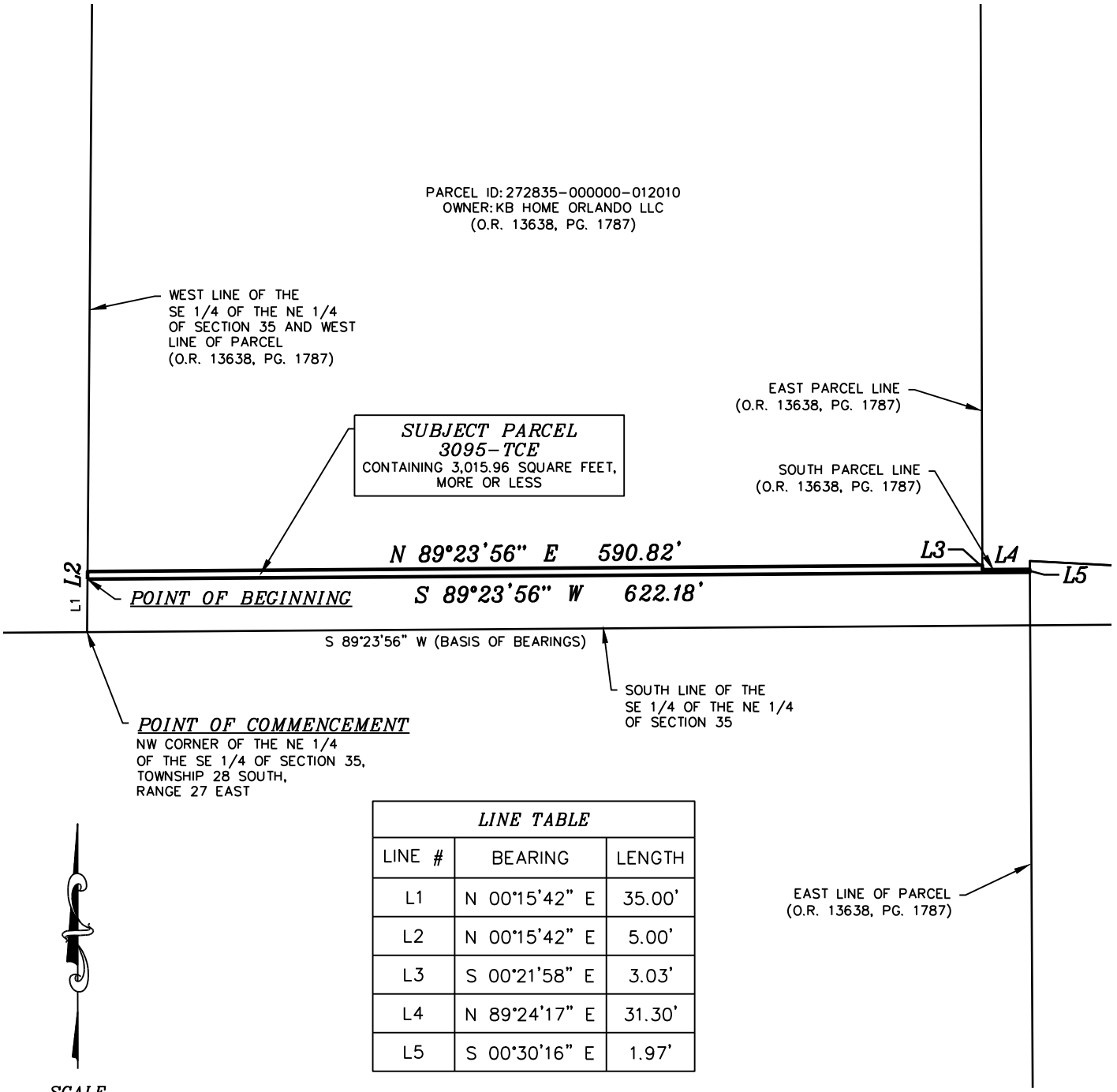
LEGEND:

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- TCE = TEMPORARY CONSTRUCTION EASEMENT
- D.B. = DEED BOOK
- ID = IDENTIFICATION

DESCRIPTION SKETCH
3095-TCE

NOTES:

- 1) This is not a Boundary survey.
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- 3) See sheet 1 of 2 for description, certification, and Surveyor's signature and seal.



LINE TABLE		
LINE #	BEARING	LENGTH
L1	N 00°15'42" E	35.00'
L2	N 00°15'42" E	5.00'
L3	S 00°21'58" E	3.03'
L4	N 89°24'17" E	31.30'
L5	S 00°30'16" E	1.97'



SCALE
1" = 100'

SHEET 2 OF 2

CS PROJECT: 8825.03

3095-TCE

SHEET NO. V-01

PREPARED BY: **CHASTAIN-SKILLMAN, LLC. - 205 EAST ORANGE STREET SUITE #110
LAKELAND, FLORIDA 33801 - (863) 646-1402 - LB 262**

DRAWN BY: **S. CHILDS**

FIELD BOOK: — PAGE: —

DATE: **11/19/2025**

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EXHIBIT D

Nonexclusive Temporary Construction Easement

[See Attached 1 Page]

The nature, terms and duration of the nonexclusive temporary construction easement (the "Easement") which the Polk Regional Water Cooperative ("PRWC") acquires from the property owners/interest holders ("Owner) of the real property shown and described on Exhibit "A" are:

The Easement in, upon and through the following described land in the County of Polk, State of Florida to-wit:

SEE ATTACHED EXHIBIT "A"
(the "Easement Area")

1. The Easement interests and rights acquired by PRWC are the right, privilege and authority to construct, install, maintain, operate, inspect, patrol, ingress and egress, test, repair, alter, substitute, relocate, resize, replace and remove the water transmission line or lines and related fixtures and/or appurtenances thereto, and vehicular and pedestrian access over the easement area, for the transmission of water and such other improvements as are reasonably necessary in connection with the water supply project for the PRWC.
2. After construction is complete, the lands of the Owner shall be restored to the same, or as good as, condition as existed before construction began.
3. Within a reasonable time after construction is complete, paving, grassed areas and other improvements will be replaced by PRWC.
4. The rights granted herein shall expire upon completion of construction within this Easement or sixty (60) months from the date the Easement is established, whichever occurs sooner.

Agenda Item H.3.

5/20/2026

SUBJECT

Approve the Second Injection Well for the Southeast Wellfield Water Production Facility and Approve Staff to Initiate Amendment 1 to the Southeast WIFIA Loan (Action)

DESCRIPTION

In September 2022, the PRWC Project Board authorized staff to publish an advertisement for a qualified well driller to construct Southeast Injection Well #1 (SE-IW-1). The injection well is necessary to manage the brackish concentrate from the SE Water Production Facility's (WPF) Reverse Osmosis facility. Successfully completed in 2024, SE-IW-1 testing concluded that it was capable of accepting the target concentrate flow (1.875 MGD to 2.5 MGD) for a 7.5 MGD Phase 1 WPF.

During Phase 1 operation, participating members are expected to have adequate firm capacity to deliver potable water to customers in the event of an interruption in PRWC SE WPF supply. This reason, combined with the high cost of injection well construction, enabled staff to obtain a permit for the facility without a backup well. However, as demands grow, system reliability will become critical, and a second injection well will be required for future plant expansions.

In January and March of 2026, the PRWC Board was presented with a business plan that included the cost of a second injection well. Even with the addition of this second injection well, member annual costs will be lower than originally predicted in 2026. Estimated at \$22M, the injection well cost is offset by significant reductions in pipeline bids as compared with the GMPs presented in the previous, 2025 business plan. These, and other cost updates, resulted in a 2026 program estimate that is approximately \$11M lower than that presented in 2025. Funds for the well construction costs are available in the existing SE WIFIA loan, but an Amendment to the loan project description will be required.

The updated business plan is also based on amendments to the WIFIA loan previously discussed with the PRWC Board in 2025 and 2026. These amendments include moving the substantial completion date from December 31, 2026 to the fall of 2028 and moving out the first interest and principal payment dates. Staff will review the potential benefit of extending the final maturity of the WIFIA loan by two years and make a recommendation to the PRWC Board.

Due to the addition of the 20-year SRF loans since the WIFIA loan agreement was entered into, we will also be modifying the WIFIA principal amortization to wrap around the SRF debt service to create more overall level debt service payments. The Debt Service Reserve Fund required by WIFIA can also be funded from WIFIA loan proceeds instead of member payments. All of these proposed changes provide lower annual debt service payments to the members in the current business plan.

With approval of this item, staff will include the costs of a second injection well in the preliminary budget information to be presented in July 2026. Staff will also initiate planning and procurement of a driller for the injection well, and initiate a request to WIFIA for an amendment to SE Loan 19139L that will update the scope of work, new estimated dates, and the loan amortization schedule. The amendment will return to the board for final execution.

RECOMMENDATION

Approve staff to initiate the financial planning and procurement of a driller for Southeast Injection Well #2 and to submit a request to WIFIA for loan amendment.

FISCAL IMPACT

A second injection well at the Southeast Wellfield site is estimated to cost \$22M. This action item will allow staff to include the injection well costs in the preliminary 2027 PRWC budget and modify the WIFIA loan scope to include a second injection well. The scope change will have no impact on the total loan value, as the additional cost is expected to offset by reductions in SETM costs.

CONTACT INFORMATION

Mary Thomas
Eric DeHaven

SUBJECT

Approve the Negotiated Settlement with Boozer Service and Equipment Inc. for PRWC Parcel 12007 Permanent and Temporary Construction Easements (Action)

DESCRIPTION

Following negotiations between the PRWC and the Attorney representing Boozer Service and Equipment Inc., the PRWC reached a monetary settlement regarding the easements (12007) needed on this property (Exhibit A).

Pursuant to the negotiated terms, the property owner of this parcel will receive \$120,000 for permanent and temporary construction easements totaling 9,195 square feet (0.211 acres). The PRWC appraisal amount for permanent and temporary construction easements was \$54,750. The property owner (through their attorney) and the PRWC agreed that \$20/square foot for the permanent easement was a reasonable cost within the current market for this area of Davenport. The temporary easement also cost was also calculated using \$20/ square foot over the length of time (five years) the PRWC would have the easement. The increase in the amount of compensation provided to the property owner above the appraised value is considered reasonable and appropriate.

The PRWC will incur no expert fees and the statutory attorney fee (mandated under Florida law) is included in the total settlement of \$120,000 (global settlement). The total cost for the easement is \$120,000.

The negotiated settlement has several benefits to the PRWC as outlined below:

- 1) A jury trial was avoided, which would have exposed the PRWC to an additional estimated \$100,000-\$150,000 in costs;
- 2) The PRWC transmission line design was adjusted to move one air relief valve off the property, but no other design changes were necessary.

This settlement was negotiated and settled by the PRWC's eminent domain attorney (Peterson and Myers) with the property owner's attorney. An order of taking was obtained in February 2026. Upon Board approval the PRWC attorney will enter a Stipulated Final Judgement to the court for final approval.

RECOMMENDATION

Approve the Negotiated Settlement with Boozer Service and Equipment Inc. for PRWC Parcel Number 12007 for Permanent and Temporary Construction Easements.

FISCAL IMPACT

The Negotiated Settlement provides that the PRWC will pay \$120,000 (inclusive of attorney fees) for the Permanent and Temporary Construction Easements. These costs are expected to be reimbursed through a Heartland Headwaters Protection and Sustainability Act grant. A total of \$21,229,000 is budgeted for Southeast Wellfield Transmission Main land costs.

CONTACT INFORMATION

Eric DeHaven

Exhibit A – Location Map

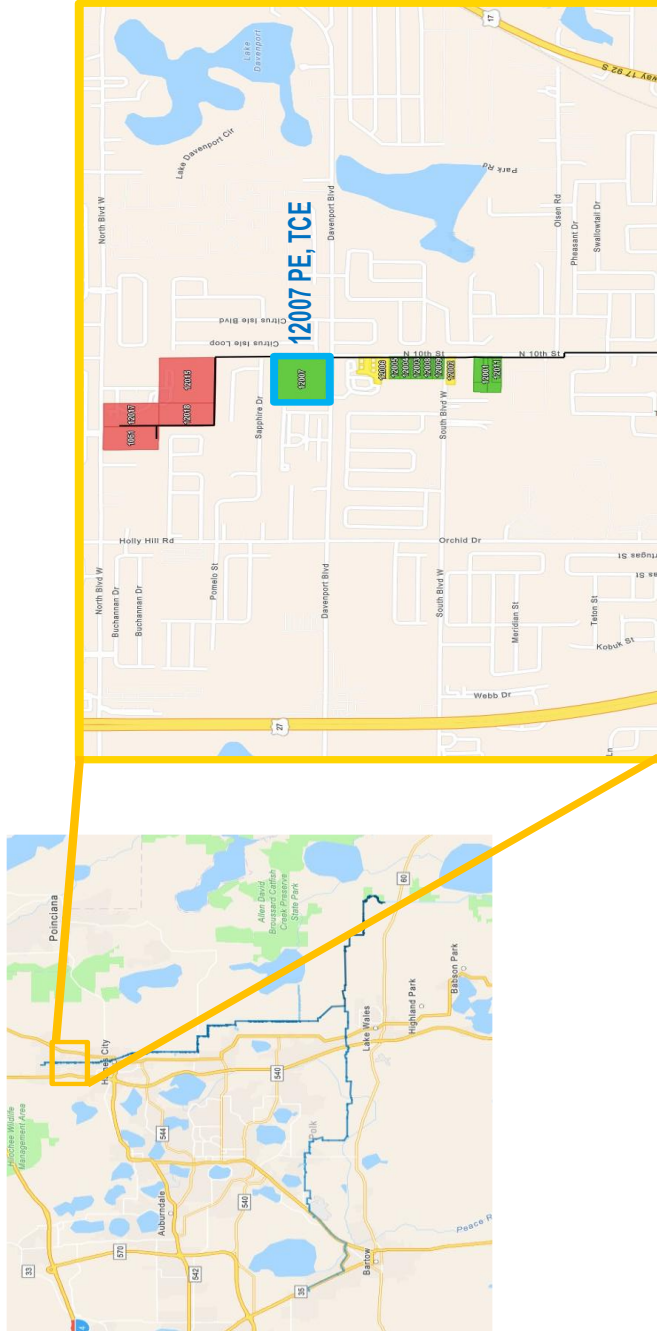


Exhibit A – Parcel 12007 Boozer Service and Equipment Properties



Exhibit A – Parcel 12007 Boozer Service and Equipment Properties



SUBJECT

Approve the Mediated Settlement with Dundee Reserve Holdings LLC for PRWC Parcel 3011 Permanent and Temporary Construction Easements (Action)

DESCRIPTION

Following a mediated settlement meeting on March 12, 2026, the PRWC reached a monetary settlement agreement with the property owners and their attorney regarding the easements (3011) needed on this property (Exhibit A).

Pursuant to the mediated settlement, the property owner of this parcel will receive \$740,000 for permanent and temporary construction easements totaling 1.229 acres (approximately 2,000' of transmission main). The PRWC appraisal amount for permanent and temporary construction easements was \$373,850. The property owner provided a value of \$1,098,000. Following a series of cost negotiations at the mediation session, the parties agreed to a compensation of \$740,000. The increase in the amount of compensation provided to the property owner above the appraised value is considered reasonable and appropriate due to the impact the PRWC will have on a residential housing development that is already in the design and permitting stages.

The PRWC will also incur expert fees in the amount of \$33,000 and the statutory attorney fee (mandated under Florida law) is \$160,300. The total cost for the easement is \$933,300.

The negotiated settlement has several benefits to the PRWC as outlined below:

- 1) The settlement is \$358,000 less than the owner's opinion of compensation;
- 2) A jury trial was avoided, which would have exposed the PRWC to an additional estimated \$300,000-\$400,000 in costs;
- 3) The PRWC transmission line can remain as designed despite impacts to the planned community development.

This settlement was negotiated and settled by the PRWC's eminent domain attorney (Policastro Law Group) with the property owner and their attorney. An order of taking was obtained in March 2026. Upon Board approval the PRWC attorney will enter a Stipulated Final Judgement to the court for final approval.

RECOMMENDATION

Approve the Mediated Settlement with Dundee Reserve Holdings LLC for PRWC Parcel Number 3011 for Permanent and Temporary Construction Easements.

FISCAL IMPACT

The Negotiated Settlement provides that the PRWC will pay \$933,300 (including expert and attorney fees) for the Permanent and Temporary Construction Easements. These costs are expected to be reimbursed through a Heartland Headwaters Protection and Sustainability Act grant. A total of \$21,229,000 is budgeted for Southeast Wellfield Transmission Main land costs.

CONTACT INFORMATION

Eric DeHaven

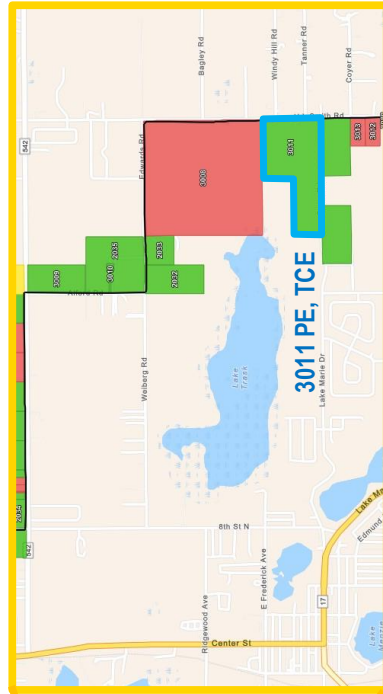
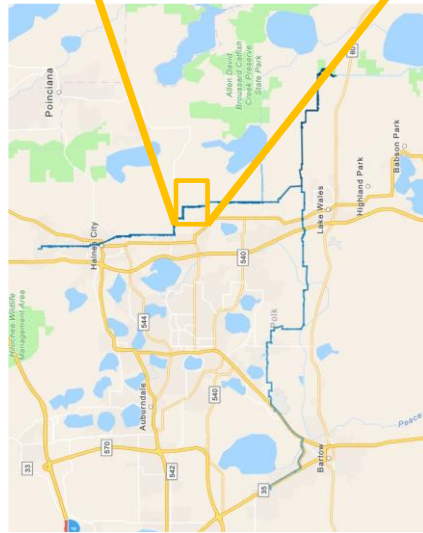


Exhibit A – Location Map

Exhibit A – Parcel 3011 Dundee Reserve Holdings



Exhibit A – Parcel 3011 Dundee Reserve Holdings



Agenda Item I.1.

5/20/2026

SUBJECT

Update on the West Polk Wellfield Project (Information)

DESCRIPTION

This item includes the recurring agenda item to keep the PRWC Board of Directors updated on progress related to the design, permitting and construction of the West Polk Wellfield Project. Staff will provide an overview of:

- 1) Project schedule
 - a. Design
 - b. Well construction
- 2) Land acquisition
- 3) Permitting activities
- 4) Other key activities as needed

RECOMMENDATION

This item is for the Boards information and no action is required.

FISCAL IMPACT

No fiscal impact.

CONTACT INFORMATION

Tom Mattiacci