**POLK REGIONAL WATER COOPERATIVE**
**Resolution 2026-10**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE POLK REGIONAL WATER COOPERATIVE APPROVING THE WORKFORCE TRANSITION PLAN DATED SEPTEMBER 16, 2026; AUTHORIZING THE EXECUTIVE DIRECTOR AND GENERAL COUNSEL TO IMPLEMENT THE PLAN BY TAKING THE ACTIONS RECOMMENDED IN SECTION XII OF THE PLAN; AND PROVIDING AN EFFECTIVE DATE.**

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 was created on June 1, 2016, by the Polk Regional Water Cooperative Interlocal Agreement (the "Interlocal Agreement") executed by Polk County and fifteen Polk County municipalities for the purpose of developing and operating regional alternative water-supply facilities for the benefit of the Cooperative's Member Governments; and

**WHEREAS**, the Cooperative is presently administered through three contract personnel — the Executive Director (Eric DeHaven), the Project Manager for the Southeast Wellfield Project (Mark Addison), and the Finance Manager (Laura Guy-Rice) — together with a part-time Project Administrator on the West Polk Lower Floridan Aquifer Wellfield Project (Tom Mattiacci), an outside general counsel, and an Executive Assistant employed by Polk County; and

**WHEREAS**, the Cooperative is constructing two Lower Floridan Aquifer Wellfield Projects — the Southeast Wellfield Project, anticipated to reach substantial completion in fiscal year 2029, and the West Polk Lower Floridan Aquifer Wellfield Project, anticipated to reach substantial completion in fiscal year 2033 — representing in excess of $600 million of capital investment, with debt service and operating costs to be recovered through the wholesale-rate structures established under the Second Amended and Restated Implementation Agreements for the two Projects; and

**WHEREAS**, as those Projects come on-line, the Cooperative will require a professional government-employee workforce to support the owner-side engineering, finance, regulatory-compliance, asset-management, information-technology, communications, and human-resources functions that the Cooperative cannot prudently leave to its operations-and-maintenance contractor, U.S. Water Corporation, in partnership with ACCIONA; and

**WHEREAS**, the Executive Director, in consultation with the General Counsel, the Finance Manager, and Team One's Project Manager, Mary Thomas has prepared a written Workforce Transition Plan dated September 16, 2026 (the "Plan"), a copy of which is attached to this Resolution as **Exhibit "A"** and is incorporated by reference; and

**WHEREAS**, the Plan recommends a phased seven-to-eight-year transition from the current three-contract-personnel administration to a government-employee workforce of approximately seventeen to eighteen full-time-equivalent positions, with hiring paced to the two Wellfield Project cut-overs and structured around four functional pillars (Capital Projects, Operations, Finance and Administration, and Human Resources) plus joint Information Technology / SCADA-Cybersecurity, Public Information, and Executive Office functions; and

**WHEREAS**, the Plan further recommends that (i) the Cooperative elect participation in the Florida Retirement System under Section 121.051(2)(b), Florida Statutes; (ii) the General Counsel function remain a contract position with an outside legal firm selected by the Board; (iii) the plant-treatment-operations function remain with the Cooperative's contract operator, U.S. Water Corporation/ACCIONA, under the existing five-year operations-and-maintenance contract; and (iv) personnel costs be allocated, consistent with Section 2.05 of the Interlocal Agreement, between the Administrative Expense cost center and the appropriate Water Project Cost centers established under the Southeast Wellfield Implementation Agreement, the West Polk Lower Floridan Aquifer Wellfield Implementation Agreement, the Combined Projects Implementation Agreement, and the Conservation Implementation Agreement; and

**WHEREAS**, the Plan was presented to the Board of Directors as an information item at the Board's regular meeting on July 29, 2026, and to the Polk County Manager and the fifteen Polk County City Managers in August 2026, and the comments received during those presentations have been incorporated into the Plan or considered by the Executive Director and General Counsel in preparing this Resolution; and

**WHEREAS**, the Board of Directors, having been fully advised of all material facts and circumstances relating to the Plan, finds that the Plan is reasonable, necessary, and in the best interest of the public and the Cooperative, is within the scope and authority granted to the Cooperative under Section 2.06 of the Interlocal Agreement, and is consistent with the Cooperative's long-range responsibilities to its Member Governments;

**NOW, THEREFORE, BE IT RESOLVED:**

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

Section 2. That the Workforce Transition Plan dated September 16, 2026, attached hereto as **Exhibit "A"** and incorporated herein by reference, is hereby approved and adopted as the Cooperative's plan for transitioning from its current contract-personnel administration to a government-employee workforce.

Section 3. That the Executive Director and the General Counsel are each authorized to take all actions reasonably necessary to implement the Plan, including the actions recommended in Section XII of the Plan, subject to the Board's separate adoption of the resolutions, policies, and budget items described in Section XII as those items are presented for Board action.

Section 4. That, without limiting the generality of Section 3 above, the Executive Director is specifically authorized to (i) initiate recruitment of the Conservation Specialist position for hire in fiscal year 2027; (ii) engage an executive-search firm for the four director-level positions scheduled to be hired in fiscal year 2028 (Human Resources Director, Executive Assistant / Records Management, Capital Projects Director, and Information Technology and SCADA-Cybersecurity Director); (iii) negotiate and execute an interlocal agreement with Polk County under Section 163.01, Florida Statutes, formalizing the Phase 1 office-space arrangement and providing for termination on or before September 30, 2028; (iv) procure liability, workers' compensation, employment-practices, cyber, and director-and-officer insurance through a public-entity pool; and (v) initiate pre-procurement work for a governmental financial-management software platform, including issuance of a Request for Information to qualified vendors.

Section 5. That personnel and other costs incurred in implementing the Plan shall be allocated, consistent with Section 2.05 of the Interlocal Agreement and Section II.D of the Plan, between the Administrative Expense cost center and the appropriate Water Project Cost centers established under the Southeast Wellfield Implementation Agreement, the West Polk Lower Floridan Aquifer Wellfield Implementation Agreement, the Combined Projects Implementation Agreement, and the Conservation Implementation Agreement, and recovered from the Member Governments through the wholesale-rate or other cost-recovery mechanism established under the corresponding Agreement.

Section 6. That the General Counsel is directed to prepare, and present to the Board for adoption at subsequent meetings, the specific resolutions identified in Section XII of the Plan, including but not limited to: a Resolution Electing to Participate in the Florida Retirement System under Section 121.051(2)(b), Florida Statutes; a Resolution Electing the Reimbursement Method for Reemployment-Assistance Obligations under Section 443.1313, Florida Statutes; a Resolution Delegating Hiring Authority to the Executive Director for Non-Senior-Management

Positions; a Resolution Establishing the Personnel Committee; and a Resolution Designating Senior Management Service Class Positions under Section 121.055(1)(b)1., Florida Statutes.

Section 7. That the Executive Director is authorized to modify the implementation timing of any position recommended in the Plan by up to one fiscal year in either direction, in his reasonable discretion, to align with the actual progress of the Southeast and West Polk Wellfield Projects, the readiness of the Cooperative's financial-management software, the availability of qualified candidates, and other operational considerations. Material deviations from the Plan's recommendations beyond one fiscal year, or the addition or elimination of positions not contemplated by the Plan, shall be brought to the Board for ratification.

Section 8. That the General Counsel is directed to review the Plan annually, in consultation with the Executive Director and the Director of Finance and Administration once that position is filled, and to recommend to the Board such amendments as may be appropriate in light of changes in the Cooperative's circumstances, changes in Florida or federal law affecting the Cooperative's workforce, or material changes in the schedule, scope, or financing of the Cooperative's Water Projects.

Section 9. 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.

Section 10. That this Resolution shall take effect immediately upon its adoption.

DONE at Auburndale, Florida this 16th day of September 2026.

Polk Regional Water Cooperative Board of Directors:

Chair

Secretary/Treasurer

Approved as to Form:

Edward P. de la Parte, Jr.
General Counsel

# EXHIBIT “A”

## Workforce Transition Plan dated September 16, 2026

*[The Workforce Transition Plan dated September 16, 2026 is attached separately and incorporated herein by reference. A copy of the Plan is on file with the Cooperative’s General Counsel and Executive Director.]*

# WORKFORCE TRANSITION PLAN

Polk Regional Water Cooperative

**Polk County, Florida**

*September 16, 2026*

# I. Introduction and Executive Summary

This Workforce Transition Plan (the "Plan") describes how the Polk Regional Water Cooperative ("PRWC" or the "Cooperative") should transition, over the next seven-to-eight fiscal years, from a fully contracted workforce of three persons (Executive Director, Project Manager, and Finance Manager) to a government-employee workforce capable of operating, maintaining, and expanding a regional wholesale public water-supply utility serving Polk County and its fifteen municipal partners. The Plan addresses (i) PRWC's legal authority under the 2016 Interlocal Agreement to make this transition; (ii) the staffing trajectories of similarly situated Florida and national regional water-supply authorities; (iii) a year-by-year recommended hiring sequence; (iv) the human-resources infrastructure required to support the transition; (v) office-space transition; (vi) the substantive Florida and federal employment laws that will govern the workforce as it grows; and (vii) the Florida Retirement System ("FRS") decisions the Board of Directors must make as part of the transition.

The Plan is designed to align with the construction schedule for the two Lower Floridan Aquifer projects. Substantial completion of the Southeast Wellfield Project is anticipated in FY 2029, with the West Polk Wellfield Project following in FY 2032. These two milestones, rather than the calendar, drive the timing of the recommended hires. The Plan also recognizes that the Cooperative has retained U.S. Water Corporation, in partnership with ACCIONA, under a five-year operations-and-maintenance ("O&M") contract executed in 2023, with one five-year renewal option. That contract supplies the operator-of-record staffing at the wellfields and water treatment plants for the foreseeable future. The transition recommended in this Plan therefore focuses on the "owner-side" positions – the engineering, finance, compliance, regulatory-affairs, public-information, and executive leadership functions – that the Cooperative cannot prudently leave to its O&M contractor.

The principal recommendations of this Plan are summarized below and developed in detail in the Sections that follow:

- PRWC has clear and broad authority under Section 2.06(W) of the 2016 Interlocal Agreement to "engage and or employ persons or legal entities and provide such deferred compensation, retirement benefits or other benefits or programs, as the Board of Directors deems appropriate." No amendment to the Interlocal Agreement is required to implement the transition.
- The transition is staged to the wellfield-and-plant cut-overs in FY 2029 and FY 2032, not to the calendar. The Cooperative's first new government-employee position is hired in FY 2027 (a Conservation Specialist administering the existing Conservation Implementation Agreement). Four foundational positions follow in FY 2028 (Human Resources Director, Executive Assistant, Capital Projects Director, and Information Technology and SCADA-Cybersecurity Director). The Southeast Wellfield cut-over class of four positions is added

in FY 2029 (Capital Projects Manager, Reg/Compliance Manager/Senior Hydrogeologist, Operations Director, and Senior Accountant). Additional positions are added through FY 2033, and the Executive Director position is converted from contract to government employee in FY 2034 (or earlier, when the individual serving as Executive Director is willing and able to convert).

- A single Capital Projects Manager is recommended in FY 2029 in place of two existing contract project-management arrangements (Mark Addison's contract on the Southeast Wellfield Project and Tom Mattiacci's part-time Project Administrator engagement on the West Polk Project). The single Capital Projects Manager will support both projects through commissioning and is intended to consolidate the project-management function in one accountable in-house position.
- The conversion of the Finance Manager position from contract (Laura Guy-Rice) to a government-employee Director of Finance and Administration is presented as a contingent recommendation. The Plan calls for the Finance function to be brought in-house no later than the second post-cut-over year (FY 2030), with the precise timing dependent on Ms. Guy-Rice's election to convert and on the implementation status of the Cooperative's new governmental financial-management software (discussed in Section V.E).
- The conversion of the Executive Director position from contract (Eric DeHaven) to a government-employee position is planned for FY 2034 – the final year of the transition – for budgeting purposes, but the Plan is structured so that the conversion may occur earlier, whenever the individual serving as Executive Director is willing and able to transition to a government-employee position. Should the contract Executive Director retire or otherwise depart before the conversion occurs, the Cooperative will engage a successor Executive Director on a contract basis in the interim, who may in turn elect to convert to a government-employee position when ready. Because the human-resources, payroll, and Florida Retirement System infrastructure described in this Plan will by then be in place, a successor Executive Director engaged during the transition should expect government-employee benefits, including FRS participation, to be available within approximately one year of accepting the position.
- The General Counsel position remains a contract position with an outside legal firm selected by the Board. The portion of the General Counsel engagement directed at corporate, ethics, Sunshine, public-records, and HR matters is allocated to the Administrative Expense cost center; the larger portion directed at project permitting, contracts, real estate, financing, and litigation is allocated to the applicable Water Project Cost center.
- PRWC should affirmatively elect to participate in the Florida Retirement System under Section 121.051(2)(b), Fla. Stat., effective on or before the date the first government employee is hired. Election is irrevocable, but the cost analysis comparing FRS to alternative retirement vehicles strongly favors FRS, and FRS-credit portability is the single

most important non-financial recruiting advantage that the Cooperative will have when competing with peer regional utilities for senior staff.

- The Board of Directors must adopt, in advance of the first hire, a comprehensive set of personnel policies, an employee handbook, and a compensation-and-classification plan. The Cooperative may use the Polk County compensation-and-classification framework as a starting point rather than procuring an independent compensation consultant in the immediate term.
- The recurring administrative-expense impact of the transition will be managed through a documented cost-allocation methodology, with the substantial majority of new personnel costs allocated to the Combined Projects, Southeast Wellfield, West Polk Wellfield, Conservation, and any future-project Implementation Agreement cost centers and recovered from the participating Member Governments through the corresponding wholesale-rate or project-cost-recovery mechanism. The Administrative Expense cost center is expected to grow modestly, and the $200,000 supermajority threshold under Section 2.05 of the Interlocal Agreement should remain manageable.
- Office-space needs are addressed through a three-phase approach: Phase 1 (continued use of Polk County-provided space through approximately FY 2028); Phase 2 (leased central-county office space, approximately FY 2029 through approximately FY 2033); and Phase 3 (permanent administrative office programmed into the West Polk Wellfield Project site based upon design space constraints that will be determined in FY2027).

## II. Scope of Authority Under the 2016 Interlocal Agreement

### A. Cooperative Powers Generally

PRWC is an independent special district and public agency created on June 1, 2016, by the Polk Regional Water Cooperative Interlocal Agreement (the "Interlocal Agreement") executed by Polk County and fifteen Polk County municipalities pursuant to Sections 163.01 and 373.713, Florida Statutes. The Interlocal Agreement vests the Cooperative with broad and self-executing authority to staff itself in whatever manner the Board of Directors determines appropriate. The relevant powers, all set forth in Section 2.06 of the Interlocal Agreement, include:

- Section 2.06(F): "to contract for the service of engineers, accountants, attorneys and other experts or consultants, and such other agents and employees as the Board of Directors may require or deem appropriate from time to time";
- Section 2.06(G): "to contract with a Member Government or any private or public entity for the operation and management of any Cooperative Facility";
- Section 2.06(W): "to engage and or employ persons or legal entities and provide such deferred compensation, retirement benefits or other benefits or programs, as the Board of Directors deems appropriate";

- Section 2.06(EE): "to purchase such insurance as it deems appropriate"; and
- Section 2.06(LL): the catch-all power "to do all acts and to exercise all of the powers necessary, convenient, incidental, implied or proper, in connection with any of the powers, duties, obligations or purposes authorized by this Interlocal Agreement or by law."

Section 2.02(G) further provides that the Board of Directors may appoint a person or entity to act as its Executive Director and as its General Counsel, having such official title, functions, duties, and powers as the Board of Directors may prescribe, and that "a sitting Director shall not be eligible to serve as executive director, general counsel or any other employee of the Cooperative," which prevents any Member-Government appointee on the Board from cross-employment with the Cooperative.

### B. Initial Staffing Provision (Section 3.02(A))

Section 3.02(A) of the Interlocal Agreement, captioned "Staffing," anticipated the present circumstances. It provides that "[a]lthough the Cooperative may hire, contract or otherwise retain a dedicated staff to administer the Cooperative at any time, the initial staffing and administration of the Cooperative shall be by and through the staff members, employees, consultants, and other professionals of the Member Governments." The transition contemplated in this Plan is the natural evolution from the "initial" staffing model expressly described in Section 3.02(A) to the "dedicated staff" model that the same provision expressly authorizes.

### C. Sovereign Immunity and Public-Employer Status

Once converted to government employees, all PRWC personnel will enjoy the personal-immunity protections of Section 768.28(9), Florida Statutes, which bars personal tort liability of a public officer or employee acting within the scope of his or her employment unless the act is committed in bad faith, with malicious purpose, or in a manner exhibiting wanton and willful disregard of human rights, safety, or property. Section 4.04(A) of the Interlocal Agreement explicitly extends to "the Cooperative, its officials, officers, agents or employees" all of the privileges and immunities afforded to the Member Governments. Section 4.04(B) and Section 163.01(5)(o), Fla. Stat., make clear that Member Governments are not jointly or individually liable for torts of the Cooperative's employees and that the Cooperative – not its Member Governments – "shall be liable for any torts attributable to it or for torts of its officers, employees or agents," subject to the statutory caps in Section 768.28. Those caps are presently $200,000 per claim and $300,000 per occurrence under Section 768.28, Fla. Stat. Conversion to a government-employee model therefore does not increase the Cooperative's tort exposure; on the contrary, it places the Cooperative's personnel within the same statutory liability framework as the rest of Florida's public-utility workforce.

### D. Budget Approval, the Two-Cost-Center Structure, and Allocation of Personnel Costs

Section 2.05 of the Interlocal Agreement requires that the Cooperative's budget "contain separate cost centers for Administrative Expenses and Water Project Costs." Section 2.05 further provides that the Board approves the Administrative Expense portion of the budget by majority vote under the Normal Vote Method, "except that any decision to approve total Member Government annual contributions in excess of two hundred thousand ($200,000.00) dollars shall be by seventy-five (75%) percent vote of the Quorum using the Weighted Vote Method." By its express terms, that supermajority trigger applies only to total Member Government contributions to the Administrative Expense cost center, not to the Water Project Cost centers established under the Cooperative's several project-specific Implementation Agreements.

Personnel costs for the new positions recommended in Section IV below are allocated, position by position, between the Administrative Expense cost center and the appropriate Water Project Cost centers based on each employee's documented time commitment to general administration on the one hand and to specific projects on the other. The Cooperative presently has four principal Water Project Cost centers: (i) the Combined Projects Implementation Agreement; (ii) the Southeast Wellfield Implementation Agreement; (iii) the West Polk Wellfield Implementation Agreement; and (iv) the Conservation Implementation Agreement. Each future project (including the Peace River Surface Water Project, when it advances to implementation) will become a separate Water Project Cost center under its own Implementation Agreement.

Cost allocation of personnel time to project cost centers is a standard accounting practice for Florida regional utilities. Tampa Bay Water, the Peace River/Manasota Regional Water Supply Authority, and the Emerald Coast Utilities Authority each allocate portions of their executive, engineering, finance, regulatory, public-information, asset-management, and human-resources staff time to specific projects, and recover those allocated costs from the participating member governments through the applicable wholesale-rate or project-cost-recovery mechanism. The methodology is consistent with generally accepted governmental accounting principles, supported by standard governmental cost-allocation practices, and reinforced – where federal grant or State Revolving Fund financing is involved – by the allocability principles in 2 C.F.R. Part 200, Subpart E. As a practical matter, the Director of Finance and Administration (after the Finance Manager conversion) should adopt and document a written cost-allocation methodology (typically a quarterly time-allocation questionnaire completed by each employee, supplemented by a project-code timekeeping system in the new governmental financial-management software) and apply it consistently across all positions.

Under that methodology, the Capital Projects Director, the Capital Projects Manager, the Senior Engineer, the Operations Director, the Asset & Operations Manager, the Reg/Compliance Manager/Senior Hydrogeologist, and the Reg/Compliance Specialist will each spend the substantial majority of their time on the Combined Project, Southeast Wellfield Project, the West Polk Wellfield Project, or another specific Water Project, and their salaries and benefits will be

charged predominantly to the corresponding Water Project Cost center. The Conservation Specialist is allocated principally to the Conservation Implementation Agreement Cost center. The Senior Accountant, Public Information Officer, IT/SCADA-Cybersecurity Director, and the Executive Office can be allocated in part to specific projects and in part to general administration. The General Counsel engagement is itself allocated between cost centers: the portion of legal work directed at corporate, ethics, Sunshine, public-records, and HR matters is charged to the Administrative Expense cost center, while the larger portion of legal work directed at project permitting, contract administration, real estate, financing, litigation, and other project-specific matters is charged to the applicable Water Project Cost center. Only the residual general-administration component – the admin-related portion of the General Counsel engagement, the Executive Office's policy and Member-Government engagement time, the Human Resources Director's general-services time, board-meeting and audit costs, and similar truly Cooperative-wide expenditures – is charged to the Administrative Expense cost center. With this allocation methodology in place, the Administrative Expense cost center is expected to grow modestly during the transition period, and the $200,000 supermajority threshold should remain manageable.

### E. Limits on Cooperative Authority and Gaps to Address by Board Resolution

The Interlocal Agreement is silent on a number of personnel-related topics that will require affirmative Board action prior to the first government-employee hire:

- The Interlocal Agreement does not expressly delegate hiring authority to the Executive Director. Under Section 2.02(A), "the exercise of any and all executive, administrative and ministerial powers may be delegated by the Board of Directors," and the Board should adopt a delegation resolution that gives the Executive Director the authority to hire all positions below a stated grade and reserves the appointment of the senior-management team to the Board itself.
- The Interlocal Agreement does not opt PRWC into the Florida Retirement System. This is an affirmative election that must be made by Board resolution and application to the Department of Management Services.
- The Interlocal Agreement does not adopt a personnel-policy framework, compensation-and-classification plan, or employee handbook. All three are mandatory pre-conditions to the first government-employee hire.
- The Interlocal Agreement does not address whether the Cooperative will use a "contribution" or "reimbursement" method for Florida reemployment-assistance taxes under Chapter 443, Florida Statutes. Public employers may elect either method; "reimbursement" is ordinarily preferred for low-turnover special districts. This is a Board policy decision to be confirmed by separate resolution.

- The Interlocal Agreement requires unanimous Member-Government consent for any amendment (Section 4.02(A)). The Plan is therefore designed entirely within existing Interlocal-Agreement powers and requires no amendment.

## III. Instructive Peer Models

In preparing the recommendations in this Plan, the Cooperative surveyed the staffing trajectories of comparable Florida and national regional water-supply authorities. The most instructive peers are Tampa Bay Water (formerly the West Coast Regional Water Supply Authority), the Peace River/Manasota Regional Water Supply Authority, the Withlacoochee Regional Water Supply Authority, the Tohopekaliga Water Authority, and the Emerald Coast Utilities Authority.

### A. Tampa Bay Water (Formerly West Coast Regional Water Supply Authority)

Tampa Bay Water ("TBW") is the regional water-supply authority most often invoked when explaining the long-term trajectory of a Florida wholesale utility. Originally formed on October 25, 1974 as the West Coast Regional Water Supply Authority ("WCRWSA") under the same statutory authorities (Sections 163.01 and 373.713, Florida Statutes) on which PRWC was created, WCRWSA was a fully functioning regional water utility from its earliest years. Shortly after WCRWSA's formation, the City of St. Petersburg and Pinellas County transferred the Cypress Creek Wellfield to the Authority in 1975, and WCRWSA began operating the wellfield with its own staff. Pinellas County subsequently transferred the Cross Bar Ranch Wellfield to the Authority. WCRWSA proceeded to develop on its own behalf the Starkey Wellfield, the Cypress Bridge Wellfield, the Northwest Hillsborough Wellfield, the South Central Hillsborough Wellfield, and the Tampa Bypass Canal facility. Staff was added gradually over the succeeding two decades as each new wellfield was acquired or constructed.

The 1998 restructuring of WCRWSA into Tampa Bay Water was driven not by the assumption of operating responsibility (WCRWSA had been operating wellfields for more than two decades) but by the desire of the Member Governments to move from a facility-by-facility rate structure to a single, unitary wholesale rate. Under the 1998 Acquisition Agreement, Master Water Supply Contract, and Amended and Restated Interlocal Agreement, TBW became the sole and exclusive wholesale water provider to its Member Governments and purchased all remaining Member-Government-owned regional water-supply facilities. TBW today employs approximately 175 persons, supplies on the order of 200 million gallons per day to approximately 2.5 million residents, and operates a hybrid model in which wellfields are operated in-house by TBW employees and the regional surface-water treatment plant is operated under a long-running design-build-operate contract with Veolia Water North America. TBW participates in the Florida Retirement System.

The lessons most relevant to PRWC: staff growth at WCRWSA/TBW was paced to asset acquisition and development, not to a calendar; the functions WCRWSA/TBW insourced from the

beginning and progressively expanded over time were finance, engineering and capital projects, regulatory and environmental compliance, science (laboratory and hydrogeology), wellfield and transmission operations, communications, human resources, and information technology; outside legal counsel was retained throughout; and plant treatment operations have, since 2000, remained a contracted function. PRWC's decision in 2023 to retain U.S. Water Corporation and ACCIONA as its long-term O&M partner is consistent with the TBW model.

### B. Peace River/Manasota Regional Water Supply Authority

The Peace River/Manasota Regional Water Supply Authority ("PRMRWSA") was formed in 1982 by Charlotte, DeSoto, Manatee, and Sarasota Counties pursuant to Section 373.1962, Florida Statutes (the predecessor to Section 373.713). The four counties remain the Authority's only governing-board members. The City of North Port is a wholesale water-supply customer of the Authority under a separate water-supply contract but is not a member of the Authority and holds no governing-board seat. For its first nine years, PRMRWSA was a planning and coordination authority. In 1991, when General Development Utilities declared bankruptcy, PRMRWSA acquired GDU's Peace River Facility – a small surface-water treatment plant on the Peace River – and immediately found itself the operator of a 12-million-gallon-per-day regional treatment plant.

Unlike TBW, which adopted a permanent contract-O&M model in 2000, PRMRWSA chose to bring the Peace River plant in-house at the 1991 acquisition and has operated it with public employees ever since. Today PRMRWSA employs approximately 63 persons, and is led by an Executive Director, a Director of Operations, a Senior Engineering and Projects Manager, and a Senior Finance and Budget Manager. PRMRWSA participates in the Florida Retirement System.

PRWC, unlike PRMRWSA in its 1982-1991 phase, was not formed as a planning shell. The 2016 Interlocal Agreement was executed with the express purpose of constructing and operating regional water-supply facilities, and the Cooperative's entire ten-year history to date has been directed at that end. What is comparable is what happens after the facilities come online: whether PRWC, like TBW, ultimately keeps plant O&M with U.S. Water Corporation indefinitely, or whether PRWC, like PRMRWSA, eventually transitions plant O&M in-house, will be a Board decision that need not and should not be taken until the second five-year renewal of the U.S. Water O&M agreement is up for evaluation.

### C. Other Florida Regional Authorities

#### *1. Withlacoochee Regional Water Supply Authority*

The Withlacoochee Regional Water Supply Authority ("WRWSA"), covering Citrus, Hernando, Marion, and Sumter Counties, is best described as an owner-and-planner authority rather than a strict operating utility. WRWSA owns the Charles A. Black Water Supply Facility in central Citrus County, consisting of seven groundwater production wells and two associated treatment-and-disinfection facilities. WRWSA does not operate the facility itself; instead, Citrus

County operates and maintains the facility under an interlocal operating agreement with the Authority. WRWSA itself has approximately six employees led by an Executive Director, and supplements its in-house staff with master-services-agreement contracts with consulting engineering firms.

*2. Tohopekaliga Water Authority*

Tohopekaliga Water Authority ("Toho") was created in October 2003 by special act of the Florida Legislature and immediately replaced City of Kissimmee utility operations and absorbed parts of the failing investor-owned Florida Water Services system. From the day of its creation, Toho was an operating utility. Today it serves more than 160,000 accounts in Kissimmee, St. Cloud, Poinciana, and unincorporated Osceola, Polk, and Orange Counties, with a workforce in the 250-to-300 range. Toho is the principal Florida exception to the contract-General-Counsel model: it has internalized its General Counsel role. PRWC need not follow that path at this stage of its development.

*3. Emerald Coast Utilities Authority*

Emerald Coast Utilities Authority ("ECUA"), formed in 1981 as the Escambia County Utilities Authority and renamed in 2004, today operates with between 500 and 1,000 employees across two service locations in Escambia County and offers wholesale and retail water and wastewater service. ECUA participates in FRS and provides its employees the FRS Pension Plan, the FRS Investment Plan, and a supplemental 457(b) deferred-compensation plan. ECUA's benefits structure is the most directly transferable model for PRWC.

# IV. Recommended Seven-to-Eight Year Transition Plan

## A. Guiding Principles

This Plan rests on six guiding principles:

- Stage hires to asset cut-overs, not to the calendar. The Southeast Wellfield Project completion in FY 2029 and the West Polk Wellfield Project completion in FY 2033 are the two events that change the Cooperative's operating profile and therefore drive the timing of new positions.
- Insource the brain trust before insourcing the plant. Engineering, finance, regulatory compliance, asset management, human resources, information technology, communications, and contract oversight should all be in-house – in skeletal form – before either of the two treatment plants is placed in service. Plant treatment operations should remain with U.S. Water Corporation/ACCIONA under the existing contract.
- Convert before adding. The first government-employee hires after the foundational positions are conversions or replacements of the three existing contract relationships, in the order: Project Manager / Project Administrator (Mark Addison and Tom Mattiacci replaced

by a single Capital Projects Manager in FY 2029) → Finance Manager (Laura Guy-Rice, contingent conversion in approximately FY 2030) → Executive Director (Eric DeHaven, in approximately FY 2034) for planning purposes, but likely earlier. Each conversion should happen no sooner than the date the corresponding contract expires by its natural terms or by mutual agreement, and should happen with full transition planning, including overlap and knowledge transfer.

- Keep general counsel a contract position. The general counsel function, which requires regular litigation, regulatory, real-estate, financing, and bond-counsel expertise that is most efficiently delivered by a specialized water-and-special-district law firm, should remain a contract position. This is the model used by TBW, PRMRWSA, ECUA, and FGUA. Toho is the principal Florida exception, having internalized its General Counsel role; PRWC need not follow that path at this stage of its development.
- Recruit competitively. Each recruitment should be conducted as an open, competitive process drawing from the broad Florida public-utility labor market. Compensation and benefits should be benchmarked against Florida peer regional water utilities and adjusted as needed to attract qualified candidates from across the state.
- Build only the headcount that the wholesale rate can pay for. Every added position becomes a recurring expense funded by a combination of wholesale rates under the Implementation Agreements and Administrative Expense contributions from the Member Governments. The Executive Director and the Finance Manager should build the staffing plan into a multi-year rate-projection model, identify the impact on wholesale rates, and present to the Board the rate impact alongside every new-position request.

### B. Year-by-Year Recommended Hiring Sequence

The recommended sequence below is calibrated to the engineering schedule for the Southeast Wellfield Project (substantial completion FY 2029) and the West Polk Wellfield Project (substantial completion FY 2033). Each fiscal year is identified by the Cooperative's October-1-to-September-30 fiscal calendar.

#### *1. FY 2026 (Current Fiscal Year) – Information and Adoption*

FY 2026 is the year in which the Plan is presented to the Board, presented to the Member Governments, and ultimately adopted by Board resolution. No new positions are added in FY 2026, and the Board takes only those resolutions that are pre-conditions to the FY 2027 build-out:

- July 2026 Board meeting – the Executive Director and the General Counsel jointly present this Plan as an information item.
- August 2026 – the Executive Director presents the Plan to the Polk County Manager and the fifteen Polk County City Managers, soliciting comments and addressing concerns.

- September 2026 Board meeting – the Board adopts a Resolution Adopting this Workforce Transition Plan.
- November 2026 (FY 2027 Q1) Board meeting – the Board adopts (i) a Resolution Electing to Participate in the Florida Retirement System under Section 121.051(2)(b), Fla. Stat.; (ii) a Resolution Electing the Reimbursement Method under Section 443.1313, Fla. Stat. for reemployment-assistance obligations; (iii) a Resolution Delegating Hiring Authority to the Executive Director for non-senior-management positions; (iv) a Resolution establishing the Personnel Committee under Section 2.02(I) of the Interlocal Agreement, with up to three Directors serving subject to the Sunshine Law; and (v) the initial Procurement Policy.

The detailed slate of policies and resolutions, the Conservation Specialist hire, the executive-search engagement for the FY 2028 hiring class, and the substantial preparatory work for the FY 2028 build-out are all undertaken in FY 2027 as described in paragraph 2 below.

*2. FY 2027 – First In-House Hire and Preparation Year*

FY 2027 is both the first hiring year of the transition and the principal preparation year for the larger FY 2028 hiring class. The Cooperative's first new government-employee position is the Conservation Specialist; the balance of FY 2027 is devoted to the substantial preparatory work required to support the FY 2028 build-out of four director-level positions.

a. Conservation Specialist Hire.

- Conservation Specialist (1.0 FTE). The Cooperative has already executed a Conservation Implementation Agreement with its Member Governments, and the day-to-day administration of that Agreement – including coordination with each of the sixteen Member Governments' conservation programs, demand-management planning, rebate-and-incentive program administration, and SWFWMD conservation reporting – warrants a dedicated specialist from the outset of the workforce transition. The Conservation Specialist initially reports to the Executive Director (and is matrixed with the Polk-County-employed Executive Assistant for administrative support) and transitions to report to the Operations Director when that position is filled in FY 2029. The position's time is allocated principally to the Conservation Implementation Agreement Cost center.

b. Resolutions and Policy Adoption.

The Cooperative should use FY 2027 to complete the policy and resolution work begun in FY 2026 and to enact the additional policies that are pre-conditions to the FY 2028 hiring class:

- Resolution adopting the final Personnel Policies and Procedures Manual (the FY 2026 draft developed jointly by General Counsel and the Executive Director is presented for Board adoption in FY 2027 Q1).
- Resolution adopting the final Employee Handbook.

- Resolution adopting the initial Compensation and Classification Plan, drawing on the Polk County compensation-and-classification framework as a starting point. Job descriptions are finalized for the four FY 2028 director-level positions (Human Resources Director with collateral PIO/Communications/Records duties, Executive Assistant / Records Management, Capital Projects Director, and IT/SCADA-Cybersecurity Director).
- Resolution adopting the Records Retention Schedule conforming to General Records Schedule GS1-SL.
- Resolution adopting the Cooperative's safety manual, incorporating by reference applicable OSHA standards (confined space, lockout/tagout, trenching/excavation) and Florida workers' compensation drug-free workplace requirements.
- Resolution adopting the Cooperative's ethics and conflicts-of-interest policy implementing Chapter 112, Part III, Fla. Stat. (including the Form 1 financial-disclosure-filing procedure under Section 112.3145, the anti-nepotism rule under Section 112.3135, and the gift-acceptance rule under Section 112.3148).
- Resolution adopting the Cooperative's whistleblower policy and notice posting under Section 112.3187(11), Fla. Stat.
- Resolution adopting the Cooperative's public records policy under Chapter 119, Fla. Stat., including designation of an interim public-records custodian (the Polk-County-employed Executive Assistant pending the FY 2028 hire).
- Resolution finalizing FRS enrollment, including formal application to the Department of Management Services, Division of Retirement, and submission of the application package at least fifteen days before the FY 2028 first-employee start date.
- Resolution adopting the Section 457(b) deferred-compensation plan (State of Florida plan administered by DFS Bureau of Deferred Compensation) as a supplemental retirement benefit.
- Resolution designating Senior Management Service Class positions under Section 121.055(1)(b)1., Fla. Stat. (the Executive Director, Director of Finance and Administration, Capital Projects Director, Operations Director, Human Resources Director, and IT/SCADA-Cybersecurity Director).

c. Insurance, Payroll and Office Space Infrastructure.

- Procurement of liability, workers' compensation, employment-practices, cyber, and director-and-officer insurance through a public-entity pool such as the Florida Municipal Insurance Trust or Preferred Governmental Insurance Trust. Coverage should be bound effective no later than 30 days before the first FY 2028 employee start date.
- Selection of payroll vendor and establishment of payroll, payroll-tax, and reemployment-assistance reporting accounts.

- Establishment of an E-Verify account under Section 448.095, Fla. Stat., for all new hires beginning FY 2028.
- Negotiation and execution of an interlocal agreement under Section 163.01, Fla. Stat., with a member government formalizing the Phase 1 office-space arrangement, including space, cost, IT and telecommunications support, security and access, term, and termination notice provisions. The interlocal agreement should expressly contemplate Phase 1 termination on or before September 30, 2028, so that the Cooperative can transition to Phase 2 leased space before the Southeast Wellfield cut-over hires arrive in FY 2029.
- Engagement of a real-estate broker and initiation of site-selection and lease-procurement work for the Phase 2 leased central office space described in Section VI.B, with a target occupancy date of October 1, 2028.

d. Governmental Financial-Management Software – Pre-Procurement Work.

Although the IT/SCADA-Cybersecurity Director hired in FY 2028 will lead the formal procurement and implementation, several preparatory steps should be taken in FY 2027 to keep the project on schedule:

- Engagement of an outside IT-procurement advisor, use of the Florida-League-of-Cities purchasing cooperative or obtain help from member government IT departments to assist with vendor identification and requirements specification.
- Development of a written functional requirements document covering general ledger, accounts payable, payroll, fixed-asset and depreciation management, wholesale-rate billing, project-cost-allocation and timekeeping, budget preparation and monitoring, and audit-ready reporting.
- Issuance of a Request for Information (RFI) to vendors including Tyler Technologies, Caselle, Springbrook, BS&A, Black Mountain Software, and other governmental-utility ERP providers, with responses informing FY 2028 procurement budget.
- Capital budget request in the FY 2028 budget for governmental financial-management software implementation (planning estimate $150,000 to $300,000, refined by RFI responses).

e. Recruitment Preparation for FY 2028 Hiring Class.

- Selection and engagement of an executive-search firm (Slavin Management Consultants, Springsted/Waters, Affion Public, or comparable) or coordinate with a member government HR Department for the four FY 2028 director-level positions.
- Development of position descriptions, salary ranges, and advertisement copy for each FY 2028 position.

- Identification of candidate-evaluation panels for each position (the Executive Director, members of the Board, and where appropriate, a Polk County HR representative providing comparative context).
- Public posting of position announcements in late FY 2027 / early FY 2028, with offers extended in time for FY 2028 Q2 start dates.

f. Member-Government Engagement.

- Quarterly briefings to the Polk County Manager and the fifteen Polk County City Managers on the status of the workforce transition, including the cost impact of FY 2028 hires on the Administrative Expense and Water Project Cost allocations.
- Briefings to the boards or commissions of the Members on the cost-allocation methodology adopted under Section II.D of this Plan, as requested.

FY 2027 aggregate incremental personnel cost (the Conservation Specialist) is estimated at $95,000 to $120,000, base salary plus benefits. FY 2027 one-time and capital costs (executive-search engagements, software RFI consultant, insurance bind-down, payroll setup, and similar transition costs) are estimated at $75,000 to $150,000.

*3. FY 2028 – Foundational Build-Out*

The next four government-employee positions are filled in FY 2028, ahead of the Southeast Wellfield cut-over in FY 2029:

- Human Resources Director with collateral Public Information / Communications / Records Coordinator duties (1.0 FTE). Initially this position serves three combined functions: (i) Human Resources (personnel administration, benefits, payroll integration, policies and procedures); (ii) Public Information and Communications (Member-Government outreach, press relations, governmental affairs); and (iii) Public Records Coordination (Chapter 119 custodian responsibilities). When the standalone Public Information Officer is hired (FY 2030, see paragraph 5 below), this position transitions to a primarily Human Resources Director role and the PIO and Records-Coordinator functions are absorbed by other positions. This is intentionally the first PRWC director-level employee, so that the HR function is in-house when the second, third, and fourth positions are filled.
- Executive Assistant/Records Management (1.0 FTE; combined position). The Cooperative is presently supported by an Executive Assistant who is an employee of Polk County. As the first PRWC personnel are hired and the Cooperative's administrative operations begin to function independently of any single Member Government, the Cooperative will need a dedicated Executive Assistant of its own. This position supports the Executive Director, the Board of Directors, and any standing committees, and also serves as the Cooperative's Records Management and Public Records Coordinator on a combined-position basis from the outset.

- Capital Projects Director (1.0 FTE). This position leads the project-initiation and capital-development side of the technical organization. The role is most naturally filled by a Florida-licensed Professional Engineer or, alternatively, a Professional Geologist with the requisite project-development experience. The Capital Projects Director hired in FY 2028 will work alongside Mr. Addison and Mr. Mattiacci through the Southeast Wellfield Project commissioning, with phased replacement of the two project-management contracts by a single Capital Projects Manager in approximately FY 2029 (see paragraph 4 below).
- Information Technology and SCADA-Cybersecurity Director (1.0 FTE). The America's Water Infrastructure Act of 2018, Section 2013, codified at 42 U.S.C. § 300i-2, requires community water systems serving more than 3,300 persons to conduct risk-and-resilience assessments and emergency-response plans. The IT/SCADA-Cybersecurity Director is positioned as a joint function reporting directly to the Executive Director rather than to either the Capital Projects Director or the Operations Director, so that the IT and SCADA-cybersecurity function has the institutional flexibility to integrate systems across capital, operations, finance, and administration as the Cooperative grows. Among the first deliverables of this position is the selection, procurement, and implementation of the Cooperative's governmental financial-management software (see Section V.E below).

FY 2028 aggregate incremental personnel cost (over and above the FY 2027 base) is estimated at $515,000 to $675,000, base salaries plus benefits, partially offset by reductions in the present consulting and professional-services budget for HR, engineering oversight, and IT/cybersecurity.

*4. FY 2029 – Southeast Wellfield Cut-Over Year*

FY 2029 is the year in which the Southeast Wellfield Project is substantially completed. The five recommended hires for FY 2029 are:

- Capital Projects Manager (1.0 FTE; consolidates Mark Addison and Tom Mattiacci contracts). The Cooperative presently relies on two separate contract project-management arrangements: Mark Addison's contract for the Southeast Wellfield Project, and Tom Mattiacci's part-time Project Administrator engagement for the West Polk Wellfield Project (Mr. Mattiacci is a retired Lakeland Assistant Utility Director). The Plan recommends consolidating both functions in a single full-time Capital Projects Manager position hired in FY 2029, reporting to the Capital Projects Director, who oversees both wellfield projects through commissioning. Both existing contracts are intended to be consolidated into this position as part of the conversion, with appropriate transition periods to allow knowledge transfer. The Capital Projects Manager position should be recruited by open and competitive process, and current contractors are encouraged to apply. The Cooperative recognizes, however, that a current contractor may prefer not to transition into a government-employee role. In that event, the Cooperative may, at its discretion, extend or continue that contractor's existing contract engagement for such additional period as the

Cooperative determines appropriate to ensure continuity on the wellfield projects and an orderly transition, rather than requiring termination of the contract upon creation of the employee position.

- Operations Director (1.0 FTE). The Operations Director leads the project-operations side of the technical organization and is the counterpart to the Capital Projects Director on the project-initiation side. The Operations Director is responsible for the ultimate oversight of plant operations, day-to-day oversight of the U.S. Water Corporation/ACCIONA O&M contract, regulatory and environmental compliance, water-conservation programming, asset management, and the Cooperative's ongoing relationship with FDEP, EPA, SWFWMD, and other regulators. The Operations Director's direct reports as the organization matures will include the Reg/Compliance Manager/Senior Hydrogeologist (FY 2029 hire), the Asset & Operations Manager (FY 2030 hire), the Conservation Specialist (FY 2027 hire transitioning under this Director), and the Reg/Compliance Specialist (FY 2033 hire).
- Reg/Compliance Manager/Senior Hydrogeologist (1.0 FTE; combined role). This position consolidates the Cooperative's regulatory-compliance and hydrogeologic functions in a single full-time hire, recognizing that both responsibilities draw on a common base of technical and regulatory expertise and that neither, standing alone, is expected to warrant a dedicated full-time employee at this stage of the Cooperative's development. Reporting to the Operations Director, this position is responsible for day-to-day FDEP, EPA, SWFWMD, SFWMD, and federal SDWA compliance management, including the FDEP UIC permit and the Class V/Class I injection-well compliance regimen, monthly operating reports, lead-and-copper compliance, Stage 2 Disinfectants and Disinfection Byproducts Rule monitoring, Revised Total Coliform Rule monitoring, the PFAS National Primary Drinking Water Regulation (40 C.F.R. Part 141, Subpart Z) compliance schedule, and consumer-confidence-report preparation. The PFAS rule presently establishes occurrence-monitoring and compliance deadlines; however, EPA has announced reconsideration of portions of the rule and potential extensions of certain compliance deadlines. PRWC should monitor EPA rulemaking and implementation guidance closely. In its hydrogeologic capacity, the position also serves as the Cooperative's in-house subject-matter expert and informed reviewer of the hydrogeologic work product prepared by Team One and any successor consultant, supporting the Capital Projects Director during project development; the Cooperative may fill the role with a credentialed senior hydrogeologist or with a wellfield specialist of equivalent qualifications.
- Senior Accountant (1.0 FTE). With debt-service payments commencing on the Southeast Wellfield Project financing and wholesale-rate billing beginning, the Cooperative will gradually transition accounting services from Clifton, Larson, Allen (CLA) and require a senior accountant to maintain the books and records, manage the wholesale-rate billing cycle, and prepare for the eventual conversion of the Finance Manager position. This

position presupposes implementation of the governmental financial-management software described in Section V.E.

FY 2029 aggregate incremental personnel cost (over and above the FY 2028 base) is estimated at $525,000 to $725,000, base salaries plus benefits, partially offset by elimination of the Mark Addison and Tom Mattiacci project-management contracts as well as transition from outside accounting services.

*5. FY 2030 – First Post-Cut-Over Year*

The recommended hires for FY 2030 are:

- Conversion of the Finance Manager position from contract (Laura Guy-Rice) to a Director of Finance and Administration – contingent recommendation. The Plan recommends that the Finance function be brought in-house no later than FY 2030, with the precise timing dependent on Ms. Guy-Rice's election to convert and on the implementation status of the governmental financial-management software. The Director of Finance and Administration will supervise the Senior Accountant hired in FY 2029 and any additional finance staff added in later years. The same approach recommended for the Project Manager replacement – first offer to the incumbent, open recruitment if declined – should be followed for Ms. Guy-Rice. If Ms. Guy-Rice declines, open recruitment should follow.
- Asset & Operations Manager (1.0 FTE). This position reports to the Operations Director and serves as the owner's representative on the U.S. Water Corporation/ACCIONA O&M contract, oversees the asset-management plan for the Southeast Wellfield Project, manages the contractor performance-monitoring program, and prepares the Cooperative for any future decision regarding renewal, re-procurement, or insourcing of plant O&M.
- Public Information Officer (1.0 FTE). The standalone Public Information Officer position splits off from the combined Human Resources Director role established in FY 2028. After this hire, the Human Resources Director becomes primarily an HR director, and the PIO handles Member-Government outreach, press relations, governmental affairs, and the Cooperative's public-facing communications.

FY 2030 aggregate incremental personnel cost (over and above the FY 2029 base, and inclusive of the Finance Manager conversion) is estimated at $400,000 to $550,000, base salaries plus benefits, partially offset by elimination of the Finance Manager contract.

*6. FY 2031 – Bridge Year*

The recommended hires for FY 2031 are:

- Senior Engineer (1.0 FTE). Reporting to the Capital Projects Director, the Senior Engineer is the second in-house engineer (after the Capital Projects Director) and supports the Peace River Surface Water Project permitting work-stream (anticipated permitting in the early-to-mid-2030s and completion by or about 2040), the West Polk Wellfield Project

commissioning preparations, and the engineering-review oversight of Team One and any successor consulting engineers.

- Procurement Specialist (1.0 FTE). The Cooperative's procurement workload, including capital procurement, professional services, and contract administration on the U.S. Water Corporation agreement, will exceed the capacity of the existing administrative structure by FY 2031. The Procurement Specialist reports to the Director of Finance and Administration.

FY 2031 aggregate incremental personnel cost is estimated at $210,000 to $300,000, base salaries plus benefits, for the Senior Engineer and Procurement Specialist.

*7. FY 2032 – Bridge Year*

FY 2032 is a bridge year with no required new hires. The Cooperative uses this year to (i) prepare the West Polk Wellfield commissioning team, (ii) advance Peace River Surface Water Project permitting, and (iii) begin the design phase of the Phase 3 administrative building described in Section VI.

FY 2032 aggregate incremental personnel cost is approximately zero.

*8. FY 2033 – West Polk Wellfield Cut-Over Year*

FY 2033 is the year in which the West Polk Wellfield Project is substantially completed. The recommended hire is:

- Reg/Compliance Specialist (1.0 FTE). Reporting to the Operations Director and supporting the Reg/Compliance Manager/Senior Hydrogeologist, the Reg/Compliance Specialist provides additional capacity for regulatory and environmental compliance across both wellfield facilities. Additional hydrogeologic-and-wellfield specialty support associated with the second plant should be procured as needed through Team One or another consulting arrangement, rather than by adding a second in-house hydrogeologist position.

FY 2033 aggregate incremental personnel cost is estimated at $90,000 to $130,000, (base salary plus benefits.

*9. FY 2034 – Final Conversion Year*

The third and final scheduled conversion occurs in FY 2034:

- Conversion of the Executive Director position from contract (Eric DeHaven) to a government-employee position. By FY 2034, the Cooperative will have transitioned all three of its founding contract relationships, operates two wellfields and treatment plants under a contract O&M model, employs approximately sixteen (16) government employees in back-office, engineering, finance, regulatory, public-information, and asset-management roles, and is in active permitting on the Peace River Surface Water Project. The Executive Director position should be designated a Senior Management Service Class position under Section 121.055, Fla. Stat. Although the conversion is programmed for FY

2034 for planning and budgeting purposes, the Plan is structured to permit it to occur earlier, whenever the individual serving as Executive Director is willing and able to transition to a government-employee position. If the contract Executive Director retires or otherwise departs before the conversion occurs, the Cooperative will engage a successor Executive Director on a contract basis in the interim — preserving continuity without forcing a premature in-house conversion — and that successor may elect to convert to a government-employee position when ready. Because the personnel, payroll, and Florida Retirement System infrastructure established earlier in the transition will already be in place, a successor Executive Director engaged during the transition should expect government-employee benefits, including FRS participation, to become available within approximately one year of accepting the position.

FY 2034 aggregate incremental personnel cost (over and above the FY 2033 base, and including the Executive Director whose cost was previously a contract expense) is estimated at $150,000 to $250,000.

### C. Summary Headcount Trajectory

By the end of FY 2034, the Cooperative will employ approximately sixteen (16) full-time equivalent positions, all in regularly established FRS-eligible positions, in the following functional groupings: Executive (2 – Executive Director and combined Executive Assistant / Records Management); Finance and Administration (3 – Director of Finance and Administration, Senior Accountant, and Procurement Specialist); Human Resources (1 – Human Resources Director); Capital Projects (3 – Capital Projects Director, Capital Projects Manager, and Senior Engineer); Operations (5 – Operations Director, Reg/Compliance Manager/Senior Hydrogeologist, Asset & Operations Manager, Conservation Specialist, and Reg/Compliance Specialist); Public Information (1 – Public Information Officer); and IT/SCADA-Cybersecurity (1 – Director, joint function reporting directly to the Executive Director). The general counsel function remains a contract position with an outside legal firm selected by the Board. The plant operator-of-record staffing remains with U.S. Water Corporation/ACCIONA under the existing O&M agreement.

## V. Human Resources Implementation

### A. Compensation Philosophy

The Cooperative should adopt a Compensation and Classification Plan benchmarked against Florida peer regional wholesale water utilities and against the compensation-and-classification framework used by Polk County. The benchmark group should include, at a minimum, Tampa Bay Water, the Peace River/Manasota Regional Water Supply Authority, the Tohopekaliga Water Authority, the Emerald Coast Utilities Authority, Polk County Utilities, and Lakeland Electric/Water. The Compensation and Classification Plan should establish, for each position, a job description that complies with the essential-functions requirements of the Americans with Disabilities Act, a position classification (exempt or non-exempt under the Fair

Labor Standards Act), and a salary range with at least a minimum, midpoint, and maximum. The Plan should be reviewed and re-benchmarked at least every two (2) years.

For the initial benchmarking effort, the Cooperative may use the Polk County compensation-and-classification framework as a starting point rather than procuring an independent compensation consultant. If the Board determines that an independent consultant is warranted at a later stage, a procurement may be initiated then.

### B. Health and Welfare Benefits

The benefits package recommended for adoption is consistent with the package presently offered by ECUA, PRMRWSA, and similarly situated Florida special districts: dual-tier health insurance (HDHP/HSA and PPO); two-tier dental; voluntary vision; basic life and AD&D; short- and long-term disability; an Employee Assistance Program; and a cafeteria plan under IRC § 125. Procurement is recommended through the Florida Public Employer Risk Sharing Pool, the Florida Municipal Insurance Trust, or a comparable public-entity pool, both for cost efficiency and for experience-rating insulation.

### C. Paid Leave and Holidays

The recommended paid-time-off structure is consistent with peer Florida regional utilities: annual leave starting at 80 hours per year, scaling to 200 hours at fifteen or more years of service; sick leave at 96 hours per year, accruing per pay period; eleven paid holidays plus one floating holiday; standard bereavement, jury-duty, military, parental, and administrative leave.

### D. Recruitment and Selection

The recruitment process for each position should follow the same general procedure: competitive recruitment with public announcement, Equal Employment Opportunity-compliant job posting, application via the Cooperative's online portal, structured interview process, background check (Level 1 for non-sensitive positions; Level 2 under Section 435.04, Fla. Stat. for the Executive Director, the Director of Finance and Administration, and any position with treasury, IT-administrator, or SCADA-administrator authority), reference verification, Form I-9 verification with E-Verify (under Section 448.095, Fla. Stat., public agencies must use E-Verify for all new employees regardless of size), pre-employment drug screen for safety-sensitive positions, Florida Commission on Ethics Form 1 financial-interest filing for covered local officers and chief administrative employees, and final offer letter incorporating the Cooperative's at-will employment policy.

### E. Governmental Financial-Management Software

The Cooperative's present accounting is administered under a contract with Clifton Larson Allen using QuickBooks and similar small-business tools. As the Cooperative builds an in-house Finance and Administration function and assumes wholesale-rate billing for the Southeast

Wellfield Project in FY 2029, the present accounting infrastructure will no longer be sufficient. The Cooperative must procure and implement a governmental financial-management software platform that includes, at a minimum: general ledger; accounts payable; payroll integration with FRS reporting; fixed-asset and depreciation management; wholesale-rate billing with consumption-based billing capabilities; project-cost-allocation and timekeeping with project-code support; budget preparation and monitoring; and audit-ready reporting consistent with the Auditor General Rules.

Procurement of this platform is identified in this Plan as one of the first deliverables of the IT/SCADA-Cybersecurity Director hired in FY 2028. The Director should be responsible for evaluating available vendors, conducting a competitive procurement, leading implementation, and overseeing data migration from the existing Clifton Larson Allen-administered system. Implementation should be in productive use no later than the Senior Accountant hire in FY 2029.

Market research indicates that small-to-mid-tier governmental financial-management software appropriate to the Cooperative's scale (sixteen wholesale member accounts, GL/AP/payroll/fixed-asset/budget functionality) is available from vendors including Tyler Technologies (Enterprise ERP, formerly Munis), Caselle, Springbrook, BS&A, and Black Mountain Software. Implementation costs for this scale of utility typically range from approximately $150,000 to $300,000 (with the upper end of that range applicable to a more feature-rich Tyler-class implementation), with annual maintenance and hosting of approximately $40,000 to $70,000. The Cooperative should treat these figures as planning estimates only; actual cost will depend on vendor selection, scope, and implementation timeline. The Plan recommends including the one-time implementation cost in the FY 2028 capital budget (allocated to the Administrative Expense cost center and to each Water Project Cost center based on anticipated use), and the recurring maintenance cost in subsequent operating budgets.

### F. Insurance and Risk Management

Concurrent with the first hire, the Cooperative must establish or expand the following insurance programs: workers' compensation (mandatory under Chapter 440, Fla. Stat.); general liability and public officials liability; employment practices liability insurance (limits of at least $2 million per claim and $5 million aggregate); cyber liability insurance (first-party and third-party coverage, limits of at least $5 million per claim); director and officer liability insurance; and property insurance covering the wellfields, water treatment plants, transmission lines, and reject-concentrate injection wells.

## VI. Office Space Transition

The transition from contract personnel to a government-employee workforce requires a parallel transition in physical office space. The Cooperative is presently administered in office space made available by Polk County. As the workforce grows from three contract positions today to approximately sixteen (16) full-time-equivalent positions by the end of FY 2034, the

Cooperative will outgrow that shared arrangement and will need its own dedicated and identifiable office presence. The Plan recommends a three-phase approach:

### A. Phase 1 – Member-Government Office Space (FY 2026 through FY 2028)

During the foundation year (FY 2026), the first hire year (FY 2027), and the foundational build-out year (FY 2028), the Cooperative should continue to operate from office space provided by Polk County. Phase 1 accommodates the three founding contract positions (Executive Director, Project Manager, and Finance Manager), the Conservation Specialist hired in FY 2027, and the four director-level FY 2028 hires (the Human Resources Director with collateral PIO/Communications/Records duties, the Executive Assistant / Records Management, the Capital Projects Director, and the IT/SCADA-Cybersecurity Director). The Cooperative should, during Phase 1, formalize the office-space arrangement by interlocal agreement under Section 163.01, Fla. Stat., establishing the office space provided, the cost (whether at no charge, in-kind, or at a stated reimbursement rate), the IT and telecommunications support, the security and access arrangements, the term, and the termination notice provisions. The interlocal agreement should expressly contemplate termination on or before September 30, 2028 (the end of FY 2028) so that the Cooperative can transition to Phase 2 leased space in time to accommodate the four Southeast Wellfield cut-over hires arriving in FY 2029.

### B. Phase 2 – Leased Central Office Space (FY 2029 through FY 2033)

By the start of FY 2029, the Cooperative's workforce will already include five (5) in-house FTEs (the Conservation Specialist hired in FY 2027 plus the four FY 2028 director-level hires), and the four Southeast Wellfield cut-over hires (Capital Projects Manager, Reg/Compliance Manager/Senior Hydrogeologist, Operations Director, and Senior Accountant) will arrive during FY 2029, bringing total in-house staff to nine (9) FTEs. The workforce will continue to grow through FY 2030 (Finance Manager conversion, Asset & Operations Manager, Public Information Officer) and FY 2031 (Senior Engineer and Procurement Specialist). The Member-Government-provided space available under Phase 1 will no longer be sufficient. The Cooperative should procure dedicated leased office space at a central location within Polk County, with occupancy effective no later than October 1, 2028 (the start of FY 2029), selected to (i) provide approximately 4,000 to 6,000 square feet of general office, conference, records-storage, and small-meeting space; (ii) be accessible to all sixteen Member Governments, with preference given to a location near the geographic center of Polk County (such as Bartow, Winter Haven, or Lakeland); (iii) accommodate growth to approximately sixteen (16) employees, plus floater offices for the three founding-contract staff (the Executive Director, Project Manager, and Finance Manager) who remain engaged during the transition, and visiting consultants; (iv) include secure on-premises records storage; and (v) include adequate technology infrastructure for the SCADA-cybersecurity function. The lease term should be approximately five years (FY 2029 through FY 2033) to align with the planned transition to the Phase 3 permanent administrative office at the West Polk Wellfield site in FY 2034.

### C. Phase 3 – Permanent Administrative Office at the West Polk Wellfield Site (Approximately FY 2034)

The third and final phase is the design, financing, and construction of a permanent administrative office programmed into the West Polk Wellfield Project site. The Cooperative's design engineers (TeamOne) should be asked to program space for the permanent administrative office during the current West Polk design phase, so that Florida Water Partners can construct office space alongside the operating facility. The building should be sized for the FY 2034 workforce of approximately sixteen (16) full-time-equivalent positions, and should be programmed for approximately twenty (20) positions to provide reasonable growth contingency for the Peace River Surface Water Project staffing that will follow. Preliminary parameters: (i) approximately 12,000 to 15,000 square feet; (ii) total project cost of approximately $5 million to $7 million (2026 dollars), funded through a combination of capital reserves, State Revolving Fund, WIFIA Loan or commercial financing; (iii) a small staff meeting/conference room accommodating approximately ten (10) persons; and (iv) board-meeting space sufficient to seat the sixteen (16)-member Board and accommodate a public audience of approximately thirty to forty (30 to 40) persons, consistent with noticed Board meetings under Section 286.011, Fla. Stat. The cost of designing and constructing this permanent administrative office is not a West Polk Lower Floridan Aquifer Wellfield Project cost item. Because the office serves the Cooperative and all of its Member Governments as a whole, rather than any single project, its design and construction cost will be allocated among all Member Governments through a combination of the existing Implementation Agreement cost centers and the Cooperative's administrative budget, in proportion to the benefit each Member Government receives and consistent with the Cooperative's cost-allocation plan.

Whether the Plan ultimately calls for a leased Phase-2 office or instead proceeds directly from Phase 1 to Phase 3 is a Board policy decision that depends on the West Polk Project design schedule and the cost of holding a 4,000-to-6,000-square-foot lease for a limited bridge period. The Plan presents Phase 2 as a recommended bridge but acknowledges that the Board may elect to skip it if the West Polk design schedule supports a direct move.

## VII. Cost Trajectory and Budgetary Impact

### A. Multi-Year Personnel Cost Forecast

The aggregate incremental personnel and benefits cost of the recommended transition, in current-year dollars and exclusive of one-time policy-development and consultant costs, is summarized below. These are planning estimates only; actual costs will depend on compensation-and-classification benchmarking, the FRS rates set by the Florida Legislature, and the health-and-welfare premium structures in effect at the time of each hire.

- FY 2026 (Foundation Year): $50,000 to $100,000 (one-time policy development and benchmarking; no new personnel).

- FY 2027 (1 new hire, Conservation Specialist): incremental annual cost of $95,000 to $120,000, base salary plus benefits.
- FY 2028 (4 new hires, including the HR Director with collateral PIO/Communications/Records duties, EA/RM, Capital Projects Director, and IT/SCADA-Cybersecurity Director): incremental annual cost of $515,000 to $675,000, base salaries plus benefits.
- FY 2029 (4 new positions, including the Capital Projects Manager consolidating the Mark Addison and Tom Mattiacci contracts): incremental annual cost of $525,000 to $725,000, base salaries plus benefits, partially offset by elimination of both project-management contracts.
- FY 2030 (3 new hires including the contingent Finance Manager conversion): incremental annual cost of $400,000 to $550,000, base salaries plus benefits, partially offset by elimination of the Finance Manager contract.
- FY 2031 (2 hires): incremental annual cost of $210,000 to $300,000, base salaries plus benefits.
- FY 2032 (bridge year, no new hires): incremental annual cost approximately zero.
- FY 2033 (1 cut-over hire, Reg/Compliance Specialist): incremental annual cost of $90,000 to $130,000, base salary plus benefits.
- FY 2034 (1 hire, Executive Director conversion): incremental annual cost of $150,000 to $250,000, partially offset by elimination of the Executive Director contract.

Cumulative annualized personnel cost at the end of FY 2034 is estimated at approximately $2.0 million to $2.75 million in current-year dollars, supporting a workforce of approximately sixteen (16) full-time-equivalent positions.

### B. Other Transition Costs

In addition to recurring personnel costs, the Plan anticipates the following one-time and capital costs during the transition period:

- Personnel policies and employee handbook development (FY 2027): approximately $25,000 to $50,000.
- Governmental financial-management software implementation (FY 2028): approximately $150,000 to $300,000 implementation, plus approximately $40,000 to $70,000 annual maintenance thereafter.
- Phase 2 leased-office space if needed (FY 2029 – FY 2033): annual lease cost of approximately $100,000 to $210,000 (based on Bartow/Winter Haven/Lakeland market rates of approximately $25 to $35 per square foot per year for class A office space).

- Phase 3 permanent administrative office (FY 2034): total project cost of approximately $5 million to $7 million, financed (allocated among all Member Governments through the existing Implementation Agreement cost centers and the administrative budget, not charged as a West Polk Lower Floridan Aquifer Wellfield Project cost).

### C. Cost Recovery and Cost Allocation — Sources of Funding

The workforce-transition cost identified in this Plan will be funded from the following sources, each tied to a specific Implementation Agreement or governance document:

- Second Amended and Restated Implementation Agreement – Southeast Wellfield (May 11, 2022). The Southeast Wellfield Implementation Agreement is the primary source of funding for personnel costs allocated to the Southeast Wellfield Project Cost center (estimated at 60% of cumulative annual personnel cost; see Section VII.D below). Cost recovery occurs through the wholesale-rate structure of the Agreement, with each Southeast Wellfield Project Participant paying its Water Allotment Percentage share (Section 1.47 of that Agreement) of the allocated personnel cost.
- Second Amended and Restated Implementation Agreement – West Polk Lower Floridan Aquifer Wellfield (May 11, 2022). The West Polk Wellfield Implementation Agreement is the primary source of funding for personnel costs allocated to the West Polk Wellfield Project Cost center (estimated at 30% of cumulative annual personnel cost). Cost recovery occurs through the wholesale-rate structure of the Agreement, with each WPLFA Project Participant paying its Water Allotment Percentage share (Section 1.45 of that Agreement) of the allocated personnel cost.
- Combined Projects Implementation Agreement (May 1, 2017), as amended by the First Amendment (2019) and the Second Amendment (January 28, 2026). The Combined Projects Implementation Agreement is the source of funding for personnel costs allocated to the Combined Projects Cost center (estimated at 10% of cumulative annual personnel cost), reflecting the cross-project planning, Capital Improvement Plan development, water-supply demand forecasting, and similar long-range work that is not directly attributable to any single Water Project. Cost recovery occurs through each Combined Projects Participant's cost-share percentage in Section 8.5.1 of that Agreement, which was unchanged by either amendment.
- Conservation Implementation Agreement. The Conservation Implementation Agreement is the source of funding for the Conservation Specialist position hired in FY 2027 (and any successor or supporting position) and for any other conservation-programming work undertaken by the Cooperative on behalf of its Member Governments. Cost recovery occurs through the cost-allocation provisions of the Conservation Implementation Agreement. For illustration purposes in Section VII.D below, conservation personnel cost is treated as part of the 10% Combined Projects allocation because the Conservation

Implementation Agreement is funded under the same overall Combined Projects governance framework.

- Administrative Expense allocation (Section 2.06(I) of the 2016 Interlocal Agreement). The residual portion of cumulative annual personnel cost not allocable to a specific Water Project — principally the admin-related portion of the General Counsel engagement, the Executive Office, the Human Resources Director's general-services time, board-meeting and audit costs, and similar Cooperative-wide expenditures — is funded through the annual Member-Government contributions to the Administrative Expense cost center, calculated in proportion to each Member Government's annual average potable-water use.
- Future Project Implementation Agreements. As the Peace River Surface Water Project, the Alafia River Project, and other future alternative-water-supply projects advance to implementation in the early-to-mid-2030s, each such Project will become a separate Water Project Cost center under its own Implementation Agreement, and personnel costs allocated to that Project Cost center will be funded through the corresponding Agreement.

Each new position's salary and benefits will be allocated, consistent with the methodology described in Section II.D, between the Administrative Expense cost center and the appropriate Water Project Cost center under each Implementation Agreement. Personnel costs allocated to a Water Project Cost center are recovered from the participating Member Governments through the wholesale-rate structure of the corresponding Implementation Agreement. Personnel costs allocated to the Administrative Expense cost center are recovered through the annual Member-Government contributions established under Section 2.06(I) of the 2016 Interlocal Agreement, calculated in proportion to each Member Government's annual average potable-water use.

Under the recommended allocation methodology, only a modest portion of the cumulative annual personnel cost at full transition – principally the admin-related portion of the General Counsel engagement, the Executive Office, the Human Resources Director's general-services time, board-meeting and audit costs, and similar Cooperative-wide expenditures – will be charged to the Administrative Expense cost center. The substantial balance – the time of the Capital Projects Director, Capital Projects Manager, Reg/Compliance Manager/Senior Hydrogeologist, Operations Director, Asset & Operations Manager, Senior Engineer, Conservation Specialist, Reg/Compliance Specialist, and the project-related portion of the General Counsel engagement – will be allocated to the Southeast Wellfield, West Polk Wellfield, Conservation, and (in due course) Peace River Surface Water Project Cost centers and recovered through the corresponding Implementation Agreements.

### D. Estimated Cost to Member Governments — Year-by-Year

The purpose of this Section VII.D is to provide the Board of Directors and the Member Governments with a rough planning estimate of the year-by-year cost of the workforce transition borne by each Member Government. The estimate is presented in two tables. Table VII-1 shows the Cooperative's cumulative annual personnel cost split among the three Water Project Cost

centers. Table VII-2 then combines the three Cost-center allocations into a single per-Member-Government annual figure, so that each Member Government can see, at a glance, what its share of the workforce-transition cost is expected to be in each fiscal year of the transition.

The combined Table VII-2 is built on the following simplifying assumptions:

- The 60% / 30% / 10% split is illustrative only. The actual cost allocation will be determined year by year through the documented time-allocation methodology described in Section II.D, applied by the Director of Finance and Administration once that position is filled and the governmental financial-management software (see Section V.E) is implemented. The 60% / 30% / 10% split represents a reasonable planning approximation reflecting (a) the relative weight of the two wellfield projects (each requiring substantially equal owner-side oversight during construction and commissioning, with the larger Southeast Wellfield receiving the bulk of attention through FY 2029) and (b) the minority share attributable to general planning, conservation, and long-range water-supply work allocated to the Combined Projects Cost center. For purposes of this illustration, the Conservation Specialist position (allocated principally to the Conservation Implementation Agreement Cost center) is treated as part of the Combined Projects Cost center, because the Conservation Implementation Agreement is funded under the same Combined Projects framework.

- Sixty percent (60%) of each year's cumulative personnel cost is attributable to the Southeast Wellfield Project Cost center and is allocated among the Southeast Wellfield Project Participants in accordance with the Water Allotment Percentages set forth in Section 1.47 of the Second Amended and Restated Implementation Agreement – Southeast Wellfield (May 11, 2022).
- Thirty percent (30%) of each year's cumulative personnel cost is attributable to the West Polk Lower Floridan Aquifer Wellfield Project Cost center and is allocated among the WPLFA Project Participants in accordance with the Water Allotment Percentages set forth in Section 1.45 of the Second Amended and Restated Implementation Agreement – West Polk Lower Floridan Aquifer Wellfield (May 11, 2022).
- Ten percent (10%) of each year's cumulative personnel cost is attributable to the Combined Projects Cost center and is allocated among the Combined Projects Participants in accordance with the cost-share percentages set forth in Section 8.5.1 of the Combined Projects Implementation Agreement (May 1, 2017), as amended by the First Amendment (2019) and Second Amendment (January 28, 2026). Neither amendment modified the Section 8.5.1 cost-share table.
- Each Member Government's effective share of the Cooperative's total annual personnel cost is the sum of the three weighted contributions described above: (i) its Southeast Wellfield Water Allotment Percentage multiplied by 60%; (ii) its West Polk Wellfield Water Allotment Percentage multiplied by 30%; and (iii) its Combined Projects cost-share

percentage multiplied by 10%. Where a Member Government has elected Project Associate status under one of the wellfield Implementation Agreements (no financial responsibility), that Member Government's contribution to the corresponding Cost center is treated as zero, and the balance of that Cost center is borne by the participating Project Participants.

- The figures shown are planning estimates only, expressed in current-year (FY 2026) dollars, and exclude (i) one-time policy-development costs in FY 2026 and FY 2027; (ii) one-time and recurring governmental-software costs (estimated in Section V.E); (iii) Phase 2 leased-office costs (FY 2030 – FY 2033); and (iv) the Phase 3 permanent administrative office (FY 2034). The amounts shown also assume the contingent Finance Manager conversion in FY 2030 and the Executive Director conversion in FY 2034.

The purpose of Table VII-2 is to give the Member Governments a rough sense of magnitude — measured in tens of thousands to hundreds of thousands of dollars per year per Member Government — of what the workforce transition will cost them as Member Governments. Actual amounts will differ from the figures shown based on the year-end compensation-and-classification benchmarking, the FRS contribution rates set by the Florida Legislature for each fiscal year, the actual time-allocation methodology implemented under Section II.D, any change in the Project Participants' Water Allotment Percentages following the five-year true-up under Section 10 of each wellfield Implementation Agreement, and any future amendments to the Combined Projects Implementation Agreement.

***Table VII-1. Cumulative Annual Personnel Cost by Cost Center, FY 2026 – FY 2034 (Current-Year Dollars)***

| Fiscal Year | Cumulative Cost | Southeast Wellfield (60%) | West Polk LFA (30%) | Combined Projects (10%) |
|---|---|---|---|---|
| FY 2026 | — | — | — | — |
| FY 2027 | $107,500 | $64,500 | $32,250 | $10,750 |
| FY 2028 | $702,500 | $421,500 | $210,750 | $70,250 |
| FY 2029 | $1,327,500 | $796,500 | $398,250 | $132,750 |
| FY 2030 | $1,802,500 | $1,081,500 | $540,750 | $180,250 |
| FY 2031 | $2,057,500 | $1,234,500 | $617,250 | $205,750 |
| FY 2032 | $2,057,500 | $1,234,500 | $617,250 | $205,750 |
| FY 2033 | $2,167,500 | $1,300,500 | $650,250 | $216,750 |
| FY 2034 | $2,367,500 | $1,420,500 | $710,250 | $236,750 |

*Note — FY 2027 funding. The FY 2027 incremental personnel cost (approximately $107,500) was not included in the PRWC's proposed FY 2027 budget request. Rather than deferring these positions, the Cooperative will fund the FY 2027 cost through a draw under its Line of Credit and capitalize that amount. Principal and interest on the FY 2027 Line-of-Credit draw will be recovered from the Member Governments through the base rate charge beginning in FY 2028; accordingly, Table VII-2 reflects no direct FY 2027 charge to the Member Governments ("—").*

*Table VII-2. Estimated Annual Workforce-Transition Cost by Member Government (Current-Year Dollars)*

| Member Government | SEWF % | WPLFA % | Combined % | Effective % | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 | FY 2034 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| City of Auburndale | 10.89% | 1.269% | 7.08% | **7.623%** | — | — | $53,552 | $101,195 | $137,405 | $156,843 | $156,843 | $165,229 | $180,475 |
| City of Bartow | 2.38% | 4.568% | 6.93% | **3.491%** | — | — | $24,524 | $46,343 | $62,925 | $71,827 | $71,827 | $75,667 | $82,649 |
| City of Davenport | 17.95% | — | 0.92% | **10.862%** | — | — | $76,306 | $144,193 | $195,788 | $223,486 | $223,486 | $235,434 | $257,158 |
| City of Eagle Lake | — | — | 1.33% | **0.133%** | — | — | $934 | $1,766 | $2,397 | $2,736 | $2,736 | $2,883 | $3,149 |
| City of Fort Meade | — | — | 0.56% | **0.056%** | — | — | $393 | $743 | $1,009 | $1,152 | $1,152 | $1,214 | $1,326 |
| City of Frostproof | — | — | 0.41% | **0.041%** | — | — | $288 | $544 | $739 | $844 | $844 | $889 | $971 |
| City of Haines City | 23.10% | — | 5.14% | **14.374%** | — | — | $100,977 | $190,815 | $259,091 | $295,745 | $295,745 | $311,556 | $340,304 |
| City of Lake Alfred | 6.60% | — | 1.70% | **4.130%** | — | — | $29,013 | $54,826 | $74,443 | $84,975 | $84,975 | $89,518 | $97,778 |
| City of Lake Wales | — | — | 4.07% | **0.407%** | — | — | $2,859 | $5,403 | $7,336 | $8,374 | $8,374 | $8,822 | $9,636 |
| City of Lakeland | 0.66% | 80.077% | 25.02% | **26.921%** | — | — | $189,120 | $357,376 | $485,251 | $553,900 | $553,900 | $583,513 | $637,355 |
| City of Mulberry | — | — | 0.77% | **0.077%** | — | — | $541 | $1,022 | $1,388 | $1,584 | $1,584 | $1,669 | $1,823 |
| City of Polk City | — | 0.380% | 1.68% | **0.282%** | — | — | $1,981 | $3,744 | $5,083 | $5,802 | $5,802 | $6,112 | $6,676 |
| City of Winter Haven | 10.03% | 1.270% | 9.53% | **7.352%** | — | — | $51,648 | $97,598 | $132,520 | $151,267 | $151,267 | $159,355 | $174,059 |

| Member Government | SEWF % | WPLFA % | Combined % | Effective % | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 | FY 2034 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Town of Dundee | 5.94% | — | 2.24% | **3.788%** | — | — | $26,611 | $50,286 | $68,279 | $77,938 | $77,938 | $82,105 | $89,681 |
| Town of Lake Hamilton | — | — | 0.04% | **0.004%** | — | — | $28 | $53 | $72 | $82 | $82 | $87 | $95 |
| Polk County | 22.45% | 12.436% | 32.58% | **20.459%** | — | — | $143,724 | $271,593 | $368,773 | $420,944 | $420,944 | $443,449 | $484,367 |
| **TOTAL (Cooperative-wide)** | **100.00%** | **100.00%** | **100.00%** | **100.000%** | **—** | **—** | **$702,500** | **$1,327,500** | **$1,802,500** | **$2,057,500** | **$2,057,500** | **$2,167,500** | **$2,367,500** |

# VIII. The Florida Retirement System: Election, Implementation, and Comparison to Alternatives

## A. Statutory Authority

The Florida Retirement System is governed by Chapter 121, Florida Statutes. Section 121.021(10), Fla. Stat., includes within the definition of "employer" "any [...] special district of the state [...] which participates in the system for the benefit of certain of its employees." Section 121.051(2)(b), Fla. Stat., authorizes the governing body of a special district to elect to participate in FRS; the election is irrevocable and, once made, all future employees of the special district are compulsory FRS members.

## B. Election Process

To enroll the Cooperative in FRS, the Board of Directors must (i) adopt a Board resolution electing to participate in FRS pursuant to Section 121.051(2)(b), Fla. Stat.; (ii) submit the application package to the Department of Management Services, Division of Retirement, at least fifteen days before the proposed effective date of coverage; (iii) designate the covered group and obtain a DMS-issued agency number; (iv) establish payroll integration with FRS Online; and (v) distribute General Retirement Plan Enrollment Form ELE-1 to each newly hired employee for the Pension Plan vs. Investment Plan choice within the eight-month initial choice period.

## C. Pension Plan vs. Investment Plan and Membership Classes

Each new FRS member elects between the FRS Pension Plan (defined benefit) and the FRS Investment Plan (defined contribution) within an eight-month initial choice period. The Cooperative's positions will fall principally into the Regular Class. The Senior Management Service Class is available, but only if the Board affirmatively designates eligible positions. The Plan recommends designation of the Executive Director, Director of Finance and Administration, Capital Projects Director, Operations Director, Human Resources Director, and IT/SCADA-Cybersecurity Director as SMSC-eligible by separate resolution.

## D. FY 2025-26 Contribution Rates

The total contribution rates effective July 1, 2025, codified at Section 121.71, Fla. Stat., are:

- Regular Class: Employer rate 14.03%; employee rate 3.00%.
- Senior Management Service Class: Employer rate 33.24%; employee rate 3.00%.
- Special Risk Class: Employer rate 35.19%; employee rate 3.00% (inapplicable to the Cooperative).
- DROP: Employer rate 22.02%.

The employer rates include normal cost, unfunded actuarial liability assessments, the Health Insurance Subsidy contribution, and the administrative assessment. The 3.00% employee contribution is deducted on a pre-tax basis. These rates are adjusted annually by the Florida Legislature.

### E. Comparison to Alternative Retirement Vehicles

The Cooperative could theoretically operate a stand-alone defined-benefit plan, a stand-alone Section 401(a) defined-contribution plan, or a deferred-compensation-only structure under Section 457(b). On the merits, FRS is the preferred choice because (i) FRS is fully prefunded and actuarially managed by the State Board of Administration; (ii) FRS membership is portable across all approximately 1,000 participating Florida public employers, which is the single most important non-financial recruiting advantage; (iii) the Pension Plan places investment risk on the State, not on the Cooperative; and (iv) all peer Florida regional utilities (TBW, PRMRWSA, ECUA, Lakeland, Polk County, and WRWSA) participate in FRS.

### F. Section 457(b) Deferred Compensation Plan

Section 112.215, Fla. Stat., authorizes Florida public employers to provide their employees access to a Section 457(b) deferred-compensation plan as a supplement to FRS. The Plan recommends offering the State of Florida Deferred Compensation Plan administered by the Department of Financial Services Bureau of Deferred Compensation as the primary 457(b) vehicle.

## IX. State and Federal Legal Framework

### A. Florida State Law Applicable to PRWC Employees

The conversion to a government-employee workforce subjects the Cooperative to a body of Florida employment law that has not thus far applied to its three contract relationships. The principal statutes are summarized below; each will need to be reflected in the Personnel Policies and Procedures Manual.

- Chapter 112, Part III, Fla. Stat. – Code of Ethics. Section 112.313 prohibits doing business with one's own agency, conflicting employment, misuse of position, and post-employment lobbying. Section 112.3135 prohibits nepotism. Section 112.3145 requires Form 1 (Statement of Financial Interests) filings annually by each "local officer" and each "chief administrative employee". Section 112.3144 separately governs Form 6 full and public disclosure for officers required to file that form. Section 112.3187 et seq., the Florida Whistleblower's Act, protects PRWC employees who disclose violations of law.
- Chapter 119, Fla. Stat. – Public Records Act. Personnel files are presumptively public records, with exemptions in Section 119.071(4) for SSNs, bank-account numbers, and (upon written request) home addresses, telephone numbers, dates of birth, and photographs of human-resources, labor-relations, and employee-relations directors. The Human

Resources Director hired in FY 2028 is expected to qualify for this protection, provided the statutory conditions are met and the required written request is submitted.

- Chapter 286, Fla. Stat. – Sunshine Law. Board meetings and any committee meetings with delegated decision-making authority are subject to (i) reasonable public notice; (ii) public access; and (iii) recorded minutes. Most personnel matters cannot be discussed in private. Section 286.011(8) permits a closed attorney-client litigation-strategy session under strict procedure; Section 447.605(1) exempts collective-bargaining strategy sessions.
- Chapter 447, Part II, Fla. Stat. – Public Employees Relations Act. Florida public employees enjoy constitutional and statutory collective-bargaining rights. The Public Employees Relations Commission administers the Act. Strikes by public employees are prohibited under Section 447.505.
- Chapter 440, Fla. Stat. – Workers' Compensation. Mandatory once the Cooperative employs four (4) or more persons. Recommended through a public-entity self-insurance pool such as FMIT or PGIT.
- Section 768.28, Fla. Stat. – Sovereign Immunity. The Cooperative is a "subdivision" of the State for purposes of Section 768.28. Tort caps are presently $200,000 per claim and $300,000 per occurrence. Section 768.28(9) bars personal tort liability of an officer, employee, or agent acting within the scope of employment.
- Chapter 443, Fla. Stat. – Reemployment Assistance. The Cooperative may elect to participate as a reimbursing employer under Section 443.1313, Fla. Stat. – ordinarily preferred for low-turnover special districts.
- Section 215.425, Fla. Stat. – Extra Compensation and Severance Limits. Severance for a contract officer of a special district is limited to twenty (20) weeks of compensation.
- Florida Administrative Code Chapter 62-602 – Operator Certification. The U.S. Water Corporation/ACCIONA O&M contract requires the contractor to supply the Operator-In-Charge and licensed operators. The Cooperative's Operations Director (FY 2029 hire) and Reg/Compliance Manager/Senior Hydrogeologist (FY 2029 hire) should verify operator licensing and continuing-education compliance.

### B. Federal Law Applicable to PRWC Employees

The following federal employment statutes apply to PRWC along a graduated schedule:

- Fair Labor Standards Act, USERRA, IRCA (with E-Verify mandatory for public agencies from the first hire under Section 448.095, Fla. Stat.), FMLA notice posting (29 C.F.R. § 825.300), and the HIPAA Privacy Rule apply on day one.
- Title VII, Title I of the ADA, and GINA apply at fifteen (15) employees; ADEA and PHSA continuation of group health coverage (the federal-employer analog to COBRA) apply at

twenty (20) employees. The Cooperative is projected to cross fifteen during FY 2029 and twenty during or shortly after FY 2033.

- Federal OSHA does not directly cover state and local public employees in Florida, but OSHA standards (confined-space at 29 C.F.R. § 1910.146; lockout/tagout at 29 C.F.R. § 1910.147; trenching and excavation at 29 C.F.R. Part 1926, Subpart P) should be adopted by reference in the Safety Manual.
- America's Water Infrastructure Act of 2018, Section 2013, codified at 42 U.S.C. § 300i-2, requires risk-and-resilience assessments and emergency-response plans. The IT/SCADA-Cybersecurity Director (FY 2028 hire) is responsible for this function.

### C. Annual Legal and Financial Review of Regulatory Items

Because several retirement-system contribution rates, federal PFAS implementation deadlines, and related state and federal regulatory requirements are subject to annual legislative or agency revision, the Cooperative should require annual legal and financial review of these items as part of each budget cycle. The General Counsel and the Director of Finance and Administration should jointly present, at the budget workshop preceding each fiscal year, an updated summary of: (i) the FRS contribution rates set for the upcoming fiscal year; (ii) any material amendments to Chapter 121, Chapter 112, Chapter 119, or Chapter 286, Florida Statutes; (iii) any developments affecting Section 768.28 sovereign-immunity caps; (iv) the status of the EPA PFAS NPDWR and any other Safe Drinking Water Act regulatory changes; (v) any change in E-Verify and other immigration-compliance obligations; and (vi) any amendments to the Cooperative's Personnel Policies and Procedures Manual occasioned by the foregoing.

## X. Required Personnel Policies and Employee Handbook

Before the first government-employee hire, the Board of Directors must adopt the following policies, all of which will be incorporated in the Personnel Policies and Procedures Manual:

- Equal Employment Opportunity Policy.
- Anti-Harassment and Anti-Retaliation Policy.
- Drug-Free Workplace Policy under Sections 440.101 and 440.102, Fla. Stat.
- Code of Ethics, Conflicts of Interest, and Gift Acceptance Policy.
- Anti-Nepotism Policy.
- Whistleblower Policy and notice posting under Section 112.3187(11).
- Public Records Policy under Chapter 119.
- Personnel Records Confidentiality Policy.

- Family and Medical Leave Policy with required FMLA notice posting.
- Uniformed Services Employment and Reemployment Rights Act notice posting.
- Workers' Compensation and Reemployment Assistance notices.
- E-Verify Policy (mandatory for all PRWC hires from the first employee).
- Background Check Policy.
- Health Insurance Portability and Accountability Act Privacy Notice for the group health plan.
- Records Retention Schedule conforming to General Records Schedule GS1-SL.

# XI. Risk Analysis and Mitigation

## A. Political and Member-Government Risk

The transition will increase the Cooperative's recurring personnel expense. Properly allocated to the Water Project Cost centers under each Implementation Agreement, the substantial majority of that expense is recovered through wholesale-rate revenue rather than through the Administrative Expense allocation. The remaining political risk is therefore not a budgetary supermajority risk but a wholesale-rate-impact risk: each new position translates, ultimately, into pennies-per-thousand-gallons on the wholesale rate paid by the participating Member Governments. Mitigation involves early and frequent engagement with the Member Governments, transparent multi-year cost forecasts, and unmistakable demonstration of the value the additional in-house staff provides.

## B. Recruitment Risk

The Florida public-sector water-utility labor market is tight. Compensation must be market-competitive, and the Cooperative must be able to articulate to potential candidates a compelling value proposition: a brand-new utility, a fifty-year build-out horizon, FRS-credit portability, an opportunity to shape the organization, and the ability to work on the largest regional water-supply development in central Florida outside of the Tampa Bay region. Mitigation involves (i) the early hire of a strong Human Resources Director (FY 2028); (ii) open and competitive recruitment from the broad Florida public-utility labor market; (iii) participation in AWWA, FSAWWA, FRWA, and AWWA Florida Section career fairs and job-board postings; and (iv) the use of executive-search firms for the senior-management positions.

## C. Continuity and Succession Risk

The replacement of three founding contract relationships introduces continuity risk. The Plan addresses this risk in two ways. First, each conversion or replacement is preceded by an overlap period between the outgoing contractor and the incoming employee, specifically: the

Capital Projects Director hired in FY 2028 works alongside Mr. Addison and Mr. Mattiacci for approximately one year before the FY 2029 Capital Projects Manager hire that consolidates the two contracts; the Senior Accountant hired in FY 2029 provides the working accounting bench-strength supporting the FY 2030 Finance Manager conversion; and the Executive Assistant hired in FY 2028 supports both the contract Executive Director and the converted Executive Director in FY 2034. Second, succession planning is an explicit responsibility of the Capital Projects Director, who is responsible for ensuring that the Cooperative is not single-threaded on any one engineering or project-management individual at any time during the transition.

## XII. Recommended Immediate Next Steps (FY 2026 and FY 2027 Actions)

To put the Plan in motion, the Board of Directors should take the following actions, in approximately the following sequence. The rollout is divided into a FY 2026 "information and preparation" phase culminating in Board adoption in September 2026, and a substantive FY 2027 "build-the-foundation" phase that prepares the Cooperative for the FY 2028 hiring class.

### A. FY 2026 – Information, Approval, and Initial Resolutions

- July 2026 Board meeting – information item. The Executive Director and General Counsel jointly present this Plan, the accompanying slide deck, and the associated cost and timeline summaries as an information item, soliciting Board comment but not yet seeking adoption.
- August 2026 – Member-Government engagement. The Executive Director presents the Plan to the Polk County Manager and the fifteen Polk County City Managers, soliciting comments and addressing concerns before the Plan is brought back to the Board for adoption.
- September 2026 Board meeting – Resolution Adopting the Workforce Transition Plan. The General Counsel presents a draft Resolution Adopting the Workforce Transition Plan for Board consideration and approval.
- September 2026 – Resolution Electing FRS Participation under Section 121.051(2)(b), Fla. Stat.
- September 2026 – Resolution Electing the Reimbursement Method under Section 443.1313, Fla. Stat. for reemployment-assistance obligations.
- September 2026 – Resolution Delegating Hiring Authority to the Executive Director for non-senior-management positions.
- September 2026 – Resolution Establishing the Personnel Committee.
- November 2026 Board meeting – Procurement Policy adoption. Present a recommended Procurement Policy for Board adoption and, if needed, a Board resolution ratifying any prior change orders approved by Cooperative staff in excess of staff-level signing authority.

### B. FY 2027 – Foundation Year

FY 2027 is the principal preparation year for the FY 2028 hiring class. Because the costs of these foundation-year actions were not included in the Member Governments' adopted FY 2027 budget, the Cooperative will fund them through a draw under its Line of Credit and recover that amount, with principal and interest, through the base rate charge beginning FY 2028 (consistent with the funding note to Table VII-1). Recommended FY 2027 actions are:

- FY 2027 Q1 – Board adoption of the Personnel Policies and Procedures Manual and the Employee Handbook.
- FY 2027 Q1 – Board adoption of the initial Compensation and Classification Plan, drawing on the Polk County compensation-and-classification framework as a starting point. Job descriptions are finalized for the four FY 2028 director-level positions.
- FY 2027 Q1 – Board adoption of the Records Retention Schedule, the Safety Manual, the Ethics and Conflicts-of-Interest Policy, the Whistleblower Policy and notice posting, and the Public Records Policy.
- FY 2027 Q1 – Board resolution designating Senior Management Service Class positions under Section 121.055(1)(b)1., Fla. Stat. (Executive Director, Director of Finance and Administration, Capital Projects Director, Operations Director, Human Resources Director, and IT/SCADA-Cybersecurity Director).
- FY 2027 Q1 – Board adoption of the Section 457(b) deferred-compensation plan (State of Florida plan) as a supplemental retirement benefit.
- FY 2027 Q1 – Recruitment and hiring of the Conservation Specialist (first government-employee position).
- FY 2027 Q1-Q2 – Procurement of liability, workers' compensation, employment-practices, cyber, and director-and-officer insurance through a public-entity pool, with coverage bound effective no later than 30 days before the first FY 2028 employee start date.
- FY 2027 Q1-Q2 – Negotiation and execution of an interlocal agreement under Section 163.01, Fla. Stat., with Polk County formalizing the Phase 1 office-space arrangement and providing for termination on or before September 30, 2028.
- FY 2027 Q2-Q4 – Engagement of a real-estate broker and initiation of site-selection and lease-procurement work for the Phase 2 leased central office space (described in Section VI.B), with a target occupancy date of October 1, 2028 (start of FY 2029).
- FY 2027 Q1-Q2 – Selection of payroll vendor and establishment of payroll, payroll-tax, FRS, and reemployment-assistance reporting accounts; establishment of E-Verify account.

- FY 2027 Q2-Q3 – Engagement of an executive-search firm for the four FY 2028 director-level positions; development of position descriptions, salary ranges, and advertisement copy; identification of candidate-evaluation panels.
- FY 2027 Q2-Q3 – Pre-procurement work for the governmental financial-management software, including engagement of an IT-procurement advisor, development of a functional requirements document, and issuance of a Request for Information to vendors (Tyler Technologies, Caselle, Springbrook, BS&A, Black Mountain Software, and others). Capital budget request in the FY 2028 budget for software implementation.
- FY 2027 Q3-Q4 – Public posting of FY 2028 position announcements; candidate interviews; offers extended in time for FY 2028 Q1 / Q2 start dates.
- FY 2027 Q3-Q4 – Quarterly briefings to the Polk County Manager and the fifteen Polk County City Managers on the status of the workforce transition, including the cost impact of FY 2028 hires.

### C. FY 2028 – Foundational Hiring Class

- FY 2028 Q1-Q2 – Recruitment and hiring of the Human Resources Director (with collateral PIO/Communications/Records duties), Executive Assistant / Records Management, Capital Projects Director, and IT/SCADA-Cybersecurity Director.
- FY 2028 – IT/SCADA-Cybersecurity Director leads procurement and implementation of the governmental financial-management software described in Section V.E. Implementation should be in productive use no later than the FY 2029 Senior Accountant hire.
- FY 2028 – Complete the site-selection and lease-procurement process for Phase 2 leased central office space, with a target occupancy date of October 1, 2028 (start of FY 2029) so that the Cooperative is in Phase 2 space before the four FY 2029 Southeast Wellfield cut-over hires arrive. Site-selection work should begin in FY 2027 (see Section IV.B.2(e)).
- Ongoing – Individual succession conversations with Mr. Addison, Mr. Mattiacci, Ms. Guy-Rice, and Mr. DeHaven regarding the eventual conversion or replacement of their respective contract relationships and their preferences for transition planning.

## XIII. Conclusion

The Polk Regional Water Cooperative was formed in 2016 to do something no one of its sixteen Member Governments could do alone: develop and operate new regional alternative water supplies sufficient to serve Polk County's long-term population growth without depleting the Upper Floridan Aquifer. Unlike WCRWSA in 1974 or PRMRWSA in 1982, PRWC was designed from inception as a developer and operator, not as a planning shell. Ten years after formation, the Cooperative is on the verge of completing its first regional treatment facility and stepping into the

role of a wholesale water utility. The pattern across both Florida and the nation is clear: the wholesale water authorities that survive and grow are those that build the right back-office capacity in advance of asset cut-over and that maintain the discipline to insource only what genuinely belongs in-house – finance, engineering, regulatory compliance, cybersecurity, communications, asset management, and human resources – while leaving the work that contractors do well in the hands of contractors.

The transition from contract to government-employee workforce presented by this Plan is not only legally permissible under the 2016 Interlocal Agreement; it is the natural and necessary next step in the Cooperative's evolution. The Plan calls for three founding-contract replacements and approximately thirteen new positions over seven-to-eight fiscal years, with FRS participation, a market-competitive compensation philosophy, the procurement of a governmental financial-management software platform, and a complete personnel-policy framework in place before the first hire. General counsel remains, as it does at every comparable Florida regional utility (other than the Tohopekaliga Water Authority), a contract function delivered by a specialized outside law firm. The plant operator-of-record remains, as at Tampa Bay Water for the past twenty-six years, a long-term contract with U.S. Water Corporation and ACCIONA.

The Plan is presented to the Board of Directors for adoption by Resolution at the September 2026 Board meeting, with information and discussion items at the July 2026 Board meeting and Member-Government engagement in August 2026.