

Integrity. Intelligence. Diligence.

August 15, 2022

U.S. MAIL & E-MAIL

Mr. Jerome Fletcher, City Manager, City of North Port North Port City Hall 4970 City Hall Boulevard North Port, FL 34286

Re: Peace River Manasota Regional Water Supply notification for new Water Supply Facilities

Dear Mr. Fletcher:

Our firm is General Counsel to the Peace River Manasota Regional Water Supply Authority ("Authority"). Pursuant to the current Peace River/Manasota Regional Water Supply Authority Master Water Supply Contract ("MWSC") entered into between the Authority, Manatee County, Charlotte County, DeSoto County, Sarasota County, and the City of North Port ("North Port"), this letter is to provide North Port written notice of the Authority's intention to apply for a permit for and to construct new Authority Water Supply Facilities (as that term is defined in the MWSC), specifically a pipeline ("Pipeline") for Charlotte County, within a portion of North Port's jurisdiction.

The proposed Pipeline is the Regional Integrated Loop System Phase 2B Interconnect Project, which is an expansion of the Authority's Regional Transmission System that includes approximately fourteen (14) miles of a new potable water transmission pipeline within Charlotte County and the City of North Port. The proposed location of the Pipeline, with those portions of the Pipeline in North Port's jurisdiction is included (see Exhibit "A").

MWSC Paragraph 22.2 and its subparagraph 22.2.1 set forth certain notice and consent requirements for new Authority Water Supply Facilities. For your convenience, a copy of Paragraph 22.2 (and its subparts) is attached hereto as Exhibit "B." Under Paragraph 22.2 of the MWSC, the Authority is required to have written consent from North Port City Commission to locate the Pipeline within North Port's jurisdiction (See Exhibit "B").

Pursuant to the requirements of MWSC subparagraph 22.2.1., the Authority is providing written notification to North Port of its intention to apply for a permit for and construct the Pipeline located within portions of North Port's jurisdiction. This notice is being provided more than sixty (60) days prior to submitting the permit application for the new Pipeline. Under the MWSC, North Port is required to notify the Authority within sixty (60) days of receipt of this letter of its decision to grant or deny consent to the Authority to construct the Pipeline within its jurisdiction. See MWSC at subparagraph 22.1.1. If North Port denies the requested consent, its notification must provide an explanation of the reasons for denial. See MWSC at subparagraph 22.1.1.

The Authority requests that North Port provide written consent to the Authority to construct this new Pipeline. If you have any questions, please contact me or Mike Coates. We look forward to receiving your response on this matter.

Sincerely,

MANSON BOLYES DONALDSON VARN, P.A.

Douglas Manson General Counsel

Peace River Manasota Regional Water Supply Authority

DM/dlr

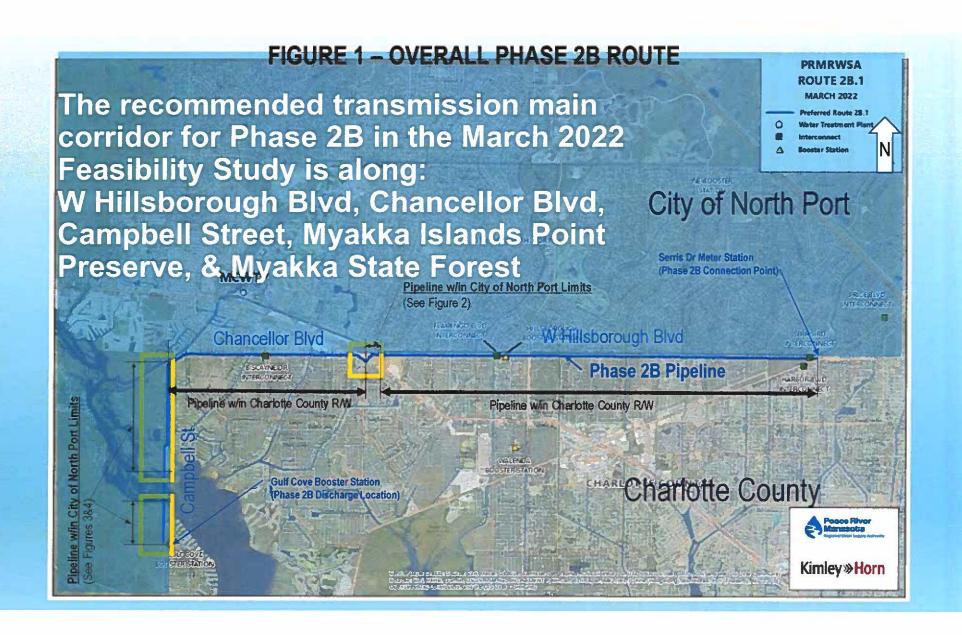
Enclosures: Exhibit A (Location Maps of Proposed Pipeline)

Exhibit B (MWSC Paragraph 22.2 & subparts)

cc: Mike Coates, Executive Director, Peace River Manasota Regional Water Supply Authority Jason Yarborough, Assistant City Manager, City of North Port Michael Golen, CPM, Assistant City Attorney, City of North Port

Exhibit A

Maps showing proposed Regional Integrated Loop System Phase 2B Interconnect pipeline alignment within North Port City Limits





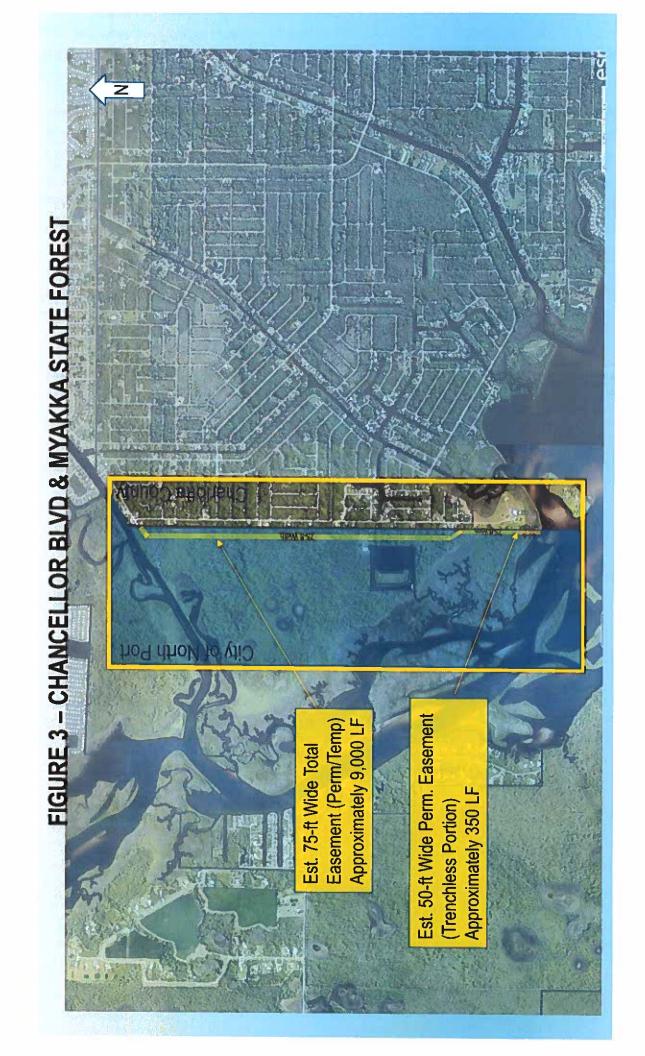




Exhibit B

Master Water Supply Contract Paragraph 22.2

1991 Facility or any other assets, real estate, facilities or any other property or service to the Authority prior to the date of this Contract.

- River/Manasota Regional Water Supply Authority/City of North Port, Florida Water Supply Contract dated May 30, 1991, Charlotte reserved water capacity for a period of time for North Port. North Port was then obligated to repay the cost of the water reservation to Charlotte. Payment by North Port through the Authority to Charlotte has been made since 1992 at a monthly amount of \$398.42. Since the Master Water Supply Contract supersedes the Peace River/Manasota Regional Water Supply Authority/City of North Port, Florida Water Supply Contract dated May 30, 1991, this North Port obligation is established in this Contract. North Port shall pay the Authority \$398.42 monthly with the last payment on October 1, 2021. The Authority shall pass through the payment being made to Charlotte each month.
- 21. TRANSFER OF DESOTO FACILITY. Provided a transfer agreement is executed by DeSoto and the Authority, the Authority shall pay DeSoto \$800,000.00 for DeSoto to transfer to the Authority the real property and water well, appurtenances and any necessary permits for use of the water well and specified facilities in place identified in the transfer agreement. This payment from the Authority shall be funded from REP Debt Service Cost. The payment to DeSoto will be in the form of a credit for DeSoto's payment obligation pursuant to the DeSoto County Regional Pipeline Extension Amended Pipeline Agreement dated June 21, 2004.
- 22. DEVELOPMENT OF FUTURE WATER SOURCES. The Authority and its Customers shall develop new Water Supply Facilities as follows:
- 22.1. General. The Authority shall develop new Authority Water Supply Facilities to meet the water demands of its Customers in Exhibits "B" and "C" which will reflect the projections

provided as specified above or at the determination of the Authority for DeSoto.

- 22.2 Procedures for New Authority Water Supply Facilities. The Authority shall have written consent of the governing body of a Customer in whose jurisdiction the Authority intends to acquire, develop, construct or operate new Authority Water Supply Facilities. For new Authority Water Supply Facilities located or proposed to be located within the jurisdiction of North Port, North Port shall be the sole entity that grants or denies consent to the Authority.
 - 22.2.1. The Authority shall provide written notification of its intention to apply or seek the transfer of a Permit for new Authority Water Supply Facilities to the Customer in whose jurisdiction the Authority Water Supply Facilities are located or will be located. Such notification shall be given no less than sixty (60) days prior to submitting the Permit application or requesting the Permit transfer. The Customer shall notify the Authority within sixty (60) days of its decision to grant or deny consent to the Authority to acquire, develop, construct or operate the new Authority Water Supply Facilities within its jurisdiction. If a Customer denies consent, the Customer's notification shall provide an explanation of the reasons for denial.
 - 22.2.2. Upon notification of denial by a Customer to the Authority, a meeting between the staff of the Authority and the Customer shall be held within forty-five (45) days of the notification of denial. This meeting shall be organized and scheduled by the Authority. During this meeting, the staff of the Authority and the Customer shall attempt to reach an agreement to grant consent to the Authority to acquire, develop, construct or operate new Authority Water Supply Facilities within the Customer's jurisdiction.

- If no agreement is reached within forty-five (45) days of notification of 22.2.3. denial, the Authority and the Customer shall participate in mediation, the costs of which shall be equally divided between them. The Authority and the Customer shall endeavor in good faith to select a mutually acceptable mediator. If the Authority and the Customer are unable to mutually agree on a mediator within fourteen (14) days after the staff meeting held pursuant to paragraph 22.2.2., the Authority and the Customer shall agree to accept a mediator selected by the Florida Conflict Resolution Consortium. Upon the selection of a mediator, the Authority and the Customer shall schedule mediation to occur within fourteen (14) days. Mediation shall be completed within forty-five (45) days of the first mediation conference unless extended by mutual written agreement of the Authority and the Customer. Subsections (b), (c), (d), and (e) of Rule 1.720 of the Florida Rules of Civil Procedure are applicable to the mediation proceedings. Designees of the Authority and the Customer attending the mediation shall include a governing body member who has the full authority to negotiate on behalf of its entity and to recommend an agreement to its governing body. In the event of any breach or failure to perform mediation under this section, the Authority or Customer may seek appropriate remedies to mandate this mediation process.
- 22.2.4 If consent to the Authority by a Customer is not agreed to at the mediation, the Authority shall withdraw the Permit application or request for Permit transfer.
- 22.3 Procedure for the Authority's Customers. Whenever a Customer ("Applicant Customer")

intends to apply or seek the transfer of a Permit for Water Supply Facilities located or that will be located within the jurisdiction of another Customer, the Applicant Customer shall provide written notification of its intention to apply or seek the transfer of a Permit for Water Supply Facilities to the Customer ("Host Customer") in whose jurisdiction the Water Supply Facilities are located or will be located. Such notification shall be given no less than sixty (60) days prior to submitting the Permit application or requesting the Permit transfer. The Host Customer shall notify the Applicant Customer within sixty (60) days of its decision to grant or deny consent to the Applicant Customer to acquire, develop, construct or operate the Water Supply Source within its jurisdiction. If a Host Customer denies consent, the Host Customer's notification shall provide an explanation of the reasons for denial. The Applicant Customer shall immediately withdraw its Permit application or request for transfer of a Permit upon notification of denial by the Host Customer.

23. HYDRAULIC CAPACITY ENTITLEMENT IN REGIONAL TRANSMISSION SYSTEM. Each Customer shall be provided its respective Hydraulic Capacity Entitlement of the hydraulic capacity in the transmission facilities that has been constructed at the time of execution of this Contract or will be constructed by the Authority during the term of this Contract for the benefit of such Customer(s) to deliver potable water from the Regional Water System to the respective Customer(s) Delivery Point. Each Customer's Hydraulic Capacity Entitlement percentage or amount in the current Regional Transmission System is set forth on Exhibit "E". A Customer's Hydraulic Capacity Entitlement in segments of the Regional Transmission System constructed after the date of this Contract will be determined on a transmission line segment basis by the Authority. All Hydraulic Capacity Entitlement Cost of the Hydraulic Capacity Entitlement will by the sole responsibility of the Customer(s) benefiting from such facilities. If more than one Customer uses the