



**WITHLACOOCHEE
REGIONAL
WATER
SUPPLY
AUTHORITY**

Board Meeting Package

February 17, 2016
3:30 p.m.

Meeting Location:

Lecanto Government Building
Room 166
3600 W. Sovereign Path
Lecanto, Florida 34461

Withlacoochee Regional Water Supply Authority

Board of Directors

Effective February 2016

Office	Board Members
Chair	The Honorable Dennis Damato
Vice Chair	The Honorable Nick Nicholson
Treasurer	The Honorable Earl Arnett

Jurisdiction	Board Members
Citrus County	The Honorable Scott Carnahan
	The Honorable Dennis Damato
Hernando County	The Honorable Jim Adkins
	The Honorable Nick Nicholson
Marion County	The Honorable Earl Arnett
	The Honorable Kathy Bryant
	The Honorable Cark Zalak
Sumter County	The Honorable Al Butler
	The Honorable Don Hahnfeldt
City of Belleview	The Honorable Ron Livsey
City of Brooksville	The Honorable William Kemerer
City of Bushnell	The Honorable Dale Swain
City of Crystal River	The Honorable Ken Brown

Meeting Dates

The schedule of meetings for the 2015-2016 fiscal year are as follows:

October 21, 2015	April 20, 2016
November 18, 2015	May 18, 2016
December 16, 2015	June 15, 2016
January 20, 2016	July 20, 2016
February 17, 2016	August 17, 2016
March 16, 2016	September 21, 2016

**MEMORANDUM**

To: Water Supply Authority Board of Directors and Interested Parties

From: Richard S. Owen, Executive Director

Date: February 5, 2016

Subject: Monthly Meeting of the Withlacoochee Regional Water Supply Authority

The next meeting of the Withlacoochee Regional Water Supply Authority will be on **Wednesday, February 17, 2016, 3:30 p.m., at the Lecanto Government Center Building, Room 166, 3600 Sovereign Path, Lecanto, FL 34461.**

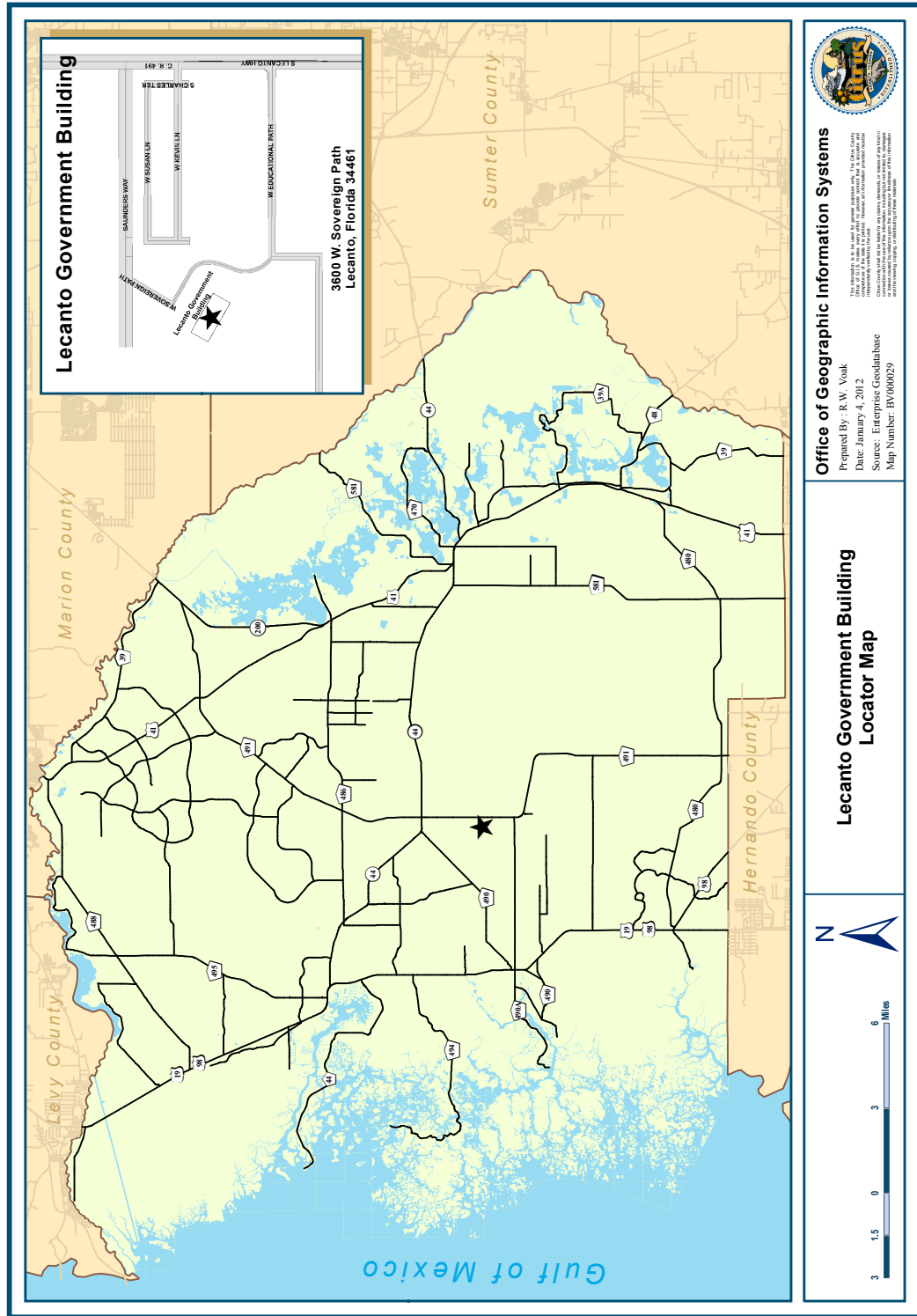
Enclosed for your review are the following items:

- Agenda
- Minutes of the January 20, 2016 meeting
- Board Package*

Please note that if a party decides to appeal any decision made by the Board with respect to any matter considered at the above cited meeting, that party will need a record of the proceedings, and for such purpose, that party may need to ensure that a verbatim record of the proceedings is made, which record includes that testimony and evidence upon which the appeal is to be based.

Enclosures

- * Copies of the Board Package are available through the Internet. Log on to www.wrwsa.org.
- On the Authority's Home Page go to the left side of the page and click on "Meetings."
 - On the slide out menu is a button for the current Board Package.
 - Click on the Board Package to download and/or print.



Driving Directions to 3600 W. Sovereign Path, Lecanto Government Building

From Brooksville:

- Go North on N. Main St. toward S. Broad St./E. Jefferson St.
- Take the 1st Left onto S. Broad St./W. Jefferson St.
- Turn Right onto US 98/Ponce De Leon Blvd.
- Turn Right onto CR 491 toward Lecanto (about 13.5 miles)
- Turn Left on W. Educational Path (traffic signal)
- Turn right at the Park onto W. Sovereign Path; continue to the right to the Lecanto Government Building

From Ocala

- Go southwest on SR 200 into Citrus County
- Turn Right onto CR 491 (stay on 491 through Beverly Hills, crossing Hwy. 486 and SR 44)
- Turn Right on Saunders Way
- Turn Left onto W. Sovereign Path; follow to Lecanto Government Building

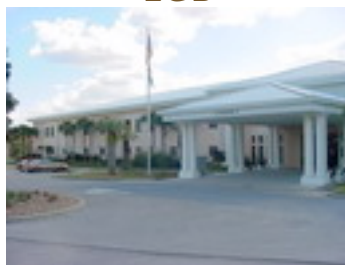
From Bushnell

- In Bushnell, Go West on FL-48W
- Turn Right onto US 41; continue to follow US 41 N
- Continue straight onto FL 44 W/W Main St.; continue straight on SR 44
- Turn Left onto CR 491
- Turn Right onto Saunders Way
- Turn Left onto W. Sovereign Path; follow to Lecanto Government Building

From Wildwood

- Go West on SR 44W; continue on SR 44 through Inverness
- Turn Left onto CR 491
- Turn Right onto Saunders Way
- Turn Left onto W. Sovereign Path; follow to Lecanto Government Building.

LGB



**WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING**

A G E N D A

**FEBRUARY 17, 2016 -- 3:30 p.m.
LECANTO GOVERNMENT BUILDING -- ROOM 166
3600 W. Sovereign Path, Lecanto, Florida 34461**

At the discretion of the Board, items may be taken out of order to accommodate the needs of the Board and the public.

	<u>PAGE</u>
1. Call to Order . . . Dennis Damato, Chairman	
2. Roll Call . . . Richard Owen, WRWSA Executive Director	
3. Introductions and Announcements . . . Richard Owen, WRWSA	
4. Approval of Minutes . . . Dennis Damato, Chairman	7
5. Public Comment	
6. Presentation of Plaque Recognizing Past Chairman Al Butler . . . Dennis Damato, Chairman	
7. St. Johns River Water Management District Update . . . Dr. Anne Shortelle, SJRWMD	13
8. Board Member Orientation . . . Richard Owen, WRWSA	15
9. Local Government Grant Program . . . Richard Owen, WRWSA	17
10. Charles A. Black Wellfield Water Supply Contract, Status Report . . . Richard Owen, WRWSA	19
11. Executive Director's Report . . . Richard Owen, WRWSA	
a. Bills to be Paid [February bills to be provided at the meeting]	21
b. Bank Signature Cards and Resolution	23
c. Correspondence	25
d. News Articles	37
e. Other	
12. Legislative Report . . . Diane Salz, WRWSA Governmental Affairs	
13. Attorney's Report . . . Larry Haag, WRWSA Attorney	
14. Other Business	
15. Next Meeting Time and Location . . . Richard Owen, WRWSA	
a. Next Meeting: March 16, 2016; 3:30 p.m.; Lecanto Government Building, Room 166, 3600 W. Sovereign Path, Lecanto, Florida 34461	
16. Adjournment	

Please note that if a party decides to appeal any decision made by the Board with respect to any matter considered at the above cited meeting, that party will need a record of the proceedings, and for such purpose, that party may need to ensure that a verbatim record of the proceedings is made, which record includes that testimony and evidence upon which the appeal is to be based.

Item 4

Minutes of the Meeting

DRAFT

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY BOARD OF DIRECTORS

Minutes of the Meeting January 20, 2016

TIME: 3:30 p.m.
PLACE: Lecanto Government Building
ADDRESS: 3600 W. Sovereign Path, Room 166, Lecanto, Florida 34461

The numbers preceding the items listed below correspond with the published agenda.

1. Call to Order

Commissioner Al Butler, Chairman, called the Withlacoochee Regional Water Supply Authority (WRWSA) meeting to order at 3:30 p.m. and asked for a roll call.

2. Roll Call

Richard Owen, Executive Director, called the roll and a quorum was declared present.

BOARD MEMBERS PRESENT

Al Butler, *Chairman*, Sumter County
Commissioner
Dennis Damato, *Treasurer*, Citrus County
Commissioner
Scott Carnahan, Citrus County Commissioner
Ron Livsey, Belleview City Councilor
Nick Nicholson, Hernando County Commissioner
William Kemerer, Brooksville City Councilor

BOARD MEMBERS ABSENT

Jim Adkins, Hernando County Commissioner
Earl Arnett, Marion County Commissioner
Ken Brown, Crystal River City Councilor
Kathy Bryant, Marion County Commissioner
Don Hahnfeldt, Sumter County Commissioner
Dale Swain, Bushnell City Councilor
Carl Zalak, Marion County Commissioner

ALTERNATES PRESENT

Alys Brockway, Water Conservation Coordinator,
Hernando County
Doug Andrews, Interim Utilities Director,
Marion County

WRWSA STAFF PRESENT

Richard Owen, Executive Director
Larry Haag, Attorney
LuAnne Stout, Administrative Assistant

3. Introductions and Announcements

- *Introductions.* Mr. Owen recognized Authority staff and audience members present for this meeting.

OTHERS PRESENT

Jacob Arnette, Marion County
Debra Burden, Citrus County Water Conservation
Ken Cheek, Citrus County
Veronica Craw, Southwest Florida Water Management District (SWFWMD)
Susan Davis, St. Johns River Water Management District
Gary Loggins, Citrus County
Jack Pepper, Attorney
Richard Radacky, City of Brooksville
George Schlutermann, SWFWMD
Kevin Smith, Marion County
Chris Zajac, SWFWMD

4. Approval of Minutes

A copy of the November 18, 2015 minutes was provided in the Board's meeting materials. Following consideration, **Mr. Damato moved to approve the minutes for the November 18, 2015 meeting as presented. The motion was seconded by Mr. Nicholson and carried unanimously.**

5. Public Comment

No Request to Speak cards were submitted to address the Board.

6. Election of Board Officers

Chairman Butler nominated Mr. Damato for Chairman, Mr. Nicholson for Vice Chairman and Mr. Arnett for Treasurer. **Chairman Butler moved that the nominations be closed. Mr. Carnahan seconded the motion and it carried unanimously.**

Chairman Butler called the question and the motion nominating Mr. Damato for Chairman, Mr. Nicholson for Vice Chairman and Mr. Arnett for Treasurer carried unanimously.

Mr. Owen noted that the current officers serve through the month and the new officers take their positions one hour prior to the next Board meeting.

7. SWFWMD Springs Coast Initiative, Crystal River/Kings Bay

Ms. Veronica Craw, SWFWMD Springs and Environmental Manager, provided an update on the recently completed Surface Water Improvement and Management (SWIM) Plan for Crystal River/Kings Bay. This Plan is intended to guide not only the District's future management actions, but also those actions of the many stakeholders involved, including a number of the Authority's member governments.

Mr. Owen noted that the drivers/issues are not withdrawal related and the WRWSA is a part of this initiative through conservation actions.

Ms. Craw said a resolution in support of the Crystal River/Kings Bay SWIM Plan was included as an exhibit. Following consideration, **Mr. Damato moved, seconded by Mr. Carnahan, for Board approval of Resolution 16-01 in Support of the Crystal River/Kings Bay SWIM Plan. Motion carried unanimously.**

8. SWFWMD Regional Water Supply Plan

Mr. George Schlutermann, Senior Hydrogeologist and Project Manager of SWFWMD's 2015 Regional Water Supply Plan (RWSP), provided an overview of the RWSP along with specific information about the Northern Region and the process followed to generate the document. The RWSP has been completed for the 16-county area that extends from Levy and Marion counties in the north to Charlotte County in the south. The 2015 RWSP shows that sufficient water sources exist to meet future demands.

Mr. Owen stated that he observed public concern regarding use of local sources, but there is no proposal to pipe water from the Northern Region to an outside area nor is any surface water needed to serve the four-county area through the 20-year planning horizon. He noted that he attended the SWFWMD Governing Board meeting to compliment staff for their work with the agencies involved and concerned citizens. This was an informational item and no Board action was necessary.

9. Charles A. Black Well #7 Pump and Motor Replacement, Status Report

Mr. Owen, WRWSA Executive Director, provided the status report for this item. At the November 2015 Board meeting, the Board received a report on the need for remedial work at well #7 at the Charles A. Black wellfield. At that meeting, the Board authorized staff to issue a work order to C&D Engineering to evaluate the available options and to provide a recommendation to the Authority and Citrus County on how best to proceed.

C&D Engineering has completed its analysis and a copy of the report is included as an exhibit to this item. As can be seen in the report, C&D Engineering confirmed the approach recommended by Citrus County to replace the existing submersible pump and motor with a vertical lineshaft turbine pump and motor configuration. Although this option may have higher initial costs, this option has the lowest present worth cost, being \$82,360 less than that of a comparable submersible vertical turbine pump and motor configuration. This option is also shown to save energy over the other option and should result in less down time during future repair procedures.

Based upon this C&D Engineering analysis and recommendation, the WRWSA Executive Director informed the County it should move forward with implementation of this preferred option. This was an informational item and no Board action was necessary.

10. Charles A. Black Wellfield Water Supply Contract, Status Report

Mr. Owen, WRWSA, and Mr. Jack Pepper, Special Counsel, informed the Board of progress on the proposed new water supply contract with Citrus County. A meeting was held to review the current draft Water Supply Contract with Citrus County and a meeting with the County is scheduled for late January. Mr. Owen said the goal is to accomplish one comprehensive agreement in this fiscal year. The Board requested a status report be presented at the February meeting. This was an informational item and no Board action was necessary.

11. SWFWMD Fiscal Year 2017 Cooperative Funding Initiative

Mr. Owen, WRWSA, provided an overview of the applications submitted, distribution of the types of applications for funding, and upcoming process for SWFWMD Governing Board evaluation. This was an informational item and no Board action was necessary.

12. Executive Director's Report

a. Bills to be Paid

Mr. Owen requested Board concurrence with payment of December 2015 bills totaling \$17,914.51. Following consideration, **a motion was made by Mr. Damato for Board concurrence of payment for the December 2015 bills in the amount of \$17,914.51, as presented. The motion was seconded by Mr. Nicholson and it carried unanimously.**

Mr. Owen presented the January 2016 bills and requested approval of payment totaling \$20,218.20. Following consideration, **a motion was made by Mr. Damato for payment of the January 2016 bills in the amount of \$20,218.20, as presented. The motion was seconded by Mr. Carnahan and it carried unanimously.**

b. Correspondence – Item received since the last Board meeting were provided.

- *EPA Water Sense.* Mr. Owen noted that, in the nationwide newsletter, Citrus County Utilities is recognized for its conservation activities (fixed leaks and “Sprinkler Spruce-Up”).
- *Renewal and Replacement (R&R) Fund.* Mr. Owen said the Board was provided a copy of the Citrus County letter submitting the annual transmission report on the Charles A. Black Wellfield R&R Fund. He noted that there were minor inconsistencies in the use of the funds based on the controlling document, such as some repair and labor costs. He said the R&R Fund is for total replacement and not repair. He said he met with Citrus County regarding these issues and have conceptually agreed that moving forward the County will strive to stay consistent with the controlling document. He said the County has agreed to take the lead in drafting a new document. Mr. Owen recommended the Board accept the report summarized by the County in the two pages provided on contributions to and use of the R&R Fund. Following consideration, **Mr. Damato moved, seconded by Mr. Nicholson, for the Board to accept the Charles A. Black Annual Transmission Report summarized by Citrus County and the motion carried unanimously.** Mr. Nicholson said he appreciated Mr. Owen's review of the report's details.

c. News Articles – News articles of interest were included the Board’s meeting materials. Mr. Owen recognized the passing of Mr. Derrill McAteer who had been instrumental in development of the SWFWMD and of water management in general, specifically in this region.

d. Other – None

13. Legislative Report

Mr. Owen, WRWSA, said Ms. Salz is not here today due to her responsibilities in Tallahassee. He noted that the omnibus water bill passed and the signing ceremony is tomorrow.

14. Attorney’s Report

Mr. Haag said he had nothing to report at this time.

15. Other Business

No other business was brought before the Board.

16. Next Meeting Time and Location

The next monthly meeting is scheduled for February 17, 2016 at 3:30 p.m. The meeting location is the Lecanto Government Building, Room 166 (3600 W. Sovereign Path, Lecanto).

17. Adjournment

Chair Butler announced there was no further business or discussion to come before the Board and adjourned the meeting at 4:28 p.m.

Al Butler, Chairman

Richard S. Owen, Executive Director

7. St. Johns River Water Management District Update

Dr. Anne Shortelle, Executive Director of the St. Johns River Water Management District, will provide the Board with an update of significant activities at the District.

Staff Recommendation:

This is an information item only and no Board action is required.

8. Board Member Orientation

Mr. Richard Owen, WRWSA Executive Director, will present this item.

The purpose of this item is to provide Board members with an overview of the Authority, its current work program and ongoing priorities.

Staff Recommendation:

This is an information item only and no Board action is required.

9. Local Government Grant Program

Mr. Richard Owen, WRWSA Executive Director, will present this item.

Since 2005, the Authority has funded an annual grants program that provides matching funds for water conservation and water supply development projects. Member governments and other utilities in the region have applied for and received cooperative grants for projects of mutual benefit.

The 2016/17 grants cycle will begin with an announcement to be sent to utility directors and water conservation coordinators regarding the Authority's Local Government Grant Program (LGGP). A copy of the proposed announcement is included as an exhibit to this item.

In order to provide for this continuing program in the upcoming 2016/17 fiscal year and to allow staff to prepare the 2016/17 budget, staff requests the Board establish the total amount available in the fiscal year for the LGGP. In the recent past, the Board has established a total amount of \$130,000 and limited funding to water conservation projects. This amount would be a significant contribution toward implementing conservation in the region.

Staff Recommendation:

The Board set the total allocation of funds in fiscal year 2016/17 for the LGGP at \$130,000 and limit such grants to water conservation projects.

See Exhibit.

DRAFT

March 1, 2016

MEMORANDUM

To: Local Governments and Utility Directors in the Withlacoochee Region
From: Richard S. Owen, Executive Director, WRWSA
Subject: **WRWSA Funding for Water Conservation Projects**

The Withlacoochee Regional Water Supply Authority (WRWSA) will accept applications for its Fiscal Year 2016-17 Local Government Grants Program starting on May 1, 2016. Applications must be received no later than June 30, 2016. This grants program is sponsored by the WRWSA to fund local water conservation projects on a matching basis.

The staff will recommend to the Board that the Authority continue to accept grant applications for water conservation-related projects only. Applications and instructions will be available on the Authority web page at www.wrwsa.org by April 15, 2016. Applications will be considered by the Board at its July 20, 2016 Board meeting. Awards are scheduled to be made at the September 21, 2016 Board meeting.

If you have any questions about the grants program, please contact me at (352) 293-5955. You may also call LuAnne Stout at the Lecanto Office (352) 527-5795. If you desire to contact me by FAX, my FAX number is (352) 527-5797 and my e-mail address is "richardowen@wrwsa.org".

cc: WRWSA Board Members

Distribution List – Cities and Towns

Bruce Phillips, City of Belleview
Richard Radacky, City of Brooksville
Bruce Hickle, City of Bushnell
City of Center Hill
City of Coleman
Dave Burnell, City of Crystal River
Eddie Esch, City of Dunnellon
Eric C. Williams, City of Inverness
Town of McIntosh
Jeff Halcomb, City of Ocala
Town of Reddick
City of Webster
Gene Kornegay, City of Wildwood

Distribution List – Counties

Ken Cheek, Citrus County
Debra Burden, Citrus County Water Conservation
Susan Goebel-Canning, P.E., Hernando County
Alys Brockway, Hernando County Water Conservation
Doug Andrews, Marion County
Jacob Arnette, Marion County
Bradley Arnold, Sumter County

10. Charles A. Black Wellfield Water Supply Contract, Status Report

Mr. Richard Owen, WRWSA Executive Director, will present this item.

Authority representatives met with the Citrus County representatives, including the County Administrator, County Attorney and Water Resources Director on February 2, 2016 to discuss the major provisions of the proposed new Water Supply Contract between the Authority and Citrus County.

Staff will provide a report on the outcome of these discussions and will seek direction from the Board on any outstanding issues.

Staff Recommendation:

Staff will seek Board direction for any outstanding issues.

Item 11.a.

Executive Director's Report

Bills to be Paid

Provided at Board Meeting

Item 11.b.

Executive Director's Report

Bank Signature Cards and Resolution

Item 11.b.

11.b. Bank Signature Cards and Resolution

Mr. Richard Owen, WRWSA Executive Director, will present this item.

Following the election of new officers for the Authority at the January Board meeting, a new business account signature card is needed to provide the bank with a list of authorized signatures. The Board must also take action on a “Deposit Account Resolution and Authorization.”

Drafts of these documents are included as exhibits to this item.

Staff Recommendation:

Approve and authorize the Chairman, the Vice-Chairman, the Treasurer, and the Ex Officio Secretary to execute the new bank signature card and the *Deposit Account Resolution and Authorization* with Sun Trust Bank.

See Exhibits to this item.

Item 11.c.

Executive Director's Report

Correspondence

[Print](#) | [Close Window](#)

Subject: RE: WRWSA Jan. 20, 2016 Monthly Meeting
From: Marty Rittinger <MRittinger@ci.brooksville.fl.us>
Date: Mon, Jan 11, 2016 12:06 pm
To: "lstout@wrwsa.org" <lstout@wrwsa.org>
Attach: image001.jpg
image003.jpg

Hello LuAnne

Please add William Kemerer (Council Member) to your distribution list for the City of Brooksville.
He has accepted the role as Council representative for this Board.

Wkemerer@cityofbrooksville.us

Please contact me should you have any questions.

Thank you!!

Marty M. Rittinger

Executive Assistant to the City Manager



CITY OF BROOKSVILLE

201 Howell Avenue • Brooksville, Florida 34601

(352) 540-3810

mrittinger@cityofbrooksville.us

<http://www.cityofbrooksville.us>

Please note: Florida has a very broad public records laws. Most written communications to or from local officials regarding city business are public records available to the public and media upon request. Your e-mail communications may therefore be subject to public disclosure.

From: lstout@wrwsa.org [mailto:lstout@wrwsa.org]

Sent: Monday, January 11, 2016 12:41 PM

Subject: WRWSA Jan. 20, 2016 Monthly Meeting

The Withlacoochee Regional Water Supply Authority (WRWSA) will hold its **regular board meeting on Wednesday, January 20, 2016, at 3:30 p.m.** The meeting location is in Room 166, Lecanto Government Building, 3600 W. Sovereign Path, Lecanto, Florida. The meeting notice and agenda are attached to this email.

The Board packet is available on the WRWSA webpage: www.wrwsa.org. The packet can be found under

the "Meetings" label in the menu on the upper left of the screen. Choose "Meeting Schedule and Documents"

or "Current Board Package": http://www.wrwsa.org/downloads/boardpackage/wrwsa1_20_16boardpkt.pdf

The packet is bookmarked for easier navigation. If using Internet Explorer, document will automatically open in bookmark view. If using Chrome, Mozilla or other browser, in upper left toolbar click "Toggle Sidebar" icon and then click "Show Document Outline" icon to see bookmarks.

Please let me know if you have any questions.

C. LuAnne Stout

WRWSA Administrative Assistant
3600 W. Sovereign Path, Suite 228
Lecanto, FL 34461
352-527-5795 Fax: 352-527-5797

Copyright © 2003-2016. All rights reserved.



February 5, 2016

The Honorable Daniel Raulerson, Chair
Joint Legislative Auditing Committee
111 W. Madison Street, Room 876
Tallahassee, Florida 32399-1400

Dear Representative Raulerson:

I am writing in response to your letter dated January 22, 2016. As requested, the purpose of this letter is to provide a written response to the audit finding reported in the Withlacoochee Regional Water Supply Authority's (WRWSA) last three successive audit reports that has not been corrected. This finding is in regards to a wellfield owned by the WRWSA but operated and maintained by Citrus County pursuant to a contract originally executed in 1989 and amended in 1992.

The existing contract between the County and the WRWSA has a number of provisions that both parties have expressed are antiquated and no longer pertinent or beneficial. One of the main issues the parties need to come to agreement on is the quantity of water the County is entitled to from the WRWSA facilities and the payments made by the County to the WRWSA for delivered water. The current contract entitles the County to a maximum of two million gallons per day (mgd) of use from the WRWSA water supply facilities. The contract calls for an amendment to the contract to be negotiated if and when this 2 mgd limit is reached. Unfortunately, this 2 mgd limit was reached and surpassed back in the mid-1990s and the contract has not been renegotiated. The WRWSA and County have been in discussions to develop a new water supply contract that would not only address antiquated provisions, but would also make the Contract reflect current and projected consumption. It is proposed that the revised contract change the current fixed payment schedule to a cost per-thousand gallons-used basis, consistent with nearly all water supply contracts of other entities.

A draft revised Water Supply Contract has been prepared. The WRWSA recently retained outside special counsel to assist in finalizing the contract, and meetings between the County and WRWSA staff are currently ongoing. The schedule for completion of these contract negotiations is to have a new contract in place no later than the end of this fiscal year, September 30, 2016.

If the County and WRWSA are not able to mutually agree to a new Water Supply contract, amendments to the existing contract will be proposed that will address the referenced audit finding. Such amendments, if necessary, will also be proposed for approval before the end of the current fiscal year.

Please contact me if you need further information.

Sincerely,

Richard S. Owen, AICP
Executive Director

cc: WRWSA Board of Directors
Randy Oliver, Citrus County Administrator
Ken Cheek, Water Resources Director, Citrus County

ANDY GARDINER
President of the Senate



Senator Lizbeth Benacquisto
Senator Rob Bradley
Senator Audrey Gibson
Senator Wilton Simpson

RECEIVED JAN 26 2016

THE FLORIDA LEGISLATURE
JOINT LEGISLATIVE AUDITING
COMMITTEE

Representative Daniel Raulerson, Chair
Senator Joseph Abruzzo, Vice Chair

STEVE CRISAFULLI
Speaker of the House



Representative Debbie Mayfield
Representative Amanda Murphy
Representative Ray Rodrigues
Representative Cynthia A. Stafford

January 22, 2016

Mr. Richard S. Owen, Registered Agent
Withlacoochee Regional Water Supply Authority
3600 West Sovereign Path, Suite 228
LeCanto, FL 34461

Dear Mr. Owen:

Section 218.39(8), *Florida Statutes*, requires the Auditor General to notify the Joint Legislative Auditing Committee (Committee) when a special district has failed to correct an audit finding that has been reported in three successive audit reports. The Committee may then require the special district to provide a written explanation of the status of corrective action that has been taken. If the explanation is either not provided or determined to be not sufficient, the Committee may require the chair of the governing body of the special district to appear before the Committee.

On November 30, 2015, the Committee adopted a motion to direct the Withlacoochee Regional Water Supply Authority (Authority) to provide a written statement to the Committee explaining why full corrective action has not been taken or, if the governing body intends to take full corrective action, describing the corrective action to be taken and when it will occur, for an audit finding that was reported in the FY 2013-14 fiscal year audit report and also in the two preceding audit reports. See enclosure for the audit finding that requires a response.

You may access this audit report from the Auditor General's website (www.myflorida.com/audgen) under the heading 'Reports Filed with the Auditor General.' Hover over 'Filed Reports,' select 'Special Districts,' and then select 'Withlacoochee Regional Water Supply Authority' and the report for the 'FY 2013-14 Fiscal Year.'

The following guidance is provided to assist you in your response:

- If the finding has been corrected and was not included in the audit report for the FY 2014-15 fiscal year, please indicate such in the required statement.

Kathryn H. DuBose, Coordinator
111 West Madison Street, Room 876, Claude Pepper Building, Tallahassee, Florida 32399-1400
Telephone (850) 487-4110 Fax (850) 922-5667
jlac@leg.state.fl.us

- If the finding has not been corrected and relates to an area that may never be fully resolved due to limited staff and resources of a small entity, please explain such in the written statement and briefly describe any procedures that may have been implemented to help address the issue. One example is a separation of duties finding. While it is understood and acknowledged that there are many small governmental entities in this state with limited resources, there are always compensating controls that can be implemented to help mitigate some of the inherent risk that exists when one individual at such an entity has access to both physical assets and the related accounting records, or to all phases of a transactions. Another example is a finding related to the auditors assisting in the preparation of the Authority's financial statements and related note disclosures.
- If the finding has not been corrected and the previous bullet is not applicable, please explain the corrective action(s) being taken to resolve the audit finding. While we understand that the audit report referenced in this letter contained a written response to the finding included in the audit report, we are requesting an updated status of the corrective action(s) being taken. Please do not provide just a copy of the written response from your audit report, unless it includes details and was provided to the auditor within the past month.

Please provide the written statement by April 4, 2016. You may address it to The Honorable Daniel Raulerson, Chair, Joint Legislative Auditing Committee, and send it to the Committee's office using one of the following methods:

E-mail: jlac@leg.state.fl.us

Fax: 850-922-5667

Mail: 111 W. Madison St., Rm. 876; Tallahassee, FL 32399-1400

Please note that your response will be posted on the Committee's website.

Thank you for your cooperation.

Best regards,



Daniel Raulerson
Chair



Joseph Abruzzo
Vice Chair

Enclosure

Withlacoochee Regional Water Supply Authority

CPA Firm Audit	
Fiscal Year Audit Report	Finding Number/Finding Description/PDF Page Number(s)
FY 2013-14	2012-1 - Citrus County Wellfield Agreements: Agreements date back to the 1980s and have been amended multiple times over the years. Some agreements appear to have not been closely monitored and fully complied with by both parties and may at this point have antiquated provisions. (See PDF Page 26 of 28)



February 5, 2016

This letter was sent individually to the attached list of legislators.

The Withlacoochee Regional Water Supply Authority is a small independent special district in Citrus, Hernando, Marion, and Sumter counties, with an annual operating budget of less than \$250,000 (not including reserve fund balances or water resource development projects). With such a small operating budget, we have serious concerns regarding the potential costs to the Authority to comply with proposed website posting information required in SB 516/HB 745, including:

- General Ledger
- Checking account data
- Individual accounting entries
- Allowing users to filter data by chart of accounts
- Download financial data and graphs
- View data in graphical format, including but not limited to:
 - stacked line
 - trend line
 - bar graph
 - pie chart
- View and compare revenue and expense trends simultaneously on the same graph for any level of financial data

Although the Authority may have a lot of this information presently in our accounting system, such as the General Ledger, checking data, and accounting entries that could be reasonably posted on the website for all to see, the proposed requirements appear to go beyond that by requiring the ability for users to filter data by chart of accounts, download financial data and graphs, and view data in graphical format including graphs. That would require significant additional programming presumably by the vendor of the accounting package used by the Authority, if it could be done at all.

In the event these new requirements become law, the Authority would need to retain an outside vendor to help meet these requirements. There would likely be an initial cost to set up a process to generate this information in a web-friendly format, then an ongoing cost to generate the information and reports, and a cost to post it online and maintain an expanded website. Potentially, the cost to meet these proposed requirements could exceed 10 percent of the Authority's annual operating budget.

February 5, 2016
Page Two

It is difficult to estimate the actual cost of this since we would need to solicit proposals from accounting system vendors or others to help meet these requirements, but for an organization such as ours it would be very, very high. The Authority believes that knowledge of such potential impact may empower you to either revise the proposed requirements in SB 516/ HB 745, or to exclude small regional water authorities that do not levy ad valorem taxes.

Thank you for considering our input. Please feel free to contact me or our Executive Director, Richard Owen.

Sincerely,

A handwritten signature in black ink that reads "Dennis Damato". The signature is written in a cursive, slightly stylized font.

The Honorable Dennis Damato
Citrus County Board of County Commissioners
Chair, Withlacoochee Regional Water Supply Authority

cc: Legislative Delegations in Citrus, Hernando, Marion, and Sumter counties

The above letter regarding SB 516/HB 745 was sent to the legislators listed below:

The Honorable Don Gaetz
The Florida Senate
420 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

The Honorable Jeremy Ring
The Florida Senate
405 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

The Honorable Jeanette M. Nuñez
Florida House of Representatives
222 The Capitol
402 South Monroe Street
Tallahassee, FL 32399-1300

Item 11.d.

Executive Director's Report

News Articles

Scott to Quickly Sign Water, Disabilities Bills

Thu, Jan 21, 2016 at 11:14 AM

Gov. Rick Scott is scheduled at 2:30 p.m. Thursday to sign a major water-policy bill (SB 552) and bills (SB 672 and HB 7003) aimed at providing more educational and job opportunities for people with disabilities.

Lawmakers last week quickly passed the bills, which have been priorities of House Speaker Steve Crisafulli, R-Merritt Island, and Senate President Andy Gardiner, R-Orlando.

Gov. Scott signs bills on water resources, disability education

Associated Press
6 p.m. EST January 21, 2016

TALLAHASSEE — Gov. Rick Scott signed a major overhaul of Florida's water regulations Thursday, despite objections by environmentalists that the measure was weakened by the influence of agriculture and business interests.

Scott also signed a package of bills increasing educational and career aid for the intellectually disabled.

The water and disability aid bills were the first major bills passed by the Florida Legislature in this year's session. House Speaker Steve Crisafulli, R-Merritt Island, strongly backed the water bill, and Senate President Andy Gardiner, R-Orlando, who has a son with Down syndrome, has made assistance for those he calls "people with unique abilities" the signature issue of his tenure.

The bills were also a symbol of legislator's hope for a more harmonious session, after last year's acrimony.

"These are good bills to sign. ... This is a great start to the session," Scott said at a ceremonial signing in his office.

He then hinted he'd like Crisafulli and Gardiner to enact his own priorities — \$1 billion in tax cuts and \$250 million for incentives to lure businesses — proposals some legislators view skeptically.

Environmental groups say some enforcement provisions in the water bill to prevent pollution and restore natural flows contain loopholes and would be delayed in taking effect.

"At the end of the day, too many concessions were made to the industry groups," said Ryan Smart of 1000 Friends of Florida, one of several environmental groups that asked members to send Scott messages urging him to veto the bill.

Former Gov. Bob Graham weighed in on the bill in press interviews.

"This bill doesn't prepare Florida for the future," he said, citing estimates that Florida's population could double or triple this century.

Graham cited Silver Springs, "the largest, most iconic, best-known spring in Florida," which he said is now down to a third of its historical flow and could dry up. Smart cited tourist draw Wakulla Springs, where he said pollution has cut visibility so the famous glass-bottom boat trips are now rare.

Nonetheless, some environmental activists favored the bill, saying it's still a step forward, and only two legislators voted against it.

Asked whether he took note of the criticism, Scott responded, "I believe this is a good water bill. You have to be proud of what's happened in the last five years in this state," citing money for Everglades and springs restoration.

SJRWMD WATER NEWS

Jan. 22, 2016

Message from the Executive Director:

Legislative session is now under way

The legislative session is now under way in Tallahassee, and it is a busy and exciting time. I have had the pleasure over the past several days to visit Tallahassee and meet many of our state legislators. During this time, I have had the opportunity to share about the great work you are doing on behalf of the district and the people we serve in our 18-county jurisdiction.

Among the topics the team and I are sharing with our lawmakers are the expansion of the district's cost-share program and its impact on helping local communities implement projects to save water, our work with the agricultural community, surface water quality improvement projects such as the annual gizzard shad harvest and the dredging project at the Eau Gallie River, emphasis on water conservation, and the scientific work to better understand and protect springs.

The work you each do is an important part of protecting our shared water and natural resources. It's my privilege to represent you in the state's capital. Keep up the great work!

Executive Director Ann Shortelle was invited to speak before the St. Johns River Caucus, Florida Senate, in Tallahassee this week.

Upcoming CFWI meeting

The Central Florida Water Initiative steering committee will meet Jan. 29 at 9:30 a.m. in Kissimmee. See details on the CFWI website.

Column: Criticism of new water law off-base

By Sen. Charlie Dean and Rep. Matt Caldwell

Monday, February 1, 2016 4:18pm

Both the Florida House and Senate are off to a great start in the 2016 session, having passed significant legislation expanding job and education opportunities for people with disabilities and approving a historic water bill. Thanks to Gov. Rick Scott, both of these bills are now law.

The comprehensive water bill has been the subject of newspaper editorials around the state, and now that it's the law, Floridians deserve to know about the many benefits it will provide. During this policymaking season, editorials critiquing our work are par for the course. But viewpoints based on conjecture and not on fact are not helpful to the process.

Republicans and Democrats were nearly unanimous in supporting this priority for prominent members of Florida's business and environmental communities. As with many bills, it had its share of critics. But the bill was improved with stronger protections for springs, more stringent water quality standards and significant improvements to Florida's water governance structure. We believe the end result is the most ambitious and forward-thinking water reform Florida has seen in decades.

A common refrain from critics has been that the law fails to establish water conservation as a priority. In reality, the state is already bound by law to use water conservation as an essential part of the criteria used to issue water-use permits, along with other requirements designed to promote water conservation. The new law goes a step further and provides regulatory incentives for saving water during a permit's time frame. It also creates a new and innovative nutrient and sediment reduction and conservation pilot project that will be implemented statewide.

Some have also criticized the law's lack of deadlines for the adoption of critical regulatory tools such as total maximum daily loads and basin management action plans. But nowhere does the law weaken state water quality standards. Instead, the bill sets stronger deadlines requiring the Florida Department of Environmental Protection to initiate the development of basin action plans at the same time maximum loads are adopted for springs designated "Outstanding Florida Springs." Claims that the law has delayed targets for achieving minimum flows and levels are simply not true. It actually establishes deadlines for setting minimum flow levels for priority springs that did not previously exist in Florida statute.

Other criticisms, such as claims that the policy fails to keep Floridians informed about how much water is being used per day, are also off base. The law requires monitoring of all new and renewed permits that withdraw more than 100,000 gallons per day from groundwater where the inside diameter of a well is 8 inches or greater. It also allows water management districts to adopt more stringent monitoring requirements.

When the policy was developed, we also heard that minimum flow and level standards should be set to "harm," not "significant harm," however, this suggestion shows a clear lack of understanding of the consumptive user permitting process. That process already has the necessary safeguards by requiring that the harm standard be met for individual permits.

Some have raised concerns about the law's changes to our regulatory structure, but these concerns are unfounded. The law does not limit water management districts from denying permits, and does not change any authorization given to water management districts for the interbasin transfer of water — an authority that already exists statewide. If anything, the law strengthens oversight by requiring DEP to weigh in at the district level to determine if districts should reinstate regional water supply planning.

Finally, some have said the bill does not go far enough on several fronts. In truth, our state was long overdue for these reforms. Another year without passing a comprehensive water bill would be another year without stronger springs protections and another year without the planning we need to address long-term water quantity and quality issues.

When you add up all the facts, the criticisms against the new law just don't hold up. The challenges we face as a state were not going to be solved without action, and this session we responsibly took the opportunity to put Florida on a path to preventing water crises before they happen.

Charlie Dean is a Republican member of the Florida Senate from Inverness.

Matt Caldwell is a Republican member of the Florida House from North Fort Myers. They are both sponsors of the water bill that Gov. Rick Scott has signed into law.

Approach to save Silver Springs lacks consensus

SILVER SPRINGS STATE PARK — The Florida Department of Environmental Protection plan that outlines how to repair the polluted Silver Springs presented the local environmental community with an interesting quandary: Was it better to continue participating in the state exercise, even though it seems ineffective, or to walk away from the table in disgust and give up its role in the formal process?

Environmentalists chose the latter and say they have no regrets.

The rift, long brewing, boiled over in November. The Silver Springs Alliance had been a local stakeholder and participant in the two-year, DEP-led process that yielded a report and cleanup recommendations. The alliance said the report ignored its recommendations and was, essentially, a sham.

The alliance asked that its name be taken off the report. In December, the Florida Springs Council, an umbrella organization for more than 30 environmental groups, upped the ante by asking the U.S. Environmental Protection Agency to intercede, saying the state's plan falls short of what's needed to repair the popular spring and river.

The department, for its part, says that while its plan is not perfect, it's a start and will help to clean out dangerous nitrogen from the waterways.

But the state and environmentalists differ strongly on how to achieve that benchmark.

"We all want the best for Silver Springs ... and the BMAP (Basin Management Action Plan) is the best way to go," said Drew Bartlett, the department's deputy secretary for water policy and ecosystem restoration.

"This is nothing but political cover," counters Robert Knight, director of the Howard T. Odum Florida Springs Institute in Gainesville and president of the Silver Springs Alliance.

There are several such plans for Florida water bodies. BMAPs, as they are called for short, guide Florida agencies on how to repair damaged springs and rivers. The plans are referenced when grants are allotted for environmental projects.

In its December letter to the EPA, the Florida Springs Council asked the federal agency to "exercise your full authority to require the State of Florida to follow the letter of the law with regards to this BMAP."

The environmental group has yet to receive a response from EPA.

Bartlett says the BMAP is a good place to start and that changes can be phased in for the future — contrary to the pessimistic picture that environmentalists paint.

Bartlett's problem, and one that environmentalists pin part of their argument to, is that he can't say whether nitrogen would be reduced 79 percent, even if all of the BMAP's programs — present and future — get implemented.

But the depth of that dent doesn't come close to satisfying Knight. He contends that at state's current projection levels, nitrogen will be reduced only 6 percent.

The department has allowed Silver Springs to be polluted for the past 40 years, and the government mentality that allowed such degradation hasn't changed, Knight said. If the agency was serious about reducing nitrogen, it should have each pollution source reduce its contribution by 79 percent and be done with it, he said.

Knight said state scientists, such as Bartlett, mean well. But they work for a Florida government not willing to go against political pressure and mandate significant pollution reductions. Knight said rather than implement a BMAP that at least is a start, the department and its scientists should be honest and tell the public this is the best they could get — politically speaking.