



**WITHLACOOCHEE
REGIONAL
WATER
SUPPLY
AUTHORITY**

Board Meeting Package

March 16, 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: March 4, 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, March 16, 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 February 17, 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

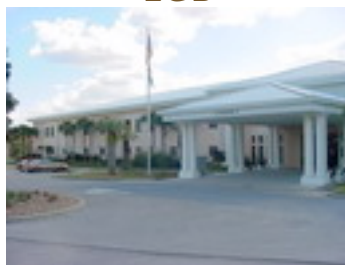
From Bushnell

- 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

**MARCH 16, 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	9
5. Public Comment	
6. Southwest Florida Water Management District Update . . . Kelly Rice, SWFWMD Governing Board Member and Robert Beltran, Executive Director	15
7. Fiscal Year 2014-15 Financial Audit . . . Mark White, Purvis Gray	17
8. Water Conservation Month Resolution . . . Richard Owen, WRWSA	45
9. Springs Protection Month Resolution . . . Richard Owen, WRWSA	47
10. Charles A. Black Wellfield Water Supply Contract, Status Report . . . Richard Owen, WRWSA	49
11. Executive Director's Report . . . Richard Owen, WRWSA	
a. Bills to be Paid [March bills to be provided at the meeting]	51
b. First Quarter Financial Report [to be provided at the meeting]	53
c. Correspondence	55
d. News Articles	61
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: April 20, 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

Approval of Minutes

**Draft February 17, 2016
Minutes of the Meeting**

DRAFT

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY BOARD OF DIRECTORS

Minutes of the Meeting February 17, 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 Dennis Damato, Chairman, called the Withlacoochee Regional Water Supply Authority (WRWSA) meeting to order at 3:33 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

Dennis Damato, *Chairman*, Citrus County
Commissioner
Earl Arnett, *Treasurer*, Marion County
Commissioner
Jim Adkins, Hernando County Commissioner
Al Butler, Sumter County Commissioner
Scott Carnahan, Citrus County Commissioner
William Kemerer, Brooksville City Councilor
Dale Swain, Bushnell City Councilor

BOARD MEMBERS ABSENT

Nick Nicholson, *Vice Chairman*, Hernando
County Commissioner
Ken Brown, Crystal River City Councilor
Kathy Bryant, Marion County Commissioner
Don Hahnfeldt, Sumter County Commissioner
Carl Zalak, Marion County Commissioner
Ron Livsey, Belleview City Councilor

ALTERNATES PRESENT

Doug Andrews, Interim Utilities Director,
Marion County
Alys Brockway, Water Resource Manager,
Hernando County
David Burnell, City Manager, City of Crystal River

WRWSA STAFF PRESENT

Richard Owen, Executive Director
Larry Haag, Attorney
Diane Salz, Governmental Affairs
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
Ken Cheek, Citrus County
Dr. Anne Shortelle, St. Johns River Water Management District (SJRWMD)
Lou Donnangelo, SJRWMD
Richard Radacky, City of Brooksville
Kevin Smith, Marion County
Chris Zajac, Southwest Florida Water Management District (SWFWMD)

4. Approval of Minutes

A copy of the January 20, 2016 minutes was provided in the Board's meeting materials. Following consideration, **Mr. Adkins moved to approve the minutes for the January 20, 2016 meeting as presented. The motion was seconded by Mr. Carnahan and carried unanimously.**

5. Public Comment

No one submitted a *Request to Speak* card to address the Board.

6. Presentation of Plaque Recognizing Past Chairman Al Butler

Mr. Damato read into the record activities attributed to Mr. Butler's chairmanship during the past year and presented him with a plaque noting his dates of services. Mr. Butler thanked his fellow Board members.

7. Johns River Water Management District Update

Dr. Anne Shortelle, SJRWMD Executive Director, thanked the Board for inviting her to speak. She introduced Mr. Lou. Donnangelo who is the Regional Water Supply Planning Coordinator for the Marion County area. Dr. Shortelle provided the Board with an update of significant activities at the SJRWMD including staff realignment with core mission, its planning priorities, collaboration with adjacent districts and stakeholders, water supply planning regions, Central Springs/East Coast Regional Water Supply Plan timeline, and project funding assistance implemented through an aggressive cost-share program.

(Mr. Arnett entered the meeting.)

Discussion ensued regarding modeling, nutrient loading, Central Florida area, cost sharing, and water supply diversification. Dr. Shortelle, Mr. Andrews, and Mr. Owen provided clarifying responses. Chairman Damato thanked SJRWMD staff for attending today's Board meeting.

This was an informational item and no Board action was necessary.

8. Board Member Orientation

Mr. Owen, WRWSA, provided Board members with an overview of the Authority, its mission statement, current work program, and ongoing priorities. He summarized that the Authority's current priorities are continued partnership with Citrus County on the Charles A. Black Wellfield, regional water supply planning maximizing traditional and alternative water supplies and avoiding competition for limited groundwater supplies, water conservation meeting and surpassing the water management districts' requirements, minimum flows and levels established to stay ahead of the curve with prevention strategies, and partnering with local government members and the water management districts in water supply development.

Chairman Damato requested this presentation be posted to the Authority's website.

This was an informational item and no Board action was necessary.

9. Local Government Grant Program

Mr. Owen, WRWSA, said that, 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 was included in the Board's meeting materials.

Mr. Owen noted that, 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 recommended the Board set the total allocation of funds in fiscal year 2016/17 for the LGGP at \$130,000, limit such grants to water conservation projects, and include that each individual award be not more than \$50,000.

Following consideration, **Mr. Adkins moved to set the total allocation of funds in fiscal year 2016/17 for the Local Government Grant Program at \$130,000, limit such grants to water conservation projects, and limit each individual award to no more than \$50,000. Mr. Butler seconded the motion.**

Ms. Brockway, Hernando County Water Resource Manager, said she appreciates the Board's efforts to support water conservation.

The motion carried unanimously

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

Mr. Owen, WRWSA, informed the Board of progress on the proposed new water supply contract with Citrus County. 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. Mr. Owen reviewed the outcome of these discussions and sought direction from the Board on any outstanding issues. He noted that another meeting with parties involved is scheduled for early March.

Chairman Damato thanked Mr. Owen for the excellent report. He said his expectations as a Board member is (1) that discussions are fair with a balanced resolution of outstanding issues, (2) final agreement include future year implications, (3) coordinating efforts with Citrus County and its recently adopted rate study to be implemented over three years, and (4) the final product will result in a new model to be utilized by other local governments for future water supply projects. The Board concurred with Chairman Damato.

This was an informational item and no Board action was necessary.

11. Executive Director's Report

a. Bills to be Paid

Mr. Owen presented the February 2016 bills and requested approval of payment for administrative invoices in the amount of \$ 16,573.35 and project invoices in the amount of \$465.00, totaling \$17,038.35. Following consideration, **a motion was made by Mr. Swain for payment of the February 2016 bills in the amount of \$17,038.35, as presented. The motion was seconded by Mr. Carnahan and carried unanimously.**

b. Bank Signature Cards and Resolution – Mr. Owen explained the new process required by SunTrust Bank. **Mr. Adkins moved, seconded by Mr. Butler, for new officers to sign the Bank Signature Cards and Resolution to meet requirements of SunTrust Bank. Motion carried unanimously.**

c. Correspondence – Items were included in the Board's meeting materials and the supplemental information.

- *Proposed Legislation.* Mr. Owen pointed out the letter was sent under Chairman Damato's signature to state the Authority's position regarding SB 526 and HB 745. This legislation would require special districts to provide an interactive website which is potentially very costly. Ms. Salz noted this legislation is stalled at the moment. Discussion ensued regarding this item

and potential impact. Mr. Owen said the Authority wants to be a transparent organization but a responsible entity when using taxpayers' dollars.

d. News Articles – News articles of interest were included in the Board's meeting materials and supplemental information.

e. Other – None

12. Legislative Report

Ms. Salz briefed the Board regarding ongoing activities occurring during the 2016 Legislative Session. She said that budget allocations and conferencing should begin soon. Also discussed was utility relocation legislation. It was noted that the Florida Association of Counties has agreed to the amended bills, although the Florida League of Cities continues to have concerns regarding payment of moving utilities. The Southwest Florida Water Management District governing board members and executive director Senate confirmations have all been approved and now ready for floor action.

Chairman Damato thanked staff for keeping the Board informed.

13. Attorney's Report

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

14. Other Business

No other business was brought before the Board.

15. Next Meeting Time and Location

The next monthly meeting is scheduled for March 16, 2016 at 3:30 p.m. The meeting location is the Lecanto Government Building, Room 166 (3600 W. Sovereign Path, Lecanto).

16. Adjournment

Chair Damato adjourned the meeting at 5:05 p.m.

Dennis Damato, Chairman

Richard S. Owen, Executive Director

Item 6

Southwest Florida Water Management District Update

Mr. Kelly Rice, newly appointed Governing Board member, and Mr. Robert Beltran, Executive Director of the Southwest Florida 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.

Fiscal Year 2014-15 Financial Audit

Purvis Gray & Company has prepared the annual audit of the Authority's financial statements for the Fiscal Year ending September 30, 2015. The audit report will be presented by Mr. Mark White, CPA, Partner with Purvis Gray & Company, LLP.

See Exhibits:

- A. March 16, 2016 letter from Purvis Gray & Company (2 pages)
- B. Financial Statements and Independent Auditors' Report, September 30, 2015 (20 pages including cover page)

Staff Recommendation:

Board approval of the Annual Financial Report and Fiscal Year 2014-15 Independent Auditors' Report, September 30, 2015, as presented at the meeting; and submittal of these reports to the Auditor General and to the Florida Department of Financial Services.

To the Governing Board
Withlacoochee Regional Water
Supply Authority
Lecanto, Florida

We have audited the financial statements of the business-type activities and the major fund of Withlacoochee Regional Water Supply Authority (the Authority), for the year ended September 30, 2015, and have issued our report thereon dated March 16, 2016. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550, *Rules of the Auditor General*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated October 26, 2005, and communications letter dated September 30, 2015. Professional standards also require that we communicate to you the following information related to our audit:

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Management's estimate of depreciation expense is based on original judgments of useful lives and straight-line depreciation. We evaluated the key factors and assumptions used to develop the depreciation estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Certified Public Accountants

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DRAFT

To the Governing Board
Withlacoochee Regional Water
Supply Authority
Lecanto, Florida

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of the audit procedures and corrected by management were material, either individually or in aggregate.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 16, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The Authority and Citrus County have fixed dollar rate structure agreements associated with the Charles A. Black Wellfield. The Authority has reviewed these agreements and is currently working with Citrus County to reach an understanding regarding a future rate structure using a volumetric rate.

Restriction on Use

This information is intended solely for the use of Governing Board and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

March 16, 2016
Ocala, Florida

DRAFT

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**WITHLACOOCHEE REGIONAL
WATER SUPPLY AUTHORITY
LECANTO, FLORIDA**

SEPTEMBER 30, 2015

DRAFT

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

WITH LACOOCHEE REGIONAL WATER SUPPLY AUTHORITY LECANTO, FLORIDA

SEPTEMBER 30, 2015

TABLE OF CONTENTS

Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-6
Financial Statements	
Statement of Net Position - Proprietary Fund	7
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund	8
Statement of Cash Flows - Proprietary Fund	9
Notes to Financial Statements	10-14
Additional Elements of Report Prepared in Accordance with <i>Government Auditing Standards</i>, Issued by the Comptroller General of the United States; and the <i>Rules of the Auditor General of the State of Florida</i>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15-16
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes	17
Management Letter	18-19

INDEPENDENT AUDITORS' REPORT

To the Governing Board
Withlacoochee Regional Water
Supply Authority
Lecanto, Florida

We have audited the accompanying financial statements of the business-type activities and the major fund of Withlacoochee Regional Water Supply Authority (the Authority), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Certified Public Accountants

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DRAFT

To the Governing Board
Withlacoochee Regional Water
Supply Authority
Lecanto, Florida

INDEPENDENT AUDITORS' REPORT (Concluded)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of the Authority, as of September 30, 2015, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pages 3 through 6, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 16, 2016, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Authority's 2014 financial statements, and our report dated March 16, 2016, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented therein, as of and for the year ended September 30, 2014, is consistent in all material respects, with the audited financial statements from which it has been derived.

March 16, 2016
Ocala, Florida

DRAFT

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY MANAGEMENT DISCUSSION AND ANALYSIS 2014-2015 FISCAL YEAR ENDING FINANCIAL REPORT

This management discussion and analysis of the Withlacoochee Regional Water Supply Authority's (WRWSA) financial performance provides an overview of the financial activities for the fiscal year (FY) ended September 30, 2015, as compared to September 30, 2014. The purpose of this overview is to provide readers with a comprehensive picture of the WRWSA's financial condition and results of operations. This discussion and analysis should be read in conjunction with the audited financial statements and related footnotes, as details there are not necessarily repeated in this analysis.

FINANCIAL HIGHLIGHTS

- Net Position of the Authority decreased by \$126,334 or 4.7%. Depreciation of plant equipment at the Charles A. Black (CAB) Water Supply Facilities represented \$163,448 of this amount.
- Operating account revenues at \$203,350 were relatively stable compared to the prior year and exceeded operating account costs by \$508. Project account revenues at \$181,597 were down from the prior year due to changes in the irrigation audit program. Project account costs exceeded revenues by \$139,457, driven primarily by project-related costs incurred during the year and depreciation of plant equipment at the CAB facilities.
- Operating account expenses at \$202,872 were relatively stable compared to the prior year, while project account expenses at \$321,054 were down substantially from the prior year (\$506,113) due to the completion of the regional water supply plan update.
- Revenues to the Authority consist of annual assessments of \$0.19 per capita, revenue from the Authority's contract with Citrus County consisting of a fee for the capital cost of the construction of CAB #1 and a surcharge for the Authority's administration of its contract with the County and its maintenance and operations review, and revenues from project cooperators. Member assessment revenues increased just slightly by \$1,409 over the previous year due to minor population growth. Member assessments totaled \$143,350 and represented 37% of the Authority's total Operating Revenues. Project revenues were \$24,813, a decrease of \$77,353 from the previous fiscal year, and represented 6.4% of the Authority's total Operating Revenues. Citrus wellfield capital payments and the administrative surcharge revenues remained the same. Combined, the Citrus wellfield revenues totaled \$223,587 and represented 57.1% of the Authority's total Operating Revenues.
- Net Position continues to provide the resources necessary to fund projects and continue to meet the obligations of the Authority. In particular, revenue from the contract with Citrus County provides a funding source for both local and regional water resource projects that strengthen the Authority's role as a regional water planning and supply agency and allow the Authority to positively influence development of water supply facilities in the region and conservation efforts at the local level. In addition, assessment revenue from member governments continues to assist the Authority in its regional activities and enables the Authority to represent its member governments in regional and statewide water management decision making.

PROGRAM HIGHLIGHTS

During the fiscal year the Authority continued to implement regional water supply planning, development, conservation, and member government support to ensure the long-term integrity of the region's water resources to the benefit of member governments. The Authority supported a number of special and on-going projects that increase the water supply capability of the region and are of unique benefit to the Authority members. Key projects include the following:

DRAFT

**WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
2014-2015 FISCAL YEAR ENDING FINANCIAL REPORT
(Continued)**

PROGRAM HIGHLIGHTS (Concluded)

- Joint Funding of Water Conservation Projects with Member Local Governments
- Residential Irrigation Evaluation Program
- Legislative and Governmental Affairs Advocacy on Behalf of the Authority and its Member Governments
- Expand and Refine the “Regional Framework” Concept that will provide the Future Infrastructure for Introduction of Alternative Water Supplies into the Region’s Water Supply Systems
- Continuation of Cooperation with Citrus County in Operation of the Authority's Charles A. Black Wellfield and Water Supply Facility

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Balance Sheet and Statements of Revenues, Expenses, and Change in Net Position provide information about the activities of the Authority as a whole and present a longer-term view of the Authority’s finances. These statements include all assets and liabilities using the accrual basis of accounting. All current year revenues and expenses are taken into account regardless of when cash was received or disbursed. The primary purpose of the Statement of Cash Flows is to provide information about the cash receipts and disbursements of an entity during a period. Accompanying footnotes provide further information related to amounts presented on the financial statements.

Balance Sheet

As shown in the table below, there was a reduction of 5.8% or \$163,903 in Total Assets during the 2014-2015 FY. This amount is primarily the result of depreciation of the physical plant at the CAB #1 facility. However, a significant outlay of funds each year for the Authority is through grants to local governments from Restricted Assets. The Authority provides joint participation grants to local governments as an incentive for local governments in the region to embark on water conservation programs. The Authority’s funding formula provides up to 50% participation with local governments to a maximum grant of \$50,000.

Assets	FYE 2014	FYE 2015	% Change	\$ Change
Current and Other Assets	\$1,530,379	\$1,529,924	-0.1%	\$-455
Capital Assets	1,307,174	1,143,726	-12.5%	-163,448
Total Assets	\$2,837,553	\$2,673,650	-5.8%	-\$163,903

The Authority’s Total Liabilities decreased by \$37,569 or -30.5%. As Accounts Payable these amounts are relatively insignificant in that the Authority has no long-term debt.

Liabilities	FYE 2014	FYE 2015	% Change	\$ Change
Operating Account A/P	\$16,597	\$15,953	-3.9%	\$-644
Water Resource Project Account A/P	106,617	69,692	-34.6%	-36,925
Total Liabilities	\$123,214	\$85,645	-30.5%	\$-37,569

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**WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
2014-2015 FISCAL YEAR ENDING FINANCIAL REPORT
(Continued)**

Balance Sheet (Concluded)

Computing and reflecting net position is one way to illustrate the financial health and financial position of the Authority. Over time, increases or decreases in net position are an indicator of whether the financial health is improving or deteriorating. The following table summarizes net position for the Authority for FYE 2014 and 2015 for comparison purposes.

Net Position	FYE 2014	FYE 2015	% Change	\$ Change
Investment in Capital Assets	\$ 1,307,174	\$ 1,143,726	-12.5%	\$ -163,448
Unrestricted Net Position	1,407,165	1,444,279	2.7%	37,114
Total Net Position	\$ 2,714,339	\$ 2,588,005	4.7%	\$ -126,334

The majority of the decrease from FYE 2014 to FYE 2015 in Capital Assets is attributable to the continued depreciation of the Authority's CAB #1 water supply facility. The change in cash assets, both unrestricted and restricted, is a better indicator of the financial position of the Authority. To better balance the outflow of cash for water resource projects with revenue from the contract with Citrus County, the Authority has set its annual grant obligation to a maximum outlay of \$130,000 per year and set its match at a maximum of 50% of the project total costs with a maximum of \$50,000 to any one grantee. These measures have reduced the net decrease in assets over time.

Statement of Revenues, Expenses, and Changes in Net Position

Revenue for the Authority is categorized into unrestricted and restricted and is derived from three sources: (1) member government per capita assessments, (2) contractual funds from Citrus County for repayment of the construction costs of the CAB #1 and an administrative surcharge paid to the Authority by Citrus County, and (3) project revenues for cooperatively funded projects. Member government assessments in FY 2014-15 were received from Citrus, Hernando, Marion and Sumter counties. These per capita assessments are approved each year. For FY 2014-15, the Authority and its member governments approved \$.19/per capita. All of this revenue is unrestricted and used for administration of the Authority.

Revenues from the CAB facilities are fixed by contract between Citrus County and the Authority. The monthly payment by Citrus County to the Authority is divided into "facilities recovery," based on a 35-year debt repayment schedule and an administrative surcharge, termed "administrative recovery" that runs for 30 years from the inception of service until 2022. Pursuant to an interlocal agreement between the Authority and the SWFWMD signed in 1987, the facilities recovery revenue was restricted for use on water supply and water resource projects within the SWFWMD area. Although this agreement expired in 1999 and, therefore, the funds from CAB #1 are technically no longer required to be restricted and may be used for water supply projects as well as administration of the Authority, the Authority continues to track these funds separately. The payback of these funds by Citrus County results from a "seed grant" by SWFWMD to the Authority for the purpose of building its first regional water supply facility. The intent was for these funds to be recovered by the Authority and used for future water supply development projects. The administrative recovery revenue paid by Citrus County was increased by 5% each year beginning in 1992, reaching a maximum of \$60,000 in 2011 through 2021. These monies are unrestricted and are used primarily for administration of the Authority.

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WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY MANAGEMENT DISCUSSION AND ANALYSIS 2014-2015 FISCAL YEAR ENDING FINANCIAL REPORT (Concluded)

Statement of Revenues, Expenses, and Changes in Net Position (Concluded)

The last source of revenue during FY 2014-15 came from cooperatively funded projects, including the Irrigation Audit Water Conservation project. During FY 2014-15, the Authority received matching funds of \$24,813 for the Irrigation Audit project. A comparison of revenues from FY 2013-14 and FY 2014-15 is provided in the following table:

Operating Revenue	FYE 2014	FYE 2015	% Change	\$ Change
Local Assessments (Per Capita)	\$ 141,941	\$ 143,350	1.0%	\$ 1,409
Citrus Wellfield Administrative Funds	60,000	60,000	0.00%	0
Citrus Wellfield Water Resource:	163,587	163,587	0.00%	0
Project Funds				
Project Revenue	102,166	24,813	-75.8%	-77,353
Total Operating Revenue	\$ 467,694	\$ 391,750	-16.3%	\$ -75,944

Operating expenses for the Authority decreased by 30% during FY 2014-15 over FY 2013-14, primarily due to completion of the Regional Water Supply Plan update in FY2013-14. The following table provides a comparison of expenditures for FYE 2014 and 2015:

Operating Expenditures	FYE 2014	FYE 2015	% Change	\$ Change
Professional Services	\$ 181,536	\$ 180,678	-0.4%	\$ 858
General and Administrative	18,553	22,164	19.5%	3,611
Water Resource Projects	342,665	157,606	-54.0%	-185,059
Depreciation	163,448	163,448	0.0%	0
Total Operating Revenue	\$ 706,202	\$ 523,896	-57.5%	\$ -180,590

Non-operating revenues increased by 745% from the previous year. The increase was attributable to a return on investment for funds with the State Board of Administration.

Non-Operating Revenues	FYE 2014	FYE 2015	% Change	\$ Change
Interest Income - General Fund	\$ 2,391	\$ 2,947	23.3%	\$ 556
Unrealized Gain (Loss) on Investments	-1,611	2,865	0.0%	4,476
Total Non-Operating Revenue	\$ 780	\$ 5,812	745.0%	\$ 5,032

Request for Information

This financial report is designed to present users with a general overview of the Authority's finances and to demonstrate the Authority's accountability. If you have any questions concerning the information provided in this report, or need additional financial information, contact the Executive Director at 3600 W. Sovereign Path, Ste. 228, Lecanto, FL 34461. Additional information concerning the Authority can be found on our website www.wrwsa.org.

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FINANCIAL STATEMENTS

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**STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2015,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2014
WITH LACOCHEE REGIONAL WATER SUPPLY AUTHORITY
LECANTO, FLORIDA**

	Business-type Activities - Enterprise Fund			2014 Total
	2015			
	Operating Account	Project Account	Total	
Assets				
Current Assets				
Cash and Investments	\$ 563,363	\$ 955,170	\$ 1,518,533	\$ 1,503,790
Accounts Receivable - Local Governments	0	1,889	1,889	5,729
Accounts Receivable - SWFWMD	0	6,953	6,953	18,118
Prepaid Expense	2,549	0	2,549	2,742
Total Current Assets	<u>565,912</u>	<u>964,012</u>	<u>1,529,924</u>	<u>1,530,379</u>
Noncurrent Assets				
Capital Assets:				
Property and Equipment, Net of				
Accumulated Depreciation	0	1,143,726	1,143,726	1,307,174
Total Noncurrent Assets	<u>0</u>	<u>1,143,726</u>	<u>1,143,726</u>	<u>1,307,174</u>
Total Assets	<u>565,912</u>	<u>2,107,738</u>	<u>2,673,650</u>	<u>2,837,553</u>
Liabilities				
Accounts Payable	15,953	69,692	85,645	123,214
Total Liabilities	<u>15,953</u>	<u>69,692</u>	<u>85,645</u>	<u>123,214</u>
Net Position				
Investment in Capital Assets	0	1,143,726	1,143,726	1,307,174
Unrestricted	549,959	894,320	1,444,279	1,407,165
Total Net Position	<u>\$ 549,959</u>	<u>\$ 2,038,046</u>	<u>\$ 2,588,005</u>	<u>\$ 2,714,339</u>

See accompanying notes.

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**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2015,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2014
WITH LACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
LECANTO, FLORIDA**

	Business-type Activities - Enterprise Fund			
	2015			2014
	Operating Account	Project Account	Total	Total
Operating Revenues				
Member Assessments:				
Citrus County	\$ 26,704	\$ 0	\$ 26,704	\$ 26,745
Hernando County	33,024	0	33,024	32,890
Marion County	63,652	0	63,652	63,268
Sumter County	19,970	0	19,970	19,038
Total Member Assessments	143,350	0	143,350	141,941
Project Revenues:				
Project Revenue - Irrigation Audit Revenue	0	24,813	24,813	36,379
Project Revenue - Master Plan Update	0	0	0	65,787
Total Project Revenues	0	24,813	24,813	102,166
Wellfield Revenues:				
Administrative Cost Portion	60,000	0	60,000	60,000
Facilities Cost Portion	0	163,587	163,587	163,587
Total Wellfield Revenues	60,000	163,587	223,587	223,587
Total Operating Revenues	203,350	188,400	391,750	467,694
Operating Expenses				
Professional Services:				
Consulting Executive Director	80,000	0	80,000	80,000
Admin Assistance Services	39,663	0	39,663	37,500
Legal Services	8,385	0	8,385	12,066
Financial Consultation and Accounting Services	1,500	0	1,500	1,600
Lobbyist Fees	42,000	0	42,000	42,000
Audit Services	9,130	0	9,130	8,370
General and Administrative	22,164	0	22,164	18,553
Water Resource Projects	0	157,606	157,606	342,665
Depreciation	0	163,448	163,448	163,448
(Total Operating Expenses)	(202,842)	(321,054)	(523,896)	(706,202)
Operating Income (Loss)	508	(132,654)	(132,146)	(238,508)
Nonoperating Revenue				
Interest Income	2,947	0	2,947	2,391
Unrealized (Loss)/Gain on Investments	808	2,057	2,865	(1,611)
Total Nonoperating Revenue	3,755	2,057	5,812	780
Increase (Decrease) in Net Position	4,263	(130,597)	(126,334)	(237,728)
Net Position, Beginning of Year	545,696	2,168,643	2,714,339	2,952,067
Net Position, End of Year	\$ 549,959	\$ 2,038,046	\$ 2,588,005	\$ 2,714,339

See accompanying notes.

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**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
SEPTEMBER 30, 2015,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2014
WITH LACOCHEE REGIONAL WATER SUPPLY AUTHORITY
LECANTO, FLORIDA**

	Business-type Activities - Enterprise Fund			
	2015			2014
	Operating Account	Project Account	Total	Total
Cash Flows from Operating Activities				
Member Assessments Received	\$ 143,350	\$ 0	\$ 143,350	\$ 141,941
Wellfield Revenues Received	60,000	163,587	223,587	223,587
Project Revenues	0	39,818	39,818	122,833
Cash Paid to Contractors and Suppliers	(203,293)	(194,531)	(397,824)	(535,980)
Net Cash Provided by (Used in) Operating Activities	<u>57</u>	<u>8,874</u>	<u>8,931</u>	<u>(47,619)</u>
Cash Flows from Investing Activities				
Interest Income	2,947	0	2,947	2,391
Unrealized Gains/(Loss) on Investments	808	2,057	2,865	(1,611)
Purchase of Fixed Assets	0	0	0	0
Net Cash Flows Provided by (Used in) from Investing Activities	<u>3,755</u>	<u>2,057</u>	<u>5,812</u>	<u>780</u>
Net Increase (Decrease) in Cash and Investments	3,812	10,931	14,743	(46,839)
Cash and Investments, Beginning of Year	<u>559,551</u>	<u>944,239</u>	<u>1,503,790</u>	<u>1,550,629</u>
Cash and Investments, End of Year	<u>\$ 563,363</u>	<u>\$ 955,170</u>	<u>\$ 1,518,533</u>	<u>\$ 1,503,790</u>
<u>Reconciliation of Change in Net Position to Net Cash Provided by (Used in) Operating Activities</u>				
Operating Income (Loss)	\$ 508	\$ (132,654)	\$ (132,146)	\$ (238,508)
Reconciling Adjustments:				
Depreciation	0	163,448	163,448	163,448
Decrease (Increase) in Accounts Receivable	0	15,005	15,005	20,667
Decrease (Increase) in Prepaid Expense	193	0	193	(2,571)
Increase (Decrease) in Accounts Payable	(644)	(36,925)	(37,569)	9,345
Net Cash Provided by (Used in) Operating Activities	<u>\$ 57</u>	<u>\$ 8,874</u>	<u>\$ 8,931</u>	<u>\$ (47,619)</u>
<u>Supplemental Schedule of Noncash Investing and Financing Activities</u>				

There are no noncash investing and financing activities for the years ended September 30, 2015 and 2014.

See accompanying notes.

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NOTES TO FINANCIAL STATEMENTS WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY LECANTO, FLORIDA

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Withlacoochee Regional Water Supply Authority (the Authority) is an independent special district serving the central Florida area. The Authority was organized in 1977 by an interlocal agreement between Citrus, Hernando, Levy, Marion, and Sumter Counties as provided by Florida State Law, Chapters 373.1962, and 163.01, Florida Statutes. The Authority amended the interlocal agreement in 1984 to release Levy County from membership. The remaining four counties and various municipalities from the region currently make up the Authority's Governing Board. The primary purpose of the Authority, as defined in the interlocal agreement, is to assist its members in the management of water resources and to provide dependable water supplies on a regional basis.

The Authority is not considered to be a component unit of any other entity, nor are there any component units for which the Authority exercises control or oversight.

Fund Structure and Basis of Accounting

The accounting policies of the Authority conform to generally accepted accounting policies for governmental entities and follows standards established by the Governmental Accounting Standards Board (GASB). All activities of the Authority are accounted for in a single major enterprise fund which uses the accrual basis of accounting. The enterprise fund is composed of an unrestricted operating account for general and administrative functions of the fund and a project account to account for various project activities of the fund.

Comparative Financial Statements

The financial statements include certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended September 30, 2014, from which the summarized information was derived.

Classification of Revenues

The Authority classifies its revenues as operating or nonoperating according to the following criteria:

- **Operating Revenues**—include activities that have the characteristics of exchange transactions, such as member assessments.
- **Nonoperating Revenues**—include activities that have the characteristics of nonexchange transactions, such as interest income.

Finance and Budgeting

The interlocal agreement creating the Authority, revised in 2014, provides that each of the County signatories to the Agreement appropriate funds on a per capita basis to fund the operations of the Authority. The per capita appropriations (19¢ per person for 2014) are based upon the most current annual population estimates available at the time the budget is adopted. Per capita appropriations become effective after adoption by the Authority's Governing Board and approved by each of the respective Boards of County Commissioners.

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NOTES TO FINANCIAL STATEMENTS WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY LECANTO, FLORIDA (Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Finance and Budgeting (Concluded)

The Authority prepares an annual budget each year and forwards copies to the member counties by June 1st. The member counties may then take action in either approving or disapproving the proposed budget and provide for the necessary per capita appropriation. The budget may be amended by the Governing Board as necessary to conduct the financial affairs of the Authority. The Authority does not use encumbrance accounting. All appropriations lapse at year-end.

Property Taxes

Chapter 373.713(2)(a), Florida Statutes, provides that the Authority may levy ad valorem taxes, not to exceed one-half mill, upon approval of the electors residing in each county or municipality within the Authority's territory. The Authority has not levied any ad valorem taxes since its creation.

Cash and Investments

Cash and investments consist of a bank checking account and an investment in the State Board of Administration of Florida, Local Government Pooled Investment Account, more fully described in Note 2.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Capital Assets - Property and Equipment

Office equipment is recorded at historical cost with depreciation computed using the straight-line method over estimated useful lives of five to ten years. Repairs and maintenance are expensed as incurred.

During the 1992-1993 year, the Authority completed the Citrus County Water Supply Project. The project consists of construction of a wellfield to provide Citrus County, a member government, with bulk water supply on an all-requirements basis. The wellfield is owned by the Authority, with a reversionary interest to Citrus County. Payment for the water consists of monthly charges that recover the cost of the facility and pro rata overhead costs of the Authority over a thirty-five-year period. Citrus County is responsible for the operations and maintenance of the facility, as well as funding a replacement reserve account.

The wellfield is being depreciated on a straight-line basis over an estimated useful life of thirty-five years.

Revenue Recognition

■ **Member Assessments**

Revenues from member assessments are generally recognized ratably over the fiscal year of the Authority for which the assessments were budgeted. Amounts recognized, but not received at year-end, if any, are presented as accounts receivable from member governments in the accompanying statement of net position.

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**NOTES TO FINANCIAL STATEMENTS
WITH LACOOCHIE REGIONAL WATER SUPPLY AUTHORITY
LECANTO, FLORIDA
(Continued)**

Note 1 - Summary of Significant Accounting Policies (Concluded)

Revenue Recognition (Concluded)

■ **Wellfield Revenues**

Revenues from wellfield operations are fixed by contract and recognized ratably over the fiscal year (see Note 4 for further discussion). Amounts recognized, but not received at year-end, if any, are also presented as accounts receivable from member governments in the accompanying statement of net position.

Risk Assessment and Management

The Authority is exposed to the normal risks associated with governmental entities, including property loss, general liability, and fiduciary breach. The Authority manages these risks through coverages maintained by its members, contractors, and liability insurance.

Note 2 - Deposits and Investments

The Authority has not adopted a formal investment policy, rather it has elected to follow the investment guidelines of Florida Statutes.

Deposits

As of September 30, 2015, all of the Authority's deposits are maintained in banks and financial institutions which are covered by the *Florida Security for Public Deposits Act*, Chapter 280 of the Florida Statutes, which requires that each public depository must maintain eligible collateral having a market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held by the depository during the twelve months immediately preceding the date of any computation of the balance. As such, the depository is not required to hold collateral in the Authority's name nor specify which collateral is held for the Authority's benefit. The Public Deposit Security Trust Fund, as created under the laws of the State of Florida, would be required to pay the Authority for any deposits not covered by depository insurance or collateral pledged by the depository as previously described. As of September 30, 2015, all of the Authority's deposits were insured. The Authority's carrying amount of deposits for September 30, 2015, was \$3,991 and the bank balance was \$1,614.

The Authority invests excess operating cash with the State Board of Administration of Florida, Florida PRIME (formally Local Government Pooled Investment Accounts). The State Board of Administration investment pool invests primarily in commercial paper, repurchase agreements, bankers' acceptance notes, and U.S. Government obligations. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the pool into two separate pools: (1) State Pool Florida PRIME consists of all money market appropriate assets; and (2) Fund B consists of assets that defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk. Fund B was restricted by the State Board of Administration and was not available for use. On September 5, 2014, Fund B's liquid cash holding were distributed to the Florida PRIME. These accounts are not insured or covered by Chapter 280 of the Florida Statutes. Investments in the State Pool Florida PRIME and Fund B were \$1,501,758 and \$0, respectively, at September 30, 2015.

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NOTES TO FINANCIAL STATEMENTS
WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
LECANTO, FLORIDA
(Continued)

Note 3 - Capital Assets - Property and Equipment

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital Assets Being Depreciated				
Office Equipment	\$ 3,728	\$ 0	\$ 0	\$ 3,728
Wellfield - Citrus County	<u>4,895,231</u>	<u>0</u>	<u>0</u>	<u>4,895,231</u>
Total Assets Being Depreciated	<u>4,898,959</u>	<u>0</u>	<u>0</u>	<u>4,898,959</u>
 Accumulated Depreciation:				
Office Equipment	(1,948)	(274)	0	(2,222)
Wellfield - Citrus County	<u>(3,589,837)</u>	<u>(163,174)</u>	<u>0</u>	<u>(3,753,011)</u>
(Total Accumulated Depreciation)	<u>(3,591,785)</u>	<u>(163,448)</u>	<u>0</u>	<u>(3,755,233)</u>
 Total Capital Assets Being Depreciated	<u>\$ 1,307,174</u>	<u>\$ (163,448)</u>	<u>\$ 0</u>	<u>\$ 1,143,726</u>

Depreciation expense is \$163,448 for the year ended September 30, 2015.

Note 4 - Wellfield Cost Recovery

The following is a summary of the water charges to be paid by Citrus County over the remaining life of the contract:

<u>Fiscal Year Ending</u>	<u>Cost Portion</u>		<u>Total</u>
	<u>Administrative</u>	<u>Facilities</u>	
2016	\$ 60,000	\$ 163,587	\$ 223,587
2017	60,000	163,587	223,587
2018	60,000	163,587	223,587
2019	60,000	163,587	223,587
2020	60,000	163,587	223,587
2021	60,000	163,587	223,587
2022	60,000	163,586	223,586
2023	0	42,500	42,500
2024	0	42,500	42,500
2025	0	42,500	42,500
2026	0	42,500	42,500
2027	0	42,500	42,500
Total	<u>\$ 420,000</u>	<u>\$ 1,357,608</u>	<u>\$ 1,777,608</u>

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NOTES TO FINANCIAL STATEMENTS
WITH LACOCHEE REGIONAL WATER SUPPLY AUTHORITY
LECANTO, FLORIDA
(Concluded)

Note 5 - Commitments

Local Government Water Supply Funding Assistance Program

During 1999, the Authority moved to participate with local governments in providing funding assistance for water supply projects. The primary purpose of the project is to assist local governments in funding local water resource projects. The Authority agrees to pay, on a reimbursement basis, one-half of the project cost not to exceed \$50,000 per approved project. The Authority has a commitment to provide funding assistance for water conservation to the following members for the fiscal year-end September 30, 2016: Hernando County for \$47,750, Marion County for \$35,475, and Citrus County for \$36,875.

General Engineering and Technical Services

On February 19, 2014, the Authority entered into an agreement with Water Recourse Associates, Inc. to assist the Authority Board and Executive Director with policy, programmatic, and technical aspects of the Authority on an as-needed basis. The contract is effective through September 30, 2016, and shall not exceed \$25,000 for the fiscal year. During the fiscal year ended September 30, 2015, expenses totaled the Authority \$19,536.

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**ADDITIONAL ELEMENTS OF REPORT PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED
STATES; AND THE *RULES OF THE AUDITOR GENERAL OF
THE STATE OF FLORIDA***

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Governing Board
Withlacoochee Regional Water
Supply Authority
Lecanto, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the major fund of Withlacoochee Regional Water Supply Authority (the Authority), as of and for the year ended September 30, 2015, and have issued our report thereon dated March 16, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Certified Public Accountants

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Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

To the Governing Board
Withlacoochee Regional Water
Supply Authority
Lecanto, Florida

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Concluded)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 16, 2016
Ocala, Florida

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

We have examined the Withlacoochee Regional Water Supply Authority's (the Authority) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2015, as required by Section 10.556 (10)(a), *Rules of the Auditor General*. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of the Governing Board, management of the Authority, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

March 16, 2016
Ocala, Florida

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
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MANAGEMENT LETTER

To the Governing Board
Withlacoochee Regional Water
Supply Authority
Lecanto, Florida

Report on the Financial Statements

We have audited the financial statements of the Withlacoochee Regional Water Supply Authority (the Authority), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated March 16, 2016.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Auditor General*.

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in that report dated March 16, 2016, if any, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)5.a., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the Authority and a discussion of component units can be found in Note 1 of the financial statements, dated March 16, 2016.

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
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DRAFT

To the Governing Board
Withlacoochee Regional Water
Supply Authority
Lecanto, Florida

MANAGEMENT LETTER (Concluded)

Financial Condition

Section 10.554(1)(i)5.a., *Rules of the Auditor General*, requires that we apply appropriate procedures and report the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Sections 10.554(1)(i)5.c. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Annual Financial Report

Section 10.554(1)(i)5.b., *Rules of the Auditor General*, requires that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Authority for the fiscal year ended September 30, 2015, filed with the Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Audit Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

March 16, 2016
Ocala, Florida

Water Conservation Month Resolution

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

The purpose of this item is to request the Board execute a resolution declaring April 2016 as “Water Conservation Month.” Declaring April as “Water Conservation Month” has historically been used by the Authority as a means to focus the public’s attention on the need for and benefits of conservation and to highlight the resources available to help them.

Since 1998, the state of Florida, water management districts, local governments and water-related organizations, such as the Florida Section of the American Water Works Association, have declared April as “Water Conservation Month.” April is typically the time of year when water demands increase due to generally hot and dry conditions. The concept of “Water Conservation Month” was developed by the Florida Water Wise Council, which has since evolved into the Water Efficiency Division of the Florida Section of the American Water Works Association. The Florida Water Wise Council board encouraged its members to declare “Water Conservation Month” within their own agencies and worked with Florida’s Commissioner of Agriculture to have the state make a similar declaration. Declaring April as “Water Conservation Month” will further the Authority’s and its member governments’ water conservation efforts.

The resolution for the Board’s consideration is provided in the meeting materials as an exhibit.

See Exhibit.

Staff Recommendation:

Approve and execute Resolution No. 2016-02 declaring April 2016 as “Water Conservation Month.”

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY

RESOLUTION 2016-02

**WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS
DESIGNATES APRIL 2016 AS
WATER CONSERVATION MONTH**

WHEREAS, water is a basic and essential need of every living creature; and

WHEREAS, the State of Florida, the Southwest Florida Water Management District and the Withlacoochee Regional Water Supply Authority designate April as water conservation month; and

WHEREAS, the Withlacoochee Regional Water Supply Authority urges every consumer and each citizen and business to become more aware of the need to save water, and to take appropriate measures to conserve and protect this vital natural resource by practicing water-saving measures; and

WHEREAS, the Withlacoochee Regional Water Supply Authority Board of Directors supports and encourages water conservation measures within the Withlacoochee Region; and

WHEREAS, the support of April 2016 as Florida's Water Conservation Month reinforces conservation messages and efforts put forth by the Withlacoochee Regional Water Supply Authority.

NOW, THEREFORE, the Withlacoochee Regional Water Supply Authority Board of Directors hereby proclaims April 2016 as WATER CONSERVATION MONTH in the Withlacoochee Region.

BE IT FURTHER RESOLVED that the Chair and Secretary of the Board of Directors are hereby authorized to affix their signatures to the Resolution on behalf of the Board.

PASSED and ADOPTED in Lecanto, Citrus County, Florida, on this sixteenth day of March 2016.

BOARD OF DIRECTORS, WITHLACOOCHEE
REGIONAL WATER SUPPLY AUTHORITY

Attest:

BY Dennis Damato, Chairman

Richard S. Owen, Executive Director

Springs Protection Month Resolution

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

The purpose of this item is to request the Board execute a resolution declaring April 2016 as “Springs Protection Month.” Declaring April as “Spring Protection Month” will allow the Authority to focus the public’s attention on the protecting, maintaining and restoring where necessary the natural springs within the region. These springs are essential to the environment, economy, citizens and visitors of the region. By adopting the proposed Springs Protection Month Resolution, the Authority will demonstrate its commitment to environmental stewardship, including supporting efforts to conserve and restore the ecological balance of these spring systems.

The Authority encourages its members to become more aware of the need to protect our local springs and to support the Southwest Florida Water Management District in its restoration efforts and appropriate measures to conserve and protect our local springs.

The resolution for the Board’s consideration is provided in the meeting materials as an exhibit.

See Exhibit.

Staff Recommendation:

Approve and execute Resolution No. 2016-03 declaring April 2016 as “Springs Protection Month.”

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY

RESOLUTION 2016-03

**WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS
PROCLAIMS APRIL 2016 AS
SPRINGS PROTECTION AWARENESS MONTH**

WHEREAS, Florida's springs are essential to the environment, economy, citizens and visitors of the state; and

WHEREAS, there are more than 150 documented springs as well as thousands of undocumented springs and seeps in the Southwest Florida Water Management District; and

WHEREAS, there are seven first magnitude spring groups within the Withlacoochee Regional Water Supply Authority's area that discharge more than 64.6 million gallons of water per day per group, and these groups are important not only for their ecological value but also for their economic impact on the communities that call these areas home; and

WHEREAS, the Florida legislature during its regular 2016 session has recognized April as Springs Protection Month; and

WHEREAS, the Authority, in partnership with the various stakeholders, is committed to environmental stewardship, including supporting efforts to conserve and restore the ecological balance of these spring systems, thereby supporting regional economies and quality of life; and

WHEREAS, the Authority shall encourage its members to become more aware of the need to protect our local springs and to support the Southwest Florida Water Management District in its restoration efforts and appropriate measures to conserve and protect our local springs, a vital natural resource.

NOW, THEREFORE, BE IT RESOLVED that the Withlacoochee Regional Water Supply Authority Board of Directors hereby proclaims the month of April 2016 as SPRINGS PROTECTION AWARENESS MONTH.

BE IT FURTHER RESOLVED that the Chair and Secretary of the Board of Directors are hereby authorized to affix their signatures to the Resolution on behalf of the Board.

PASSED and ADOPTED in Lecanto, Citrus County, Florida, on this sixteenth day of March 2016.

BOARD OF DIRECTORS, WITHLACOOCHEE
REGIONAL WATER SUPPLY AUTHORITY

Attest:

BY Dennis Damato, Chairman

Richard S. Owen, Executive Director

Charles A. Black Wellfield Water Supply Contract, Status Report

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

Authority representatives are scheduled to meet with Citrus County representatives 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

**(to be provided
at meeting)**

Item 11.b.

Executive Director's Report

First Quarter Financial Report

**(to be provided
at meeting)**

Item 11.c.

Executive Director's Report

Correspondence



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WaterMatters.org

Bartow Service Office
170 Century Boulevard
Bartow, Florida 33830-7700
(863) 534-1448 or
1-800-492-7862 (FL only)

Sarasota Service Office
6750 Fruitville Road
Sarasota, Florida 34240-9711
(941) 377-3722 or
1-800-320-3503 (FL only)

Tampa Service Office
7601 U.S. 301 North (Fort King Highway)
Tampa, Florida 33637-6759
(813) 985-7481 or
1-800-836-0797 (FL only)

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Chair, Hillsborough
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Michael A. Moran
Charlotte, Sarasota
Vacant
Citrus, Lake, Levy, Sumter
Robert R. Beltran, P.E.
Executive Director

February 12, 2016

Mr. Richard Owen
Executive Director
Withlacoochee Regional Water Supply Authority
3600 W Sovereign Path, Suite 228
Lecanto, Florida 34461

Subject: Extension of Task Deadlines for Withlacoochee Regional Water Supply
Authority Regional Irrigation Evaluation Program Phase 3 (N640);
Agreement No. 15C00000054

Dear Mr. Owen:

Withlacoochee Regional Water Supply Authority (WRWSA) entered into a cooperative funding agreement (agreement) with the Southwest Florida Water Management District (District) on March 25, 2015, to complete the Withlacoochee Regional Water Supply Authority Regional Irrigation Evaluation Program Phase 3 project. The agreement termination date is September 30, 2017. The scope of work for this project is described in Exhibit "A" and is divided into tasks to assist in monitoring progress. Each task is assigned a start date and a date for completion. If a project task cannot be completed by the scheduled date, paragraph 1.1 of the agreement gives instructions for revising the schedule.

The WRWSA has requested an extension of project task deadlines to allow additional time to administer remaining budgeted evaluations. In an effort to maximize project effectiveness, the WRWSA requested the original schedule be revised as follows:

Original and Revised Project Schedule, Exhibit "A"

Task	Original Schedule		Revised Schedule	
	Start Date	End Date	Start Date	End Date
Promotion & Marketing	10/01/2014	03/30/2017	10/01/2014	06/30/2017
Irrigation Evaluations	01/16/2015	01/16/2016	01/16/2015	04/16/2016
Savings Analysis	01/16/2016	01/16/2017	01/16/2016	04/16/2017
Final Report	01/17/2017	03/30/2017	01/17/2017	06/17/2017

In accordance with paragraph 1.1 of the original agreement, and as the District's Contract Manager, I hereby approve the request from the WRWSA, dated February 9, 2016, to extend the tasks listed in Exhibit "A". Please note that the agreement termination date of September 30, 2017, has not been changed. If the project cannot be completed by the

Richard Owen

Subject: Extension of Task Deadlines for Withlacoochee Regional Water supply Authority

Regional Irrigation Evaluation Program Phase 3 (N640); Agreement No. 15C00000054

Page 2

February 12, 2016

agreement termination date, it will be necessary to amend the agreement. If you have any questions, please contact me at (800) 423-1476, extension 4197.

Sincerely,




Josh Madden
Environmental Scientist
Water Supply Section
Water Resources Bureau

JCM:abp

cc: K. Frazier
Records (Contract File)
Project File

Approved by


J.P. Marchand, P.E., Bureau Chief, Water
Resources Bureau

Washington, DC 20233-0001
OFFICE OF THE DIRECTOR

RECEIVED FEB 23 2016

A message from the Director, U.S. Census Bureau...

The Census Bureau conducts and requests your voluntary assistance under the authority of Title 13 U.S.C., Section 161; and Title 13 U.S.C., Section 193. We estimate this survey to take an average of 15 minutes to complete. On the back of this letter you will find disclosure descriptions regarding the Office of Management and Budget number; authority and confidentiality; and burden estimate statement. **When you receive the formal request, please read the instructions and complete your survey online by the due date on the log-in screen. You can complete the form and return it.**

Thank you in advance for participating in the 2016 Government Units Survey. If you feel that this letter has reached you in error or if you have any other questions, please call (1-888) 369-3613 and choose option 4, or contact us by email at esmd.gus.psfcb@census.gov.

[Handwritten signature]

59



OMB Number and Expiration

You are not required to respond to this collection of information if it does not display a valid approval number from the Office of Management and Budget (OMB). The eight-digit OMB number is 0607-0930 and appears in the upper right corner of the report form/login screen.

Authority and Confidentiality

Title 13 U.S.C., Section 161; and Title 13 U.S.C., Section 193 authorizes the Census Bureau to conduct this collection and to request your voluntary assistance. Information provided in this collection tool compiled from or customarily provided in public records are exempt from confidential treatment as cited in Title 13 U.S.C., Section 9(b).

Burden Estimate Statement

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: ECON Survey Comments 0607-0930, U.S. Census Bureau, 4600 Silver Hill Road, Room EMD-6K064, Washington, DC 20233. You may e-mail comments to ECON.Survey.Comments@census.gov. Be sure to use ECON Survey Comments 0607-0930 as the subject.

Item 11.d.

Executive Director's Report

News Articles

Salon Media Group, Inc.

Making big bucks off water: Private, for-profit water companies charge 58% more than the government, report finds

An exhaustive study shows privatization is more expensive, despite the right-wing's insistence to the contrary

Ben Norton

Wednesday, Feb 17, 2016 10:43 AM EST

Michigan Gov. Rick Snyder on Friday defended how his office responded to an email flagging a potential link between a surge in Legionnaires' disease and Flint's water, saying an aide asked for further investigation but a state agency did not bring forward the issue again.

The most affordable water systems in the U.S. are publicly owned and operated by the government, an exhaustive study reveals. At the same time, for-profit private water companies charge 58 percent more than publicly owned ones.

Food & Water Watch, a non-governmental consumer rights organization based in D.C., comprehensively surveyed the 500 largest community water systems in the U.S., in what it says is "the largest U.S. water rate survey of its kind."

The report, titled "The State of Public Water in the United States," reveals that the average public water utility in the U.S. charged \$316.20 for 60,000 gallons a year, while the average private, for-profit water company charged \$500.96 for the same.

In states like New York and Illinois, the disparity is even greater, with privatized water systems charging twice as much as public, not-for-profit ones.

Pennsylvania for-profit systems charge a whopping 84 percent more than public systems — \$323 more per year, on average. New Jersey private systems charge 79 percent more — \$230 more per year.

"From emergency management in Michigan to failed privatization experiments across the country, corporate influence has failed U.S. water systems," said Wenonah Hauter, executive director of Food & Water Watch, in a statement regarding the study.

"Many of our community water systems are over 100 years old, and in desperate need of repair," Hauter continued. "Rather than running water systems like businesses, or worse, handing them over to corporations, we need increased federal investment in municipal water. With this federal funding, we can help avoid future infrastructure-related catastrophes."

For-profit companies own approximately 10 percent of U.S. community water systems. Most of these are small, however; 90 percent serve fewer than 3,300 people.

The vast majority of Americans, 87 percent, presently receive their water from a publicly owned, not-for-profit provider. And this number is growing.

Food & Water Watch also reviewed eight years of data from the Federal Safe Drinking Water Information System. It found that, between 2007 and 2014, the number of Americans who received water from a public system increased from 83 to 87 percent, while the number of private systems decreased by 7 percent.

The cheapest 142 of the 500 largest community water systems in the U.S. are public and/or non-profit. The cheapest private, for-profit water system comes in an inauspicious 143rd place.

The company American Water alone provides 15 of the 36 most expensive water systems. Of these 36 most expensive systems, 20 are privatized. Other prominent companies include Aqua America and United Water.

Phoenix, Arizona has the least expensive water service in the country, with an average annual bill of just \$84.24. The average annual bill in Clovis, California is \$100.80, \$104.74 in Hempstead, New York, and \$116.48 in Miami-Dade, Florida. All are public, not-for-profit systems.

There are a few outliers. Flint, Michigan is among them.

Flint charges an enormous \$864.32 annually, making it the most expensive mismanaged water system in the country. Trailing close behind, the most expensive private systems, provided in five different parts of Pennsylvania by the companies American Water and Aqua America, charge between \$782.38 and \$792.84.

In 2014, an unelected emergency manager appointed by the right-wing government switched Flint's water supply from Detroit to the Flint River, in order to cut costs. This quickly corroded pipes, causing toxic waste-levels of lead poisoning and a deadly outbreak of the disease legionella.

Libertarians and right-wing pundits called for Flint to privatize its water in response to the crisis. Free-market capitalist publication Reason insisted privatization would be the solution to all of Flint's problems. Hard-line right-wing billionaire David Koch sits on the board of the Reason Foundation. In her new book "Dark Money: The Hidden History of the Billionaires Behind the Rise of the Radical Right," New Yorker investigative journalist Jane Mayer documents how the Kochs bankroll the American right-wing and push a pro-privatization, pro-corporate agenda that both the Republican Party and much of the Democratic Party have largely embraced.

Supporters of privatization insist that reducing government regulation and letting corporations operate how they like reduces costs and increases efficiency. This study shows that this is not true, despite the frequent insistence to the contrary by neoliberal economists.

Privatization frequently moves the burden of cost onto external agents — particularly the commons, the environment and taxpayers — failing to factor in what are referred to in economics as externalities. Moreover, privatization often makes services unavailable to very poor people, or to people who live in rural or inaccessible areas.

"Government utilities have a responsibility to promote and protect public health and safety, and are generally more responsive to community needs," Hauter explained, commenting on the study.

"More and more cities and towns are seeing that water is more efficiently and affordably delivered when it is controlled by a not-for-profit entity," the Food & Water Watch executive director added. "Without shareholders expecting profits, public systems are less likely to cut

corners on service, and excess funds are invested back into systems, not sent out of communities as dividend checks.”

Despite the clear benefits of public ownership, nevertheless, the report notes that politicians have underfunded water services for many years.

Federal funding for water utility improvement projects has decreased over the decades. Accounting for inflation, federal support for water utilities dropped 74 percent from 1977 to 2014.

Funding peaked in 1977, at just 63 percent of what was needed. In 2006, funding decreased to a record low of a mere 7 percent.

In the past few years, federal funding for water utility improvement projects has remained low. In 2010, it rose to 12 percent of what was needed, before dropping to 9 percent in 2014.

President Obama’s proposed budget cuts funding to the State Revolving Funds for water infrastructure by another 11 percent, Food & Water Watch noted.

“The proposed budget falls far short of what communities need,” the consumer rights group says.

Ben Norton is a politics staff writer at Salon. You can find him on Twitter at @BenjaminNorton.

Florida Senate Confirms District Executive Director and Governing Board Appointments

Feb. 18, 2016

The Florida Senate has confirmed the appointments of Southwest Florida Water Management District Executive Director Robert Beltran and seven Governing Board members.

H. Paul Senft, Jr., representing Polk County, was first appointed to the Governing Board in 2008 and reappointed in 2012 by Governor Rick Scott. His term expires in March of 2019.

Jeffery M. Adams, representing Pinellas County, was first appointed to the Governing Board in 2010 and reappointed by Governor Rick Scott in 2015. His term will expire in March of 2018.

Randall S. Maggard, representing Pasco County, was first appointed to the Governing Board in 2011 and reappointed by Governor Rick Scott in 2015. His term will expire in March of 2019.

At Large Board Member Michael A. Moran represents Charlotte and Sarasota Counties. He was first appointed in 2013 and reappointed by Governor Rick Scott in 2015. His term will expire in March of 2019.

Ed Armstrong, represents Pinellas County, and was first appointed to the Board in 2014 and reappointed by Governor Rick Scott in 2015. His term will expire in March of 2018.

Kelly S. Rice is an At Large Board member and represents Citrus, Lake, Levy and Sumter and Counties. He was first appointed in 2015 and his term expires in March of 2019.

John Henslick was appointed to the Board in September of 2015 to fulfill at vacancy for the seat which represents Manatee County. His term will expire in March of 2017.

Executive Director Robert Beltran was hired by the District's Governing Board in 2013.

The mission of the Southwest Florida Water Management District is to manage water and related natural resources to ensure their continued availability while maximizing the benefits to the public.

House advances bill to give DEP new flexibility to determine fate of parks and preserves

Mary Ellen Klas
Times/Herald Tallahassee Bureau
Thursday, February 18, 2016 6:56pm

A sweeping lands bill that gives state regulators the power to repurpose state parks and preserves for hunting, grazing, tree farming and even RV campgrounds passed its final committee in the state House Thursday after its sponsor removed provisions environmentalists feared would undermine the state's conservation programs.

HB 1075, and its Senate companion SB 1290, is being proposed by the Florida Department of Environmental Protection to consolidate state laws relating to land management and give the agency more flexibility as it attempts to manage the more than 13 million acres of land in the state's control.

But some environmentalists warn that the broad-based changes gives regulators too much control by allowing them to change whether land that was acquired for conservation can be changed to be used for recreation, thereby diluting the oversight of the governor and Cabinet.

They fear that state preserves -- purchased over decades to protect sensitive aquifer recharge areas and endangered habitats -- could become hunting grounds, timber forests or leased by the state for farming and ranching.

"We think this is the case of the tail wagging the dog," said David Cullen, lobbyist for the Sierra Club of Florida, at a meeting of the House State Affairs Committee. "By legislative fiat, it employes a small piece of the executive branch -- that being DEP -- to overturn what the members of the Cabinet and governor have done."

The bills consolidates the disparate elements of the state's land management laws into a single statute and, in the process, updates the state lands database to include conservation lands owned by the state, federal government and non-profit entities and conducts a study about handling those lands. It also gives regulators new flexibility to change the purpose of state lands

"This initial bills did raised some controversy with various advocates," said Rep. Matt Caldwell, R-Lehigh Acres, the House sponsor of the bill. He said he worked with Audubon of Florida, The Nature Conservancy, the Isaac Walton League and Palm Beach County to rewrite the bill to accommodate their concerns. "What you have here hopes to address most of the concerns of those groups."

Among the changes Caldwell agreed to was removing a provision that would have allowed the state to use Florida Forever funds to pay for water resource development projects that previously have been paid for with local water management district funds. He also removed a provision that would have allowed the state to put land into surplus that doesn't meet the state's land management goals -- even when the legislature fails to provide the funds to pay for the land management.

Left unchanged is a provision that would allow landowners with property contiguous to parks to obtain a conservation easement to take ownership of the park land. Caldwell said that is a top priority of his because he believes easements and the exchange of land is essential to the future of the state's landscape-scaled conservation. Environmentalists, however, fear that while the practice could expand the footprint of public land, it also has potential for abuse because there is not guarantee that the public would benefit from the land deals.

Each of the groups commended Caldwell for working with them to alleviate concerns and the committee voted unanimously for the bill.

"In recent memory, this has been one of the most positive experiences where I was really quite astounded that the majority of our changes were incorporated in the bill and we really felt our concerns were responded to," said Janet Bowman of the Nature Conservancy. She said that while the bill is "not perfect, the Nature Conservancy can live wit it."

But the loudest critic, Sierra Club of Florida, warned that they were not happy with the provision that gives regulators broader authority and flexibility.

"Flexibility is a good thing but, sometimes, flexibility means no accountability," Cullen said after the meeting. "The lands of the state were acquired with public dollars and the state should be accountable for those lands."

For the last four years, DEP has tried to find ways to reduce the state's inventory of conservation lands or find ways to commercialize the state's holdings, but it backed down in the face of public protests. In 2011, for example, the agency unsuccessfully proposed constructing an RV park at Honeymoon Island State Park in Pinellas County and adding campsites to 55 other states parks as a way to add revenue for the state.

In 2013, DEP tried and failed to launch a statewide program to surplus state conservation land and sell it to the highest bidder. And in 2015, the agency proposed leasing a portion of the Myakka River State Park for cattle grazing but withdrew the proposal after public opposition.

Environmentalists view both Caldwell's bill, and the companion measure by Sen. Wilton Simpson, R-Trilby, as a extension of that effort by DEP. They now hope that Simpson will incorporate the changes agreed to by Caldwell into his proposal.

[Last modified: Friday, February 19, 2016 8:11am]

Sen. Bill Galvano, R-Bradenton, defends Amendment 1 as more complex than explained

I am responding to the Feb. 19 editorial, "Florida Legislature, adhere to Amendment 1's land purchase-conservation goal," because I feel it misinforms the citizens of Florida as to the actual purpose of the amendment.

Amendment 1 is more than a land acquisition mandate. It also requires the Legislature to restore conservation and other lands, protect water resources, and improve water quality, because protecting Florida's environment requires a multifaceted approach.

The editorial claims that current "legislation places construction of sewer and water supply systems under the Amendment 1 umbrella -- even though that infrastructure supports development, not conservation." However, seepage from septic tanks is one of the largest contributors of harmful phosphorous runoff into ecologically sensitive areas; thus, these sewer systems are instrumental in our fight to improve Florida's water quality.

Another example includes the harmful runoff into the Everglades. Over 5,000 square miles drain into the 700 square mile Lake Okeechobee annually -- meaning constant and harmful runoff into fragile ecosystems. Accordingly, improving water supply and control systems is essential in our battle to restore the Everglades.

Finally, the invasion of non-native plants and animals costs our citizens hundreds of millions every year in economic loss, and are arguably the worst threat to the stability of our state's environment. To combat this problem, we must team up with nonprofits, scientists, and private land owners in a constant effort to thwart the damage being done.

The mandate in Amendment 1 is far more complex than simply buying more land. Government owns approximately one out of every three acres in this state, and pervasive environmental problems persist. The language of Amendment 1 vocalizes this complexity, and our actions as your Legislature will continue to reflect the goal of protecting all of Florida's natural beauty, not just stockpiling land.

Sen. Bill Galvano
Bradenton

Update: Simpson removes controversial 'pipes and pumps' provision in state lands bill

Feb. 24, 2016

With a late-filed amendment before a Senate committee vote, Sen. **Wilton Simpson**, R-Trilby, agreed to amend his controversial lands bill to remove a provision that would have allowed land and water conservation money to be used for sewer lines and pumps for water supply projects.

The Senate Appropriations Subcommittee on General Government approved SB 1290 after Simpson agreed to revise his original bill to reflect changes agreed to between the House and environmentalists. The bill is a top priority of the Florida Department of Environmental Protection to consolidate state laws relating to land management and give the agency more flexibility as it attempts to manage the more than 13 million acres of land in the state's control.

A similar provision, HB 1075, is set for a vote by the full House and was amended last week by its sponsor Rep. **Matt Caldwell**, R-Lehigh Acres, to remove the provision that allows the state to tap into conservation money to pay for water resource development projects that previously have been paid for with local water management district funds, including bonds.

That provision was vigorously opposed by environmentalists, many of whom argue that DEP was attempting to misuse Amendment 1 land and water conservation funds to pay for infrastructure because Gov. Rick Scott pushed for reducing tax revenues to water management districts so deeply, the districts need to find other sources to pay for projects to keep water safe.

Simpson initially filed an amendment that included the provision to use conservation funds for what is being called the "pumps and pipes" provision but filed a last-minute change that took the language out, thereby silencing the environmental critics.

Caldwell told the Herald/Times that DEP wants the provision because it provides "more flexibility with the money that we have" because of the long list of conservation commitments and infrastructure needs already lining up.

But, "at the end of the day, we took that out because we just couldn't see where that would make it to the end," he said.

Environmental groups roundly praised Caldwell for working out an agreement with them and on Wednesday also commended Simpson for removing the provision the language sought by DEP.

"This particular change is really integral to us being comfortable to the bill," said **Janet Bowman** of the Nature Conservancy, which is now neutral on the bill.

Stephanie Kunkel of the Conservancy of Southwest Florida said thanked Simpson "for making such an incredible movement forward on some of the issues we brought to you initially."

She and **Dave Cullen** of the Sierra Club said they continue to have problems with a provision that remains in the bill -- a priority of Caldwell's -- that allows private landowners to take ownership of public land that abuts at least 30 percent of the landowner's property. In exchange, the private owners would agree not to develop the land. Kunkel and Cullen said they fear that state parks could be swapped, limiting instead of expanding public access.

For the last four years, DEP has tried to find ways to reduce the state's inventory of conservation lands or find ways to commercialize the state's holdings, but it backed down in the face of public protests. In 2011, for example, the agency unsuccessfully proposed constructing an RV park at Honeymoon Island State Park in Pinellas County and adding campsites to 55 other states parks as a way to add revenue for the state.

In 2013, DEP tried and failed to launch a statewide program to surplus state conservation land and sell it to the highest bidder. And in 2015, the agency proposed leasing a portion of the Myakka River State Park for cattle grazing but withdrew the proposal after public opposition.

Environmentalists view both Caldwell's bill, and the companion measure by Simpson, as an extension of that effort by DEP.

Penny Walker Bos of the League of Women Voters said they also continue to oppose the bill because it could open the door for state regulators to turn conservation land into logging and cattle grazing and convert state parks into golf courses and hunting.

Posted by Mary Ellen Klas on Wednesday, Feb. 24, 2016 at 12:56 PM

SJRWMD WATER NEWS

Feb. 26, 2016

Message from the Executive Director:

Water resources benefit from cost-share partnerships

Cost-share projects are one of the best ways we can come together to make a difference for our water resources. They're a chance to strategically stretch dollars to put important projects in the ground. I'm excited to share that 20 applications were received for a cost-share program focused on springs water conservation projects for the Central Florida Water Initiative (CFWI) and North Florida Regional Water Supply Partnership (NFRWSP) regions.

During the coming weeks, staff from four water management districts and the Florida Department of Environmental Protection (DEP) will jointly review and rank the projects to potentially share in a total of \$4 million. Funding recommendations will be announced this spring. As the only district in both the CFWI and NFRWSP, the St. Johns District is administering the cost-share program on behalf of our partners: Suwannee River, Southwest and South Florida water management districts and DEP.

I am thrilled with the interest and participation of so many public entities in proposing projects that will help create sustainable water resources, enhance conservation efforts and improve efficiency of use while also protecting Florida's springs. Thank you to all who applied for funding and thanks to the staff members who are carefully reviewing and ranking those proposals. More projects to continue moving water conservation forward in the Sunshine State are on the way!

Join district staff this weekend to make a difference during National Invasive Species Awareness Week

Observe National Invasive Species Awareness Week this Saturday, Feb. 27, by helping St. Johns River Water Management District staff hunt for a new invasive species on the Palatka to St. Augustine Trail.

"This is a great opportunity for residents to get out on district property and experience firsthand how to identify a number of invasive species in Florida," said St. Johns River Water Management District Executive Director Dr. Ann Shortelle. "It's through collaboration that we can continue to fight back against this type of destructive vegetation that makes it difficult for some native, more beneficial species to thrive."

The three-hour guided hike begins at 9 a.m. at the district's Deep Creek Conservation Area (Edgefield tract) at 473 County Road 207A, East Palatka. The event is open to both hikers and bicyclists.

Participants should wear comfortable clothing, a hat for sun protection, and bring bug spray, sunscreen, water and snacks. The event will be canceled in case of inclement weather.

To register contact District Invasive Plant Program Supervisor Deborah Stone at dstone@sjrwmd.com or call 386-643-1921.

Lake Apopka shows signs of improvement

Native plants continue to expand in Lake Apopka thanks to a variety of restoration projects aimed at improving the health of Florida's fourth-largest lake. An analysis conducted by the St. Johns River Water Management District reveals native submersed aquatic vegetation is expanding, an indication of improving water quality.

"This is an incredible example of how Lake Apopka is responding positively to the district's long-term restoration efforts," said St. Johns River Water Management District's Executive Director Dr. Ann Shortelle. "We are proud of these results and will continue to implement established techniques and evaluate innovative approaches aimed at protecting and improving the lake's water quality."

Submersed aquatic vegetation are plants rooted at the bottom of the lake that provide critical nesting and feeding habitat for numerous fish and wildlife species. Because the vegetation requires sufficient sunlight to penetrate the water in order to grow, its presence is a good indicator of water quality. Additionally, the vegetation helps to stabilize sediments and further reduce nutrient concentrations in the lake.

During the district's early restoration activities, lower water levels due to drought nearly eliminated all newly established submersed vegetation in Lake Apopka. While some areas declined in size during the most recent drought in 2013-2014, overall the extent of submersed aquatic vegetation continues to recover.

A POLK PERSPECTIVE: AMENDMENT 1

Combee: Broadly defined, broadly funded

By Neil Combee

Guest columnist

Published: Wednesday, March 2, 2016 at 12:01 a.m.

In response to the Feb. 15 article, "Groups upset with lawmakers over land conservation," I would like to clear up some misconceptions about Amendment 1, and specifically the claim from environmental groups that the Republican-controlled Legislature is ignoring the intent of Amendment 1 and the Land Acquisition Trust Fund.

Amendment 1 was introduced to acquire, restore, improve and manage conservation lands including wetlands and forests, fish and wildlife habitat, lands protecting water resources and drinking water sources, including the Everglades, and the water quality of rivers, lakes and streams, beach and shores, outdoor recreational lands, working farms and ranches and historic or geologic sites by dedicating 33 percent of net revenues from the existing excise tax on documents for 20 years.

As you can see, acquiring land is a small portion of the intent of Amendment 1. It also outlines restoring, improving and managing land. Article X section 28 states:

"Funds in the Land Acquisition Trust Fund shall be expended only for the following purposes:
1) As provided by law, to finance or refinance: the acquisition and improvement of land, water areas, and related property interests, including conservation easements, and the resources for conservation lands including wetlands, forests, and fish and wildlife habitat; wildlife management areas; lands that protect water resources and drinking water sources, including lands protecting the water quality and quantity of rivers, lakes, streams, springsheds, and lands providing recharge for groundwater and aquifer systems; lands in the Everglades Agricultural Area and the Everglades Protection Area, as defined in Article II, Section 7(b); beaches and shores; outdoor recreation lands, including recreational trails, parks, and urban open space; rural landscapes; working farms and ranches; historic or geologic sites; together with management, restoration of natural systems, and the enhancement of public access or recreational enjoyment of conservation lands."

The Florida Legislature has followed the intent of Amendment 1 by proposing the following allocations: \$198 million for Everglades restoration, \$107.9 million for land acquisition, \$60.3 million for land management increase, \$50 million for water projects, \$30 million for alternative water supply, \$31.9 million for springs protection, \$25 million for Keys wastewater plan, \$30 million for beach restoration, \$121 million for hazardous waste cleanup, \$239.6 million for drinking water/wastewater, \$27.8 million for agricultural and non-agricultural nonpoint source best management practices and \$29.4 million for citrus greening response.

Nearly 4.24 million Florida residents voted in favor of this ballot language, which was intentionally broad.

A large coalition of interest groups worked to pass Amendment 1 and the position of those groups deserves consideration.

Ultimately, the Legislature has the duty and obligation to allocate the Amendment 1 funds available for resource protection consistent with the voter-approved language.

It's that simple.

State Rep. Neil Combee, a Polk City Republican, represents District 39.