



**WITHLACOOCHEE
REGIONAL
WATER
SUPPLY
AUTHORITY**

Board Meeting Package

March 21, 2018
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 March 2018

Office	Board Members
Chair	The Honorable Michelle Stone
Vice Chair	The Honorable Stephen Printz
Treasurer	The Honorable Jeff Kinnard

Jurisdiction	Board Members
Citrus County	The Honorable Scott Carnahan
	The Honorable Jeff Kinnard
Hernando County	The Honorable Steve Champion
	The Honorable Nick Nicholson
Marion County	The Honorable Kathy Bryant
	The Honorable Michelle Stone
	The Honorable Carl Zalak
Sumter County	The Honorable Al Butler
	The Honorable Stephen Printz
City of Belleview	The Honorable Gary Ernst
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 2017-2018 fiscal year are as follows:

November 15, 2017
January 17, 2018
March 21, 2018
May 16, 2018
July 18, 2018
September 19, 2018

**MEMORANDUM**

To: Water Supply Authority Board of Directors and Interested Parties

From: Richard S. Owen, Executive Director

Date: March 9, 2018

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 21, 2018, 3:30 p.m., at the Lecanto Government Center Building, Room 166, 3600 Sovereign Path, Lecanto, FL 34461.**

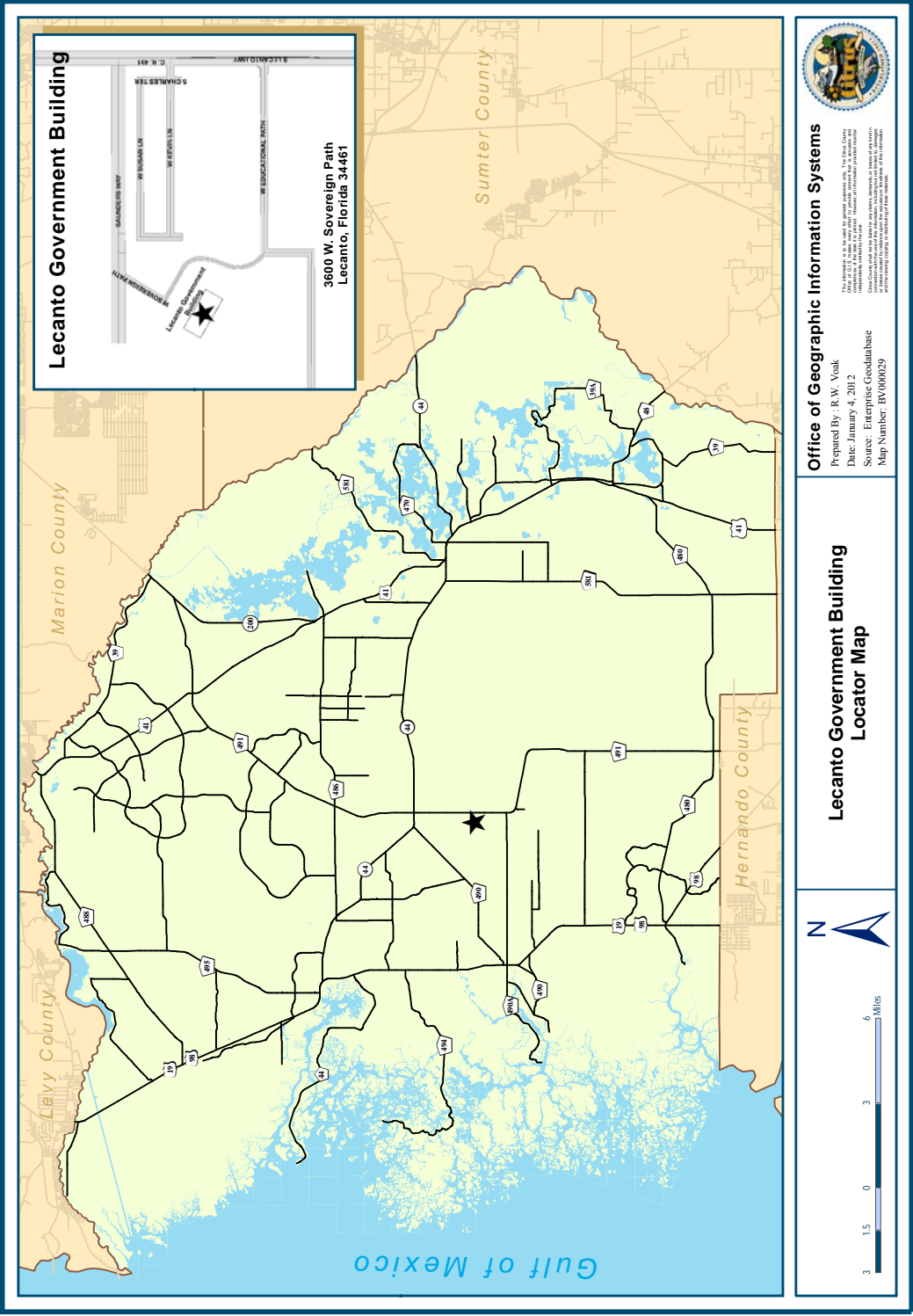
Enclosed for your review are the following items:

- Agenda
- Minutes of the January 17, 2018 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 21, 2018 -- 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.

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1. Call to Order . . . Michelle Stone, Chair	
2. Roll Call . . . Richard Owen, WRWSA Executive Director	
3. Introductions and Announcements . . . Richard Owen, WRWSA	
4. Approval of Minutes . . . Michelle Stone, Chair	9
5. Public Comment	
6. Regional Water Supply Plan Update – SWFWMD Cooperative Funding Agreement . . . Richard Owen, WRWSA Executive Director	15
7. Regional Water Supply Plan Update – Consultant Selection . . . Richard Owen, WRWSA	33
8. FY 2016-17 Annual Audit Report . . . Mark White, Purvis Gray	41
9. FY 2018-19 Annual Grant Program – Establishment of Funding Amount and Guidelines . . . Richard Owen, WRWSA	45
10. Charles A. Black Wellfield – Citrus County Negotiations . . . Richard Owen, WRWSA	47
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12. Executive Director’s Report . . . Richard Owen, WRWSA	
a. Irrigation Audit Phase 4 – Letter of Engagement for Supplemental Administrative Support Services	53
b. Bills to be Paid [February 2018 bill summary included in packet; March 2018 bills provided at the meeting]	59
c. First Quarter Financial Report	61
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g. News Articles	77
h. Other	
13. Legislative Report . . . Diane Salz, WRWSA Governmental Affairs	
14. Attorney’s Report . . . Larry Haag, WRWSA Attorney	
15. Other Business	
16. Next Meeting . . . May 16, 2018; 3:30 p.m.; Lecanto Government Building, Room 166	
17. 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

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY BOARD OF DIRECTORS

Minutes of the Meeting January 17, 2018

TIME: 3:30 p.m.
PLACE: Lecanto Government Building
ADDRESS: 3600 W. Sovereign Path, Room 280, Lecanto, Florida 34461

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

1. Call to Order

Chairman Nick Nicholson called the Withlacoochee Regional Water Supply Authority (WRWSA) Board of Directors meeting to order at 3:30 p.m. and requested a roll call.

2. Roll Call

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

BOARD MEMBERS PRESIDING

Nick Nicholson, *Chairman*, Hernando County
Commissioner
Michelle Stone, *Vice Chair*, Marion County
Commissioner
Ken Brown, Crystal River City Councilor
Al Butler, Sumter County Commissioner
Scott Carnahan, Citrus County Commissioner
Gary Ernst, Belleview City Commissioner
Jeff Kinnard, Citrus County Commissioner
Dale Swain, Bushnell City Councilor

BOARD MEMBERS ABSENT

Stephen Printz, *Treasurer*, Sumter County
Commissioner
Kathy Bryant, Marion County Commissioner
Steve Champion, Hernando Co. Commissioner
William Kemerer, Brooksville City Councilor
Carl Zalak, Marion County Commissioner

ALTERNATE(S) PRESIDING – None

3. Introductions and Announcements

- *Introductions.* Mr. Owen recognized Authority staff present for this meeting. Audience members introduced themselves for the Board's information.
- *Announcements* – Mr. Owen said Board members have a revised agenda at their seats. He requested a moment of silence for Mr. Don Hahnfeldt, former Sumter County Commissioner and WRWSA board member, who recently passed away.

WRWSA STAFF PRESENT

Richard Owen, Executive Director
Larry Haag, Attorney
Diane Salz, Governmental Affairs
LuAnne Stout, Administrative Asst.

OTHERS PRESENT

Brian Armstrong, SWFWMD Executive Director
Alys Brockway, Hernando County Water Resource Manager
Debra Burden, Citrus County Water Conservation Manager
Ken Cheek, Citrus County Water Resources Director
Kim Dinkins, Marion County Water Resources
Michon Fabio, Marion County Water Resources Liaison
Melissa Gulvin, SWFWMD Gov't. Affairs Program Manager
Larry A. Hartmann, TOO FAR
Greg Jones, Cardno
Mary Kassabaum, SWFWMD Gov't. Affairs Regional Mgr.
Terri Lowery, Jones Edmunds
Roy Mazur, Water Resource Associates
Joe Quinn, SWFWMD Water Supply Project Manager

4. Approval of Minutes

A copy of the November 15, 2017 minutes was provided in the Board's meeting materials. Following consideration, **Mr. Brown moved to approve the minutes for the November 15, 2017 meeting as presented. The motion was seconded by Ms. Stone and carried unanimously.**

5. Public Comment – Chairman Nicholson noted that one speaker card had been submitted.

Mr. Larry A. Hartmann, representing TOO FAR, addressed the Board regarding growth, representation on the board, withdrawals that provide no benefit to Citrus County and should be kept for its citizens, and reduction of freshwater flowing to gulf.

At this time, an item on the revised agenda was considered.

Citrus County Charles A. Black Wellfield Payments

Mr. Richard Owen, WRWSA Executive Director, provided introductory remarks. Citrus County Commissioners Carnahan and Kinnard stated their concerns. Mr. Brian Armstrong, SWFWMD Executive Director, provided a brief overview of SWFWMD's Cooperative Funding Initiative projects and support of Water Supply Authorities. Mr. Larry Haag, WRWSA Attorney, provided comments from a historical perspective.

After lengthy discussion, the Board directed staff to meet with Citrus County representatives to seek a mutually satisfactory resolution of issues raised by the County.

Consideration returned to the agenda (revised/published).

6. Election of Officers

The Board of the WRWSA annually elects its Board officers, including a Chair, Vice Chair and Treasurer at its January meeting. The Executive Director is the Board Secretary who serves in an ex-officio capacity. Pursuant to the Election of Officers Policy, included as an exhibit to this item, the Board may entertain nominations for individual officers or a slate of officers. Typically, the current Vice Chair is nominated to become Chair and the current Treasurer is nominated to become Vice Chair. The office of Treasurer is customarily filled by a Board member from the county without a representative as an officer in the current slate of officers. Also, pursuant to the Board Policy, the current Chair will chair the complete January meeting. The new officers will take their respective seats 24 hours before the next Board meeting.

Following consideration, **Mr. Carnahan moved to elect Ms. Michelle Stone as Chair, Mr. Stephen Printz as Vice-Chair, and Mr. Kinnard as Treasurer. Mr. Butler seconded the motion and it carried unanimously.**

7. Board Policy – Audit Committee

Mr. Richard Owen, WRWSA Executive Director, noted that Section 218.391(2), Florida Statutes, entitled Auditor Selection procedures states, in part: "The governing body of a charter county, municipality, special district, district school board, charter school, or charter technical career center shall establish an audit committee." . . . "The primary purpose of the audit committee is to assist the governing body in selecting an auditor to conduct the annual financial audit required in s. 218.39; however, the audit committee may serve other audit oversight purposes as determined by the entity's governing body."

Board Policy 2018-01, Audit Committee, included as an exhibit in the Board's meeting materials, is proposed to assist the Board comply with the Florida Statutes in oversight of the audit process. Staff recommended the Board approve Board Policy 2018-01, Audit Committee.

Following consideration, **Mr. Carnahan moved for the Board to approve Policy 2018-01, Audit Committee, as presented. Mr. Butler seconded the motion and it carried unanimously.**

8. Citrus County Water Use Permit Consolidation

This item was deferred to a future meeting.

9. Charles A. Black Wellfield Renewal and Replacement Fund Annual Report

Mr. Richard Owen, WRWSA Executive Director, said Citrus County has submitted to the Authority the annual report for the Charles A. Black (CAB) Wellfield Renewal and Replacement (R&R) Fund, documenting deposits and expenditures for the fiscal year ending September 30, 2017, a copy of which is included as an exhibit to this item. This is the first such annual report submitted pursuant to the revised Water Supply Contract between the WRWSA and Citrus County. Staff has reviewed this report and has found that the report is consistent with the pertinent Contract requirements.

Following consideration, **Mr. Swain moved to accept Citrus County's annual report for the Charles A. Black R&R Fund, documenting expenditures and deposits for the fiscal year ending September 30, 2017. Ms. Stone seconded the motion and it carried unanimously.**

10. Citrus County Water Use Permit Consolidation

This item was deferred to a future meeting.

11. Executive Director's Report

- a. **Bills to be Paid** – Mr. Owen presented the December 2017 bills and requested Board concurrence. **Mr. Carnahan moved to ratify payment of the December 2017 bills in the total amount of \$22,679.38. The motion was seconded by Mr. Brown and carried unanimously.**

Mr. Owen presented the January 2018 bills and requested Board approval. Following consideration, **Mr. Brown moved for payment of the January 2018 bills in the amount of \$16,994.77, as presented. The motion was seconded by Mr. Swain and carried unanimously.**

- b. **Correspondence** – Items were included in the Board's meeting materials.
- c. **News Articles** – Articles of interest were included in the Board's meeting materials.
- d. **Other** – None

- 12. Legislative Report** – Ms. Diane Salz, WRWSA Governmental Affairs, provided an update on the 2018 Legislative Session which began January 9, 2018 and will conclude on May 9, 2018. She noted that Board members received at their seats a copy of the current Bill Tracking Report. She said 38 bills were filed (currently) regarding water quality, supply and funding; and that the Authority is represented when these issues arise, based upon the Authority's Legislative Priorities adopted by the Board on November 15, 2017. Ms. Salz requested that she may be contacted at any time to answer questions.

- 13. Attorney's Report** – Mr. Haag, WRWSA Attorney, said he had no report to provide.

- 14. Other Business** – None

- 15. Next Meeting Time and Location** – March 21, 2018 at 3:30 p.m. at the Lecanto Government Building, Room 166.

16. Adjournment – Chairman Nicholson adjourned the meeting at 4:55 p.m.

Nick Nicholson, Chairman

Richard S. Owen, Executive Director

Regional Water Supply Plan Update – SWFWMD Cooperative Funding Agreement

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

At its November 17, 2017 meeting, the Board approved the submittal of a cooperative funding request to the Southwest Florida Water Management District (District) for the Regional Water Supply Plan Update project. The total project cost was in the amount of \$300,000, with \$150,000 from the Authority and a like amount from the District. This project was subsequently approved by the District as an out of cycle funding. The District has provided the Cooperative Funding Agreement for the project, which is included as an exhibit to this item.

See Exhibit – SWFWMD Cooperative Funding Agreement

Staff Recommendation:

Approval of the Cooperative Funding Agreement for the WRWSA Regional Water Supply Plan Update project (N945) and for the Executive Director to sign the Agreement.

COOPERATIVE FUNDING AGREEMENT (TYPE 3)
BETWEEN THE
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
AND
WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
FOR
WRWSA REGIONAL WATER SUPPLY PLAN UPDATE (N945)

This COOPERATIVE FUNDING AGREEMENT (Agreement) is made and entered into by and between the SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT, a public corporation of the State of Florida, whose address is 2379 Broad Street, Brooksville, Florida 34604-6899, hereinafter referred to as the "DISTRICT," and the WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY, a regional governmental agency of the State of Florida, whose address is 3600 W. Sovereign Path, Suite 228, Lecanto, Florida 34461, hereinafter referred to as the "COOPERATOR."

WITNESSETH:

WHEREAS, the COOPERATOR proposed a project to the DISTRICT for funding consideration under the DISTRICT'S cooperative funding program; and

WHEREAS, the project consists of an update of the Withlacoochee Regional Water Supply Authority's Regional Water Supply Plan, hereinafter referred to as the "PROJECT"; and

WHEREAS, the DISTRICT considers the resource benefits to be achieved by the PROJECT worthwhile and desires to assist the COOPERATOR in funding the PROJECT.

NOW THEREFORE, the DISTRICT and the COOPERATOR, in consideration of the mutual terms, covenants and conditions set forth herein, agree as follows:

1. PROJECT CONTACTS AND NOTICES.

Each party hereby designates the individual set forth below as its prime contact for matters relating to this Agreement. Notices and reports shall be sent to the attention of each party's prime contact as set forth herein by U.S. mail, postage paid, by nationally recognized overnight courier, or personally to the parties' addresses as set forth below. Notice is effective upon receipt.

Contract Manager for the DISTRICT:
Joe Quinn
Southwest Florida Water Management District
2379 Broad Street
Brooksville, Florida 34604

Project Manager for the COOPERATOR:
Richard Owen
Withlacoochee Regional Water Supply Authority
3600 W. Sovereign Path
Suite 228
Lecanto, Florida 34461

Any changes to the above representatives or addresses must be provided to the other party in writing.

- 1.1 The DISTRICT'S Contract Manager is authorized to approve requests to extend a PROJECT task deadline set forth in this Agreement. Such approval must be in writing, explain the reason for the extension and be signed by the Contract Manager and his or her Bureau Chief, or Director if the Bureau Chief is the Contract Manager, unless the DISTRICT'S Signature Authority provides otherwise. The DISTRICT'S Signature Authority supersedes the approval requirements provided in this provision. The DISTRICT'S Contract Manager is not authorized to approve any time extension which will result in an increased cost to the DISTRICT or which will exceed the expiration date set forth in this Agreement.
- 1.2 The DISTRICT'S Contract Manager is authorized to adjust a line item amount of the PROJECT budget contained in the Project Plan, or, if applicable, the refined budget as set forth in Subparagraph 4 of the Funding Paragraph. The authorization must be in writing, explain the reason for the adjustment, and be signed by all appropriate DISTRICT staff in accordance with the DISTRICT'S Signature Authority. The DISTRICT'S Contract Manager is not authorized to make changes to the Scope of Work and is not authorized to approve any increase in the amounts set forth in the funding section of this Agreement.

2. SCOPE OF WORK.

Upon receipt of written notice to proceed from the DISTRICT, the COOPERATOR shall perform the services necessary to complete the PROJECT in accordance with the COOPERATOR'S Project Plan. Any changes to this Agreement, except as provided herein, must be mutually agreed to in a formal written amendment approved by the DISTRICT and the COOPERATOR prior to being performed by the COOPERATOR. The COOPERATOR shall be solely responsible for managing and controlling the PROJECT, including the hiring and supervising of any consultants or contractors it engages.

- 2.1 The parties agree that time is of the essence in the performance of each obligation under this Agreement.
- 2.2 The parties acknowledge that the PROJECT is a regional water supply planning study. The parties recognize that during the course of study, alternatives may be determined to not be feasible due to cost, water quality, permitability, supply availability, or other pertinent considerations. The COOPERATOR may cease work on alternatives determined to not be feasible. The COOPERATOR may request reallocating funds to another alternative in accordance with Subparagraph 2 of the

Project Contacts and Notices Paragraph of this Agreement. The approval of such request for reallocation of funds shall be in the DISTRICT'S sole discretion.

3. FUNDING.

The parties anticipate that the total cost of the PROJECT will be Three Hundred Thousand Dollars (\$300,000.00). The DISTRICT agrees to fund PROJECT costs up to One Hundred Fifty Thousand Dollars (\$150,000.00), and shall have no obligation to pay any costs beyond this maximum amount. The COOPERATOR agrees to provide all remaining funds necessary for the satisfactory completion of the PROJECT.

- 3.1 The DISTRICT'S performance and payment pursuant to this Agreement are contingent upon the DISTRICT'S Governing Board appropriating funds in its approved budget for the PROJECT in each fiscal year of this Agreement. The COOPERATOR'S payment of any financial obligation under this Agreement is subject to appropriation by the COOPERATOR'S Board of legally available funds.
- 3.2 The COOPERATOR shall pay PROJECT costs prior to requesting reimbursement from the DISTRICT. The DISTRICT shall reimburse the COOPERATOR for the DISTRICT'S share of allowable PROJECT costs in accordance with the Project Budget contained in the Project Plan. Reimbursement for expenditures of contingency funds is contingent upon approval by the DISTRICT. If a reimbursement request includes the expenditure of contingency funds, the COOPERATOR shall provide sufficient documentation to the DISTRICT to explain the basis of the expense. The DISTRICT shall not reimburse the COOPERATOR for any contingency funds that the DISTRICT determines, in its sole discretion, to be in excess of what was reasonably necessary to complete the PROJECT. The DISTRICT shall reimburse the COOPERATOR for fifty percent (50%) of all allowable costs in each DISTRICT approved invoice received from the COOPERATOR, but at no point in time shall the DISTRICT'S expenditure amounts under this Agreement exceed expenditures made by the COOPERATOR.
- 3.3 Unless otherwise stated in this Agreement, any federal, state, local or grant monies received by the COOPERATOR for this PROJECT shall be applied to equally reduce each party's share of PROJECT costs. The COOPERATOR shall provide the DISTRICT with written documentation detailing its allocation of any such funds appropriated for this PROJECT. This Subparagraph shall survive the expiration or termination of this Agreement.
- 3.4 The COOPERATOR may contract with consultant(s), contractor(s) or both to accomplish the PROJECT. The COOPERATOR must obtain the DISTRICT'S written approval prior to posting solicitations for consultants or contractors and prior to entering into agreements with consultants or contractors to ensure that costs to be reimbursed by the DISTRICT under those agreements are reasonable and allowable under this Agreement. The DISTRICT shall provide a written response to the COOPERATOR within fifteen (15) business days of receipt of the solicitation or agreement. Upon written DISTRICT approval, the budget amounts for the work set forth in such contract(s) shall refine the amounts set forth in the Project Budget and be incorporated herein by reference. The DISTRICT shall not reimburse the

COOPERATOR for costs incurred under consultant and contractor agreements until the DISTRICT approvals required under this provision have been obtained.

- 3.5 Payment shall be made to the COOPERATOR within forty-five (45) days of receipt of an invoice with adequate supporting documentation to satisfy auditing purposes. Invoices shall be submitted to the DISTRICT every two (2) months electronically at invoices@WaterMatters.org, or at the following address:

Accounts Payable Section
Southwest Florida Water Management District
Post Office Box 15436
Brooksville, Florida 34604-5436

The above-referenced payment due date shall not apply to that portion of an invoice that includes contingency expenses. The DISTRICT agrees to reimburse the COOPERATOR for contingency expenses within a reasonable time to accommodate the process provided for in Subparagraph 2 of this Funding Paragraph.

In addition to sending an original invoice to the DISTRICT'S Accounts Payable Section as required above, copies of invoices may also be submitted to the DISTRICT'S Contract Manager in order to expedite the review process. Failure of the COOPERATOR to submit invoices to the DISTRICT in the manner provided herein shall relieve the DISTRICT of its obligation to pay within the aforementioned timeframe.

The DISTRICT makes payments electronically through the Automated Clearing House (ACH) process. The COOPERATOR agrees to complete the DISTRICT'S *Vendor Registration Form and Vendor Electronic Payment Authorization Form* to enable payments to be sent to COOPERATOR electronically. The forms may be downloaded from the DISTRICT'S website at www.watermatters.org under Business & Finance – Contracts and Procurement. Any questions regarding electronic payments may be directed to the DISTRICT'S Accounts Payable Lead at 352-796-7211, extension 4108.

- 3.6 The parties acknowledge that the PROJECT was approved for funding by the DISTRICT based upon the resource benefits expected to be achieved by the PROJECT (the "Measurable Benefit"). The parties also acknowledge that the COOPERATOR is solely responsible for implementing the PROJECT in such a manner that the expected resource benefits are achieved. If at any point during the progression of the PROJECT the DISTRICT determines that it is likely that the Measurable Benefit as set forth in the Project Plan will not be achieved, the DISTRICT shall provide the COOPERATOR with fifteen (15) days advance written notice that the DISTRICT shall withhold payments to the COOPERATOR until such time as the COOPERATOR demonstrates that the PROJECT shall achieve the required resource benefits, to provide the COOPERATOR with an opportunity to cure the deficiencies.

3.7 Any travel expenses which may be authorized under this Agreement shall be paid in accordance with Section 112.061, Florida Statutes (F.S.), as may be amended from time to time. The DISTRICT shall not reimburse the COOPERATOR for any purpose not specifically identified in the Scope of Work Paragraph. Surcharges added to third party invoices are not considered an allowable cost under this Agreement. Costs associated with in-kind services provided by the COOPERATOR are not reimbursable by the DISTRICT and may not be included in the COOPERATOR'S share of funding contributions under this Agreement.

3.8 Each COOPERATOR invoice must include the following certification, and the COOPERATOR hereby delegates authority by virtue of this Agreement to its Project Manager to affirm said certification:

"I hereby certify that the costs requested for reimbursement and the COOPERATOR'S matching funds, as represented in this invoice, are directly related to the performance under the WRWSA Regional Water Supply Plan Update (N945) agreement between the Southwest Florida Water Management District and the Withlacoochee Regional Water Supply Authority (Agreement No. 17CF0001100), are allowable, allocable, properly documented, and are in accordance with the approved Project Budget. This invoice includes \$__ of contingency expenses. The COOPERATOR has been allocated a total of \$__ in federal, state, local or grant monies for this PROJECT (not including DISTRICT funds) and \$__ has been allocated to this invoice, reducing the DISTRICT'S and COOPERATOR'S share to \$__ / \$__ respectively."

3.9 In the event any dispute or disagreement arises during the course of the PROJECT, including whether expenses are reimbursable under this Agreement, the COOPERATOR will continue to perform the PROJECT work in accordance with the Project Plan. The COOPERATOR is under a duty to seek clarification and resolution of any issue, discrepancy, or dispute by providing the details and basis of the dispute to the DISTRICT'S Contract Manager no later than ten (10) days after the precipitating event. If not resolved by the Contract Manager, in consultation with his or her Bureau Chief, within ten (10) days of receipt of notice, the dispute will be forwarded to the DISTRICT'S Assistant Executive Director. The DISTRICT'S Assistant Executive Director in consultation with the DISTRICT'S Office of General Counsel will issue the DISTRICT'S final determination. The COOPERATOR'S continuation of the PROJECT work as required under this provision shall not constitute a waiver of any legal remedy available to the COOPERATOR concerning the dispute.

4. COMPLETION DATES.

The COOPERATOR shall commence and complete the PROJECT and meet the task deadlines in accordance with the Project Schedule set forth in the Project Plan, including any extensions of time provided by the DISTRICT in accordance with Subparagraph 1 of the Project Contacts and Notices Paragraph. In the event of hurricanes, tornados, floods, acts of God, acts of war, or other such catastrophes, or other man-made emergencies such as labor strikes or riots, which are beyond the control of the COOPERATOR, the COOPERATOR'S obligations to meet the time frames provided in this Agreement shall

be suspended for the period of time the condition continues to exist. During such suspension, this Agreement shall remain in effect. When the COOPERATOR is able to resume performance of its obligations under this Agreement, in whole or in part, it shall immediately give the DISTRICT written notice to that effect and shall resume performance no later than two (2) working days after the notice is delivered. The suspension of the COOPERATOR'S obligations provided for in this provision shall be the COOPERATOR'S sole remedy for the delays set forth herein.

5. REPAYMENT.

- 5.1 The COOPERATOR shall repay the DISTRICT all funds the DISTRICT paid to the COOPERATOR under this Agreement, if: a) the COOPERATOR fails to complete the PROJECT in accordance with the terms and conditions of this Agreement, including failing to meet the Measurable Benefit, as it may be modified in accordance with Subparagraph 2 of the Scope of Work Paragraph; b) the DISTRICT determines, in its sole discretion and judgment, that the COOPERATOR has failed to maintain scheduled progress of the PROJECT thereby endangering the timely performance of this Agreement; c) the COOPERATOR fails to appropriate sufficient funds to meet the task deadlines, unless extended in accordance with Subparagraph 1 of the Project Contacts and Notices Paragraph; or d) a provision or provisions of this Agreement setting forth the requirements or expectations of a Measurable Benefit resulting from the PROJECT is held to be invalid, illegal or unenforceable during the term of this Agreement. Should any of the above conditions exist that require the COOPERATOR to repay the DISTRICT, this Agreement shall terminate in accordance with the procedure set forth in the Default Paragraph.
- 5.2 Notwithstanding the above, the parties acknowledge that if the PROJECT fails to meet the Measurable Benefit specified in this Agreement, the COOPERATOR may request the DISTRICT Governing Board to waive the repayment obligation, in whole or in part.
- 5.3 In the event the COOPERATOR is obligated to repay the DISTRICT under any provision of this Agreement, the COOPERATOR shall repay the DISTRICT within a reasonable time, as determined by the DISTRICT in its sole discretion.
- 5.4 The COOPERATOR shall pay attorneys' fees and costs incurred by the DISTRICT, including appeals, as a result of the COOPERATOR'S failure to repay the DISTRICT as required by this Agreement.
- 5.5 This Repayment Paragraph, including all subparagraphs, shall survive the expiration or termination of this Agreement.

6. CONTRACT PERIOD.

This Agreement shall be effective October 1, 2017 and shall remain in effect through March 31, 2020, or upon satisfactory completion of the PROJECT and subsequent reimbursement to the COOPERATOR, whichever occurs first, unless amended in writing

by the parties. The COOPERATOR shall not be eligible for reimbursement for any work that is commenced, or costs that are incurred, prior to the effective date of this Agreement.

7. PROJECT RECORDS AND DOCUMENTS.

Upon request by the DISTRICT, the COOPERATOR shall permit the DISTRICT to examine or audit all PROJECT related records and documents during or following completion of the PROJECT at no cost to the DISTRICT. Payments made to the COOPERATOR under this Agreement shall be reduced for amounts found to be not allowable under this Agreement by an audit. If an audit is undertaken by either party, all required records shall be maintained until the audit has been completed and all questions arising from it are resolved. Each party shall maintain all such records and documents for at least three (3) years following completion of the PROJECT. Each party shall allow public access to PROJECT documents and materials made or received by either party in accordance with the Public Records Act, Chapter 119, F.S. Should either party assert any exemption to the requirements of Chapter 119, F.S., the burden of establishing such exemption, by way of injunctive or other relief as provided by law, shall be upon the asserting party. This Paragraph shall survive the expiration or termination of this Agreement.

8. REPORTS.

- 8.1 The COOPERATOR shall provide the DISTRICT with a quarterly report describing the progress of the PROJECT tasks, adherence to the performance schedule and any developments affecting the PROJECT. The COOPERATOR shall promptly advise the DISTRICT of issues that arise that may impact the successful and timely completion of the PROJECT. Quarterly reports shall be submitted to the DISTRICT'S Contract Manager no later than forty-five (45) days following the completion of the quarterly reporting period. It is hereby understood and agreed by the parties that the term "quarterly" shall reflect the calendar quarters ending March 31, June 30, September 30 and December 31.
- 8.2 Upon request by the DISTRICT, the COOPERATOR shall provide the DISTRICT with copies of all data, reports, models, studies, maps or other documents resulting from the PROJECT. Additionally, one (1) set, electronic and hardcopy, of any final reports must be submitted to the DISTRICT as Record and Library copies. This Subparagraph shall survive the expiration or termination of this Agreement.
- 8.3 The COOPERATOR shall provide the DISTRICT with each deliverable set forth in the Project Plan for review by the DISTRICT, including any supporting documentation. The DISTRICT shall provide a written response to the COOPERATOR and the COOPERATOR shall respond to the DISTRICT'S questions and concerns within the timeframes set forth in the Project Plan.
- 8.4 The COOPERATOR shall provide the data, reports and documents referenced in this provision at no cost to the DISTRICT.

9. RISK, LIABILITY, AND INDEMNITY.

- 9.1 To the extent permitted by Florida law, the COOPERATOR assumes all risks relating to the PROJECT and agrees to be solely liable for, and to indemnify and hold the DISTRICT harmless from all claims, loss, damage and other expenses, including attorneys' fees and costs and attorneys' fees and costs on appeal, arising from the design, construction, operation, maintenance or implementation of the PROJECT; provided, however, that the COOPERATOR shall not indemnify for that portion of any loss or damages proximately caused by the negligent act or omission of the DISTRICT'S officers, employees, contractors and agents. The acceptance of the DISTRICT'S funding by the COOPERATOR does not in any way constitute an agency relationship between the DISTRICT and the COOPERATOR.
- 9.2 The COOPERATOR agrees to indemnify and hold the DISTRICT harmless, to the extent allowed under Section 768.28, F.S., from all claims, loss, damage and other expenses, including attorneys' fees and costs and attorneys' fees and costs on appeal, arising from the negligent acts or omissions of the COOPERATOR'S officers, employees, contractors and agents related to its performance under this Agreement.
- 9.3 This Risk, Liability, and Indemnity Paragraph, including all subparagraphs, shall not be construed as a waiver of the COOPERATOR'S sovereign immunity or an extension of COOPERATOR'S liability beyond the limits established in Section 768.28, F.S. Additionally, this Risk, Liability, and Indemnity Paragraph, including all subparagraphs, will not be construed to impose contractual liability on the COOPERATOR for underlying tort claims as described above beyond the limits specified in Section 768.28, F.S., nor be construed as consent by the COOPERATOR to be sued by third parties in any manner arising out of this Agreement.
- 9.4 Nothing in this Agreement shall be interpreted as a waiver of the DISTRICT'S sovereign immunity or an extension of its liability beyond the limits established in Section 768.28, F.S., nor be construed as consent by the DISTRICT to be sued by third parties in any manner arising out of this Agreement.
- 9.5 This Risk, Liability, and Indemnity Paragraph, including all subparagraphs, shall survive the expiration or termination of this Agreement.

10. DEFAULT.

Either party may terminate this Agreement upon the other party's failure to comply with any term or condition of this Agreement, including the failure to meet task deadlines established in this Agreement, as long as the terminating party is not in default of any term or condition of this Agreement at the time of termination. To effect termination, the terminating party shall provide the defaulting party with a written "Notice of Termination" stating its intent to terminate and describing all terms and conditions with which the defaulting party has failed to comply. If the defaulting party has not remedied its default within thirty (30) days after receiving the Notice of Termination, this Agreement shall automatically terminate. If a default cannot reasonably be cured in thirty (30) days, then

the thirty (30) days may be extended at the non-defaulting party's discretion, if the defaulting party is pursuing a cure of the default with reasonable diligence. The rights and remedies in this Paragraph are in addition to any other rights and remedies provided by law or this Agreement.

11. RELEASE OF INFORMATION.

The parties agree not to initiate any oral or written media interviews or issue press releases on or about the PROJECT without providing notices or copies to the other party no later than three (3) business days prior to the interview or press release. This Paragraph shall not be construed as preventing the parties from complying with the public records disclosure laws set forth in Chapter 119, F.S.

12. DISTRICT RECOGNITION.

The COOPERATOR shall recognize DISTRICT funding in any reports, models, studies, maps or other documents resulting from this Agreement, and the form of said recognition shall be subject to DISTRICT approval. If construction is involved, the COOPERATOR shall provide signage at the PROJECT site that recognizes funding for this PROJECT provided by the DISTRICT. All signage must meet with DISTRICT written approval as to form, content and location, and must be in accordance with local sign ordinances.

13. LAW COMPLIANCE.

The COOPERATOR shall comply with all applicable federal, state and local laws, rules, regulations and guidelines, including those of the DISTRICT, related to performance under this Agreement. If the PROJECT involves design services, the COOPERATOR'S professional designers and the DISTRICT'S regulation and projects staff shall meet regularly during the PROJECT design to discuss ways of ensuring that the final design for the proposed PROJECT technically complies with all applicable DISTRICT rules and regulations. However, the DISTRICT undertakes no duty to ensure compliance with such rules and regulations.

14. DIVERSITY IN CONTRACTING AND SUBCONTRACTING.

The DISTRICT is committed to supplier diversity in the performance of all contracts associated with DISTRICT cooperative funding projects. The DISTRICT requires the COOPERATOR to make good faith efforts to encourage the participation of minority owned and woman owned and small business enterprises, both as prime contractors and subcontractors, in the performance of this Agreement, in accordance with applicable laws.

14.1 If requested, the DISTRICT shall assist the COOPERATOR by sharing information to help the COOPERATOR in ensuring that minority owned and woman owned and small businesses are afforded an opportunity to participate in the performance of this Agreement.

14.2 The COOPERATOR agrees to provide the DISTRICT with a report indicating all contractors and subcontractors who performed work in association with the PROJECT, the amount spent with each contractor or subcontractor, and to the

extent such information is known, whether each contractor or subcontractor was a minority owned or woman owned or small business enterprise. If no minority owned or woman owned or small business enterprises were used in the performance of this Agreement, then the report shall so indicate. The Minority/Women Owned and Small Business Utilization Report form is attached as an exhibit. The report is required upon final completion of the PROJECT prior to final payment, or within thirty (30) days of the execution of any amendment that increases PROJECT funding, for information up to the date of the amendment and prior to the disbursement of any additional funds by the DISTRICT.

15. ASSIGNMENT.

Except as otherwise provided in this Agreement, no party may assign any of its rights or delegate any of its obligations under this Agreement, including any operation or maintenance duties related to the PROJECT, without the prior written consent of the other party. Any attempted assignment in violation of this provision is void. This Paragraph shall survive the expiration or termination of this Agreement.

16. CONTRACTORS.

Nothing in this Agreement shall be construed to create, or be implied to create, any relationship between the DISTRICT and any consultant or contractor of the COOPERATOR.

17. THIRD PARTY BENEFICIARIES.

Nothing in this Agreement shall be construed to benefit any person or entity not a party to this Agreement.

18. LOBBYING PROHIBITION.

Pursuant to Section 216.347, F.S., the COOPERATOR is prohibited from using funds provided by this Agreement for the purpose of lobbying the Legislature, the judicial branch or a state agency.

19. PUBLIC ENTITY CRIMES.

Pursuant to Subsections 287.133(2) and (3), F.S., a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, F.S., for Category Two, for a period of 36 months following the date of being placed on the convicted vendor list. The COOPERATOR agrees to include this provision in all contracts issued as a result of this Agreement.

20. GOVERNING LAW.

This Agreement is governed by Florida law and venue for resolving disputes under this Agreement shall be exclusively in Hernando County, Florida. This Paragraph shall survive the expiration or termination of this Agreement.

21. SEVERABILITY.

If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. Notwithstanding the above, if a provision or provisions of this Agreement setting forth the requirements or expectations of a Measurable Benefit resulting from the PROJECT is held to be invalid, illegal or unenforceable during the term of this Agreement, this Agreement shall terminate in accordance with Subparagraph 1 of the Repayment Paragraph. This Paragraph shall survive the expiration or termination of this Agreement.

22. ENTIRE AGREEMENT.

This Agreement and the attached exhibits listed below constitute the entire agreement between the parties and, unless otherwise provided herein, may be amended only in writing, signed by all parties to this Agreement.

23. DOCUMENTS.

The following documents are attached and made a part of this Agreement. In the event of a conflict of contract terminology, priority shall first be given to the language in the body of this Agreement, then to Exhibit "A," and then to Exhibit "B."

Exhibit "A" Project Plan

Exhibit "B" Minority/Women Owned and Small Business Utilization Report Form

The remainder of this page intentionally left blank.

IN WITNESS WHEREOF, the parties hereto, or their lawful representatives, have executed this Agreement on the day and year set forth next to their signatures below.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

By: _____
Amanda Rice, P.E. Date
Assistant Executive Director

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY

By: _____
Richard S. Owen Date
Executive Director

COOPERATIVE FUNDING AGREEMENT (TYPE 3)
BETWEEN THE
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
AND
WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
FOR
WRWSA REGIONAL WATER SUPPLY PLAN UPDATE (N945)

EXHIBIT "A" PROJECT PLAN

PROJECT DESCRIPTION

This PROJECT will update the Regional Water Supply Plan (Plan) of the COOPERATOR. The update will provide an evaluation of potential water supply project options and costs, including assessment of the availability of traditional groundwater, surface water, conservation, reclaimed water and other alternative water sources within the COOPERATOR'S four-county service area through 2040.

MEASURABLE BENEFIT

The completion of a final Regional Water Supply Plan and all associated Technical Memoranda.

PROJECT TASKS

1. **POPULATION AND DEMAND ESTIMATES** - Development of population and water demand estimates and projections for all water use sectors within the COOPERATOR'S region in 5-year increments through 2040. The COOPERATOR will provide a Technical Memorandum with draft results from the development of population and water use estimates and projections.
2. **CONSERVATION AND REUSE EVALUATION** - Assessment of water conservation projects/initiatives, reuse availability and offset potential, and identification of strategies and options to address projected potable and non-potable demands through the Plan horizon. The COOPERATOR will provide a Technical Memorandum with draft results from the evaluation of conservation and reuse options.
3. **WATER SOURCES EVALUATION** - Evaluation of the availability of surface water and groundwater sources to meet projected water demands through the Plan horizon. The COOPERATOR will provide a Technical Memorandum with draft results from the evaluation of water sources.
4. **WATER SUPPLY PROJECT OPTIONS** - Development of project feasibility and planning-level costs estimates for viable water supply project options. The COOPERATOR will provide a Technical Memorandum with draft results from the analysis of water supply project options.
5. **RECOMMENDATIONS** - Preparation of recommendations on identified project options to include information on prioritization, project participants, implementation strategies, action items and proposed schedule. The COOPERATOR will provide a Technical Memorandum with overall draft recommendations.
6. **DRAFT AND FINAL REGIONAL WATER SUPPLY PLAN** – The COOPERATOR shall prepare a draft Plan that presents and summarizes the data, analysis, results and conclusions of this study, including an executive summary. The Plan shall address and include population and water demand estimates and projections, assessment of conservation and reuse options, evaluation of available water sources to meet demands,

analysis of potential water supply project options, and overall recommendations. Upon review and approval of the draft Plan, the COOPERATOR shall prepare and submit a final Plan.

DELIVERABLES

- Quarterly status reports
- Project coordination meeting agendas and minutes
- Technical Memoranda providing draft findings for each of the following Project Tasks:
 - Population and demand estimates
 - Conservation and reuse evaluation
 - Water sources evaluation
 - Water supply project options
 - Recommendations
- Draft Regional Water Supply Plan
- Final Regional Water Supply Plan

DELIVERABLE REVIEW TIMES

The DISTRICT shall provide a written response to the COOPERATOR within ten (10) business days of receipt of each deliverable specified below including supporting documentation. The COOPERATOR shall respond to the DISTRICT'S questions and concerns with ten (10) business days of receipt by the COOPERATOR.

- Technical Memoranda providing draft findings for each of the following Project Tasks:
 - Population and demand estimates
 - Conservation and reuse evaluation
 - Water sources evaluation
 - Water supply project options
 - Recommendations
- Draft Regional Water Supply Plan
- Final Regional Water Supply Plan

PROJECT SCHEDULE

DESCRIPTION	COMMENCE	COMPLETE
Population and Demand Estimates	04/20/18	07/20/18
Conservation and Reuse Evaluation	04/20/18	08/17/18
Water Sources Evaluation	04/20/18	10/19/18
Water Supply Project Options	10/19/18	02/28/19
Recommendations	02/28/19	04/30/19
Draft Regional Water Supply Plan	05/28/19	08/16/19
Final Regional Water Supply Plan	08/16/19	09/30/19

Additional task deadlines contained in the performance schedules of the consultant contract will be incorporated herein by reference.

PROJECT BUDGET

DESCRIPTION	DISTRICT	COOPERATOR	TOTAL
Draft and Final Regional Water Supply Plan	\$150,000	\$150,000	\$300,000
TOTAL	\$150,000	\$150,000	\$300,000

Reimbursement for expenditures of contingency funds is contingent upon DISTRICT approval in accordance with the Funding Paragraph in the Agreement. The COOPERATOR must provide justification for the expenditure that will require documentation including, but not limited to, the purpose and necessity of the expenditure, the reason the expenditure was not included in the consultant agreement with the COOPERATOR, expenditure cost comparisons and justification of the cost.

The remainder of this page intentionally left blank.

EXHIBIT "B"
MINORITY/WOMEN OWNED AND SMALL BUSINESS UTILIZATION REPORT

Projects receiving \$100,000 or more in cooperative funding from the Southwest Florida Water Management District require the submission of the following information within 30 days of any amendment increasing project funding and with the final invoice. Questions regarding use of this form should be directed to Contracts Administration, Phone (352) 796-7211 ext. 4132.

COOPERATOR: _____ AGREEMENT NO.: _____ PROJECT NAME: _____ TOTAL PROJECT COST: _____		INDICATE THE ONE CATEGORY THAT BEST DESCRIBES EACH ORGANIZATION LISTED*												
		BUSINESS CLASSIFICATION		CERTIFIED MBE					NON-CERTIFIED MBE				UNKNOWN	
		NON-MINORITY	SMALL BUSINESS Section 288.703(1) F.S.	AFRICAN AMERICAN	HISPANIC AMERICAN	ASIAN/HAWAIIAN AMERICAN	NATIVE AMERICAN	AMERICAN WOMAN	AFRICAN AMERICAN	HISPANIC AMERICAN	ASIAN/HAWAIIAN AMERICAN	NATIVE AMERICAN	AMERICAN WOMAN	
NAMES OF CONTRACTORS AND SUBCONTRACTORS UTILIZED	TOTAL AMOUNT PAID													

* ☐ Our organization does not collect minority status data.

Signature _____

Date _____

Print Name and Title _____

Regional Water Supply Plan Update – Consultant Selection

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

At its November 17, 2017 meeting, the Board approved issuance of a Request for Qualifications (RFQ) for purposes of soliciting consultant interest in undertaking the Authority's Regional Water Supply Plan Update project. Three consulting firms responded to the RFQ, including (listed alphabetically):

- Cardno, Inc.
- Reiss Engineering, Inc.
- Water Resource Associates, LLC

Copies of the Statements of Qualifications (SOQs) from these firms are provided as an exhibit in a separate bound document to this item.

A committee comprised of staff representatives of the Authority's four county member governments and the Authority's Executive Director was convened to review and rank these SOQ's. The Review Committee met on February 16, 2018. Only three of the four county representatives were present for the meeting, with Marion County being absent. All three consultant firms had representatives at the meeting. In response to a question at the meeting, the consultants were told that Marion County, since they were not in attendance, would not be included in the review process. Included as an exhibit to this item is the Scoring Sheet form used by the review committee members with the member's evaluations of the three firms shown. Each review committee member ranked the consultants, with the firm receiving the highest score being ranked 1, second highest 2 and the lowest score 3. The individual rankings were then summed in an Evaluation Sheet. The firm with the lowest score on the Evaluation Sheet is ranked 1, and the firm with the highest score is ranked 3. A copy of the Evaluation Sheet derived from the review committee meeting is included as an exhibit to this item. The results of this review and ranking was for Cardno to be ranked first and Reiss and Water Resource Associates tied for second.

Subsequent to the meeting, Marion County submitted a scoring sheet to the Executive Director. Included as an exhibit to this item is the Evaluation Sheet inclusive of Marion County. This results in Cardno still being ranked first, but with Water Resource Associates ranked second and Reiss ranked third.

Each of the firms has been invited to the Board's March meeting to make a brief, 10-15-minute presentation. After these presentations and any questions Board members have of staff or the consultants, the Board will be asked to rank the consultants and to authorize staff to enter into negotiations with the firms in ranked order and, upon successful negotiations, to enter into a contract with the successful firm. The proposed contract was included as a part of the RFQ, approved by the Board at its November 17, 2017 meeting and has not been included in this month's packet.

See exhibits included in the meeting materials: Scoring Sheet (blank form) - page 34, Evaluation Sheet Exclusive of Marion County - page 36 and Evaluation Sheet Inclusive of Marion County - page 38.

Staff Recommendation:

The Board rank the firms that submitted SOQs for the Regional Water Supply Plan Update project, considering the evaluation and ranking conducted by the review committee as well as the presentations provided by each firm. Further, staff recommends the Board authorize the Executive Director to enter into negotiations with the firms in ranked order and for the Executive Director to enter into an agreement for professional services for the Regional Water Supply Plan Update project for an amount not to exceed \$300,000 with the successful firm.

Exhibit - Item 7

Scoring Sheet

(blank form)

RFQ SUBMITTAL SCORING SHEET
REGIONAL WATER SUPPLY PLAN UPDATE
Scoring Sheet Summary

Evaluation Criteria	Maximum Score	Firm:	Cardno					Reiss					WRA				
		Evaluator:	A	B	C*	D	E	A	B	C*	D	E	A	B	C*	D	E
Office / Key Personnel Location(s) (Required sections 1-3) Office and key staff location in proximity to the WRWSA geographic area.	5		5	3	5	5	5	5	3	3	5	5	5	3	3	5	5
Project Officer (Required section 4) Relevant project management experience of the person designated as the Project Officer who would perform assigned tasks, manage activities and tasks, administer the contract and be the primary contact to the WRWSA.	25		25	20	20	25	25	23	18	20	20	25	23	15	19	25	25
Other Key Personnel (Required section 5) The professional and technical experience and qualifications of the personnel listed in the submittal that would be designated to perform key tasks.	25		25	20	20	25	24	25	20	18	20	24	22	18	21	23	25
Project Experience (Required section 6) Relevance and depth of projects identified in the submittal for similar project experience.	15		15	15	15	15	13	13	13	14	14	14	13	15	14	15	15
Understanding of the Project Goals and Objectives (Required section 7) How well the firm has expressed an understanding of the project goals and objectives.	10		8	8	10	10	10	8	8	9	10	10	10	8	10	10	10
Project Approach (Required section 8) The competency of the firm's approach to the project and its expression of willingness and ability to meet time and budget requirements.	10		10	8	9	10	8	10	9	9	10	9	10	8	10	10	10
Representation of Authority Member Governments / Litigation (Required sections 9-10) Representation of Authority Member Governments for Litigation, or involvement in any litigation against an Authority member government that might affect ability to undertake the project in an unbiased manner.	5		5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Adherence to RFQ Requirements and Quality of Submittal	5		5	5	5	5	5	5	5	5	5	5	4	4	5	5	4
Total Score	100		98	84	89	100	95	94	81	83	89	97	92	76	87	98	99
Ranking			1	1	1	1	3	2	2	3	3	2	3	3	2	2	1

A - Citrus County
B - Hernando County
C - Marion County * Not in attendance at the Review Committee Meeting
D - Sumter County
E - WRWSA

Exhibit - Item 7

**Evaluation Sheet Exclusive
of Marion County**

**RFQ SUBMITTAL EVALUATION SHEET
REGIONAL WATER SUPPLY PLAN UPDATE**

Evaluation Team Rankings

Firm (listed alphabetically)	Evaluator					Total	Ranking
	Citrus County	Hernando County	Marion County	Sumter County	WRWSA		
1. Cardno	1	1		1	3	6	1
2. Reiss	2	2		3	2	9	2
3. WRA	3	3		2	1	9	2

Note: this scoring method adds up all the individual rankings and then re-ranks based on the total ordinal score. This method has the demonstrated ability to eliminate the possibility of a single evaluator skewing the overall rankings.

Final selection is by the WRWSA Board, scheduled for the March 21, 2018 meeting.

Exhibit - Item 7

**Evaluation Sheet Inclusive
of Marion County**

**RFQ SUBMITTAL EVALUATION SHEET
REGIONAL WATER SUPPLY PLAN UPDATE**

Evaluation Team Rankings

Firm (listed alphabetically)	Evaluator					Total	Ranking
	Citrus County	Hernando County	Marion County*	Sumter County	WRWSA		
1. Cardno	1	1	1	1	3	7	1
2. Reiss	2	2	3	3	2	12	3
3. WRA	3	3	2	2	1	11	2

Note: this scoring method adds up all the individual rankings and then re-ranks based on the total ordinal score. This method has the demonstrated ability to eliminate the possibility of a single evaluator skewing the overall rankings.

Final selection is by the WRWSA Board, scheduled for the March 21, 2018 meeting.

*** Note: Marion County did not attend the 02-16-2018 Review Committee Meeting.**

Fiscal Year 2016-17 Financial Audit

Mr. Mark White, Partner with Purvis Gray & Company, LLP, will present this item.

Purvis Gray and Company has prepared the annual audit of the Authority's financial statements for the Fiscal Year ending September 30, 2017.

See Exhibits –

A. March 2, 2018 letter from Purvis Gray and Company - page 42

B. Financial Statements and Independent Auditors' Report, March 2, 2018 (*separate document*)

Staff Recommendation:

Approval of the Financial Statements and Independent Auditors' Report for Fiscal Year 2016-17, dated March 2, 2018, as presented at the meeting and submittal of this report to the Auditor General and to the Florida Department of Financial Services.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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, 2017, and have issued our report thereon dated March 2, 2018. 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 communication letter dated September 23, 2017. 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. No new accounting policies were adopted and the application of existing policies was not changed during the year under audit. 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

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309
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

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 2, 2018.

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.

Other Matters

We applied certain limited procedures to management discussion and analysis, which is required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information (RSI) and do not express an opinion or provide assurance on RSI.

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.

Purvis, Gray and Company, LLP

March 2, 2018
Ocala, Florida

FY 2018-19 Annual Grant Program – Establishment of Funding Amount and Guidelines

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

Since 2005, the Authority has funded an annual grants program that provides matching funds for water conservation and water supply development projects. Member governments and other utilities in the region have applied for and received cooperative grants for projects of mutual benefit. The 2018-19 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. A copy of the proposed announcement is included as an exhibit to this item.

In order to provide for this continuing program in the upcoming 2018/19 fiscal year and to allow staff to prepare the 2018/19 budget, staff requests the Board establish the total amount available in the fiscal year for the Program. 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.

See Exhibit

Staff Recommendation:

The Board set the total allocation of funds in fiscal year 2018/19 for the Local Government Grant Program at \$130,000 and limit such grants to water conservation projects.

DRAFT**MEMORANDUM**

March 23, 2018

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

The Withlacoochee Regional Water Supply Authority (WRWSA) will accept applications for its Fiscal Year 2018-19 Local Government Water Conservation Grants Program starting on May 1, 2018. Applications must be received no later than June 29, 2018. This grants program is sponsored by the WRWSA to fund local water conservation projects on a matching basis. The staff will recommend to the Board that the Authority continue to accept grant applications for water conservation-related projects only. Applications and instructions will be available on the Authority web page at www.wrwsa.org by April 16, 2018. Applications will be considered by the Board at its July 18, 2018 Board meeting. Awards are scheduled to be made at the September 19, 2018 Board meeting.

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

cc: WRWSA Board Members

Distribution List:

Bruce Phillips, Belleview	Alys Brockway, Hernando Co. Water Conservation
Richard Radacky, Brooksville	Eric C. Williams, Inverness
Bruce Hickle, Bushnell	Angel Roussel, Marion County
City of Center Hill	Michon Fabio, Marion County
Ken Cheek, Citrus County	Town of McIntosh
Debra Burden, Citrus Co. Water Conservation	Jeff Halcomb, Ocala
City of Coleman	Town of Reddick
Dave Burnell, Crystal River	Bradley Arnold, Sumter County
Eddie Esch, Dunnellon	City of Webster
Gordon Onderdonk, Hernando County	Gene Kornegay, Wildwood

Charles A. Black Wellfield – Citrus County Negotiations

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

At the January 17, 2018 meeting, the Board had a discussion regarding a request by Citrus County to resolve concerns the County has with the Water Supply Contract between the County and the Authority. The original Water Supply Contract was entered into in 1992. This original contract entitled Citrus County up to 2 million gallons a day (mgd) of water from the Authority's Charles A. Black wellfield facilities. The Contract contained provisions such that when this 2 mgd of supply was reached the contract was to be renegotiated. This provision was included in the original contract due to uncertainty Citrus County had at the time regarding the amount of water it would need and the amount of revenue it would have to make payments to the Authority. The intent was that the renegotiated contract would go from a fixed payment schedule to a rate per thousand gallons of water purchased. The 2 mgd threshold was reached and surpassed in the mid-1990's, yet negotiations for a new contract were not initiated until sometime in the 2011-2012 timeframe.

The CAB facilities were paid for by a grant from the Southwest Florida Water Management District (SWFWMD) to the Authority. The SWFWMD required the Authority to recoup these grant funds through the sale of water and use these recouped funds for water resource and supply development. The original Water Supply Contract between the Authority and Citrus County included a schedule of payments that recouped these funds as well as provided for an administrative payment to cover the Authority's administrative costs associated with the CAB facilities.

The Authority's annual audit, starting in at least Fiscal Year 2011-12, included a comment and recommendation addressing the fact that the Water Supply Contract had not been renegotiated. After several years of this comment appearing in the annual audit, the Joint Legislative Auditing Committee requested the Authority state why this audit comment had gone unaddressed and requested in writing what the Authority was doing to rectify the situation. This created another stimulus for the contract negotiations to reach fruition.

The revised Water Supply Contract was finally executed in October 2016 after several years of negotiation. Citrus County Board members have expressed concerns with the revised Water Supply Contract whereby Citrus County is the only county making payments for water supply from the Authority's CAB wellfield, the revenue from which is then used, at least in part, by the Authority for water conservation grants to other member governments. The County's Board members expressed these concerns at the January 2018 Board meeting. They also proposed two potential ways by which this issue can be resolved to the County's satisfaction: (1) for the Authority to transfer ownership of the CAB wellfields to Citrus County, to have the wellfield water use permit modified to have only the County as the permittee and for all County payments to the Authority for water to cease after the remaining original SWFWMD grant funds have been recouped by the Authority; or (2) for the Authority to be abolished, in which case the existing Contract has a reverter clause such that the CAB facilities revert to Citrus County.

After significant discussion, the Board directed staff to meet with Citrus County to see if a solution could be arrived at that would solve the County's concerns. On February 22, 2018 staff, including the Executive Director and Authority Attorney, met with Citrus County Commissioner Kinnard and County Attorney Denise Diamond Lynn. At the meeting, the County continued to maintain the only options agreeable to the County must include transfer of the CAB facilities to the County and for the WUP to be in the County's name only. Authority staff did not agree to these demands. No other options acceptable to the County were discussed.

Item 10

WRWSA staff have identified a number of options for the Board's consideration. These are included in an exhibit to this item.

See Exhibit

Staff Recommendation:

Board discussion of Citrus County's requests, potential options to address their concerns and direction to staff on how to proceed.

Charles A. Black Wellfield Contract for Water Supply

Potential Responses to Citrus County Concerns (Not in any expressed order)

Authority maintains ownership of the CAB facilities:

1. Citrus County water supply payments beyond the original SWFWMD grant amounts would be:
 - a. Reduced to a lesser amount, in addition to continuing administrative payments;
 - b. Reduced to administrative payments only;
 - c. Restricted to Citrus County projects only; or
 - d. Terminated.
2. Identify a project that benefits Citrus County utilities and utilize WRWSA reserves to help fund (reuse, CAB expansion, other).
3. Reduce or eliminate Citrus County per capita contribution. Could apply to any member government purchasing water from the Authority (requires modification of the Interlocal Agreement).
4. Agree to additional contributions by other member governments such that all county revenues are on par with Citrus County's combined per capita and water purchase amounts (requires modification of the Interlocal Agreement).
5. End grants program – addresses Citrus' claim of disparity among counties.
6. Restrict future Citrus County Water Contract revenues, above administrative portion, to Citrus County projects.
7. Do nothing.

Transfer ownership of the CAB Facilities to Citrus County:

1. Sell CAB facilities to Citrus County for current value.
2. Transfer CAB facilities to Citrus County after all remaining SWFWMD grant funds have been recouped, with no additional payments by the County.
3. Transfer CAB facilities to Citrus County, with no additional water supply payments by the County being required.

Charles A. Black Wellfield – Replacement of Backup Generators

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

The purpose of this item is to provide the Board with an update on replacement of the back-up generators at the Charles A. Black (CAB) Wellfield Plants 1 and 2 and to seek Board concurrence with the utilization of the Authority's CAB Renewal and Replacement (R & R) Reserve Fund for this purpose. These generators are beyond their useful life and maintenance costs to keep them operational are becoming prohibitive. Replacement of these generators and related equipment was identified in the latest Engineering Evaluation of the CAB facilities completed in 2016. The cost identified at that time was estimated at \$512,600 for each generator and related equipment, for a total of \$1,025,200. The balance of the Authority's R & R Reserve Fund at the end of Fiscal Year 2016-17 was \$2,248,536.

Citrus County is responsible for undertaking this work pursuant to the Water Supply Contract between the County and the WRWSA. The intent of the project is to remove the old generators and the buildings that they are housed in, and then provide new replacement generators, fuel tanks and buildings. Citrus County received bids for replacement of the back-up generators. The bids for this work came in significantly above what the County's utilities staff had anticipated. County staff has negotiated with the bidder to reduce costs, for a final cost of \$906,419 for replacement of all generator and related facilities at both CAB wellfield #1 and #2.

In addition, the County has identified additional work for which they will seek reimbursement from the R & R fund in this fiscal year. The County has budgeted \$55,000 for pressure washing, painting, and sealing the ground storage tanks and an additional \$10,000 for asphalt paving and/or sealing of the entrance drive and parking area at CAB I for a total of \$65,000.

Combined, these anticipated costs total \$971,419. This would leave an approximate balance of \$1,277,117 in the Authority's R & R fund, not including deposits made in the current fiscal year.

Staff Recommendation:

Approve Citrus County's utilization of the Authority's R & R Funds as follows:

- (1) For replacement of the back-up generators and related facilities at CAB 1 and 2 at a not-to-exceed amount of \$906,419;
- (2) For the pressure washing, painting, and sealing of the ground storage tanks for an amount not to exceed \$55,000; and
- (3) For asphalt paving and/or sealing of the entrance drive and parking area at CAB I for an amount not to exceed of \$10,000.

Item 12.a.

Executive Director's Report

Irrigation Audit Phase 4 – Letter of Engagement for Supplemental Administrative Support Services

Item 12.a.

Irrigation Audit Phase 4 – Letter of Engagement for Supplemental Administrative Support Services

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

Due to the absence of the Authority's Administrative Support staff during much of February 2018, the Authority's Executive Director, in consultation with the Authority Chair, entered into a Letter of Engagement with Ms. Karen Gerber to assist with the ongoing Irrigation System Audit Phase 4 project. The letter of engagement was reviewed and approved by the Authority's attorney. Included as an exhibit to this item is the letter of engagement.

The work entailed printing, stuffing and mailing invitation letters to utility customers for potential participation in the program. This work needed to be completed in this time frame for the project to stay on track with the project schedule.

As of March 5, 2018, all work was completed consistent with the letter of engagement.

See Exhibit.

Staff Recommendation:

Board concurrence with the letter of engagement with Ms. Karen Gerber.

February 16, 2018

Ms. Karen Gerber
1340 Lake Polo Drive
Odessa, FL 33556

Re: Letter of Engagement for Irrigation Audit Project Mailings

Dear Ms. Gerber,

This letter confirms the terms of our engagement with you to provide administrative support services to assist in the mailing of correspondence for the Withlacoochee Regional Water Supply Authority (Authority) and it outlines the terms, nature and extent of the services you will be providing.

You will provide support services to the Authority's Irrigation System Audit Phase 4 Project. Services will include assistance in mailing out invitations to utility customers.

The Authority has a project entitled Irrigation System Audit Phase 4. The project entails five utilities in the Authority's jurisdiction who each have provided a list of customers who use an average of 25,000 gallons or more of water per month. The Authority sends out invitations to these customers to participate in the project. Participation is voluntary on the behalf of customers and response rates for participation have ranged from 9% to 30%. Participating utilities include Citrus, Hernando and Marion counties, and two utility districts in The Villages including the North Sumter County Utility Dependent District (NSCUDD) also sometimes referred to as the Villages Water Conservation Authority (VWCA) and the Village Center Community Development District (VCCDD) also sometimes referred to as the Little Sumter Service Area (LSSA). Invitations have been completed and no further invitations are necessary at this time for Citrus County.

The scope of services to be provided includes:

- Printing mailing labels for both the Authority's return address and customers;
- Attaching mailing labels and postage to envelopes:
 - Envelopes to be sent to customers; and
 - Return envelopes;
- Printing invitation letters;
- Stuffing envelopes to be sent to customers with:
 - Folded invitation letters;
 - Pre-folded application forms;
 - Informational brochures (Hernando County only; pre-folded); and
 - A folded return envelope, with postage.
- Mailing stuffed envelopes.
- Keeping electronic files (Word and/or PDF) of all letters mailed and providing the same to the Authority.

The Authority will provide the following:

- Word documents containing all invitation cover letters, organized by participating utility, for purposes of printing invitation letters;
- Hard copies of application forms (specific application forms are provided for Hernando and Marion counties; one application form is used for both Villages utilities);
- Informational brochures for Hernando County;
- Excel files containing customer names and addresses, organized by participating utility, for purposes of printing mailing labels;
- Letterhead for Hernando County (note – cover letters for Marion County, the NSCUDD and the VCCDD print with each respective utility's letterhead logos);
- Blank envelopes for invitations sent to the NSCUDD and VCCDD utilities and for return envelopes;
- Envelopes for invitation letters for Hernando and Marion counties with return addresses.
- Postage.

The following table summarizes the work effort:

Utility	# of Applications Needed	# of Invitations @ 20% Response Rate	WRWSA Mailing Labels ⁽¹⁾	Return Envelopes ⁽²⁾	Customer Mailing Labels ⁽³⁾	Customer Envelopes ⁽⁴⁾	One Page Cover Letters ⁽⁵⁾	Two Page Double-Sided Applications ⁽⁶⁾	Postage ⁽⁷⁾
Hernando	29	145	145	145	145	145	145	145	290
Marion	72	360	360	360	360	360	360	360	720
NSCUDD-VWCA	55	275	275	275	275	275	275	275	550
VCCDD-LSSA	6	30	30	30	30	30	30	30	60
Total	162	810	810	810	810	810	810	810	1,620

- (1) Blank labels to be provided by the Authority; Gerber must print Authority's address on labels
- (2) Blank envelopes to be provided by the Authority – Gerber must apply the Authority labels
- (3) Gerber must print the customer name and address labels
- (4) Customer envelopes are being provided by Hernando and Marion counties; Gerber must apply customer labels. Blank envelopes will be provided by the Authority for NSCUDD and VCCDD; Gerber must apply utility and customer labels
- (5) Paper to be provided by the Authority; Gerber to print invitation cover letters
- (6) Applications to be provided by the Authority
- (7) Postage to be provided by the Authority; Gerber to put postage on customer and return envelopes

Compensation will be at \$2.00 per mailed envelope with all appropriate contents (e.g., cover letter, application, return envelope, brochure) included, for a total compensation of \$1,620 (\$2 x 810 invitations). If unforeseen additional costs are incurred, such as additional postage, envelopes, etc., with prior approval from the Authority Executive Director, such costs shall be on a reimbursement basis, but shall not exceed \$250.00. Ms. Gerber recognizes that time is of the essence and will complete the work in an expeditious manner. All work shall be completed within 18 calendar days from the signing of this Letter of Engagement by Ms. Gerber. This Letter of Engagement shall remain in effect until either the work has been completed to the satisfaction of the Authority, or either party terminates the agreement, or through March 28, 2018, whichever occurs sooner.

The above terms will remain in effect unless amended in writing by both parties or terminated by written notice from either party. Either party may terminate this agreement by providing 2 days written notice to the other party.

If the above terms are acceptable to you and the services outlined are in accordance with your requirements, please sign the copy of this letter in the space provided and return it to us.

By: _____ ATTESTED: _____
Karen Gerber Date

By: _____ ATTESTED: _____
Richard Owen
WRWSA Executive Director Date

Item 12.b.

Executive Director's Report

Bills to be Paid

February 2018 provided in meeting materials.

**March 2018 to be provided at meeting
in supplemental materials.**

Bills For Payment
1/17/2018

Item 12.c.

Executive Director's Report

First Quarter Financial Report

To The Governing Board
Withlacoochee Regional Water Supply Authority
Ocala, Florida

Management is responsible for the accompanying financial statements of the Withlacoochee Regional Water Supply Authority (the Authority), an Independent Special District, as of and for the three months ended December 31, 2017, in accordance with accounting principles generally accepted in the United States of America. We performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows as required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The budgetary comparison information is not a required part of the basic financial statements but is supplementary information. The supplementary information has been compiled from information that is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information, and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on such information.



March 7, 2018
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
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

Withlacoochee Regional Water Supply Authority
STATEMENT OF NET POSITION

As of December 31, 2017

ASSETS

Cash in Bank - SunTrust	\$ 3,545.46
Cash in Bank - SBA1	604,678.56
Cash in Bank - SBA2	967,721.23
Accounts Receivable - SWFWMD	27,315.79
Accounts Receivable - CCBOCC	16,066.73
Accounts Receivable - Citrus Co	2,856.85
Prepaid Expense	<u>2,579.53</u>

Total Current Assets	1,624,764.15
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PROPERTY AND EQUIPMENTS

Equipment	3,728.84
Accum Deprec - Equipment	(2,684.39)
Citrus Co. Wellfield	4,895,231.21
Accum Deprec - Wellfield	<u>(4,079,362.40)</u>

Total Property and Equipment	<u>816,913.26</u>
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TOTAL ASSETS	<u><u>\$ 2,441,677.41</u></u>
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LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts Payable - Special Proj	\$ 80,025.02
Accounts Payable - General	<u>14,204.15</u>

Total Current Liabilities	94,229.17
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NET POSITION

Beginning Net Position	2,380,238.68
Net Income	<u>(32,790.44)</u>

Total Net Position	<u>2,347,448.24</u>
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TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 2,441,677.41</u></u>
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Withlacoochee Regional Water Supply Authority

STATEMENT OF REVENUES AND EXPENSES

For the Period Ended December 31, 2017

	3 months ended December 31, 2017	%
Revenue		
Citrus Co. Assessments	\$ 6,795.00	6.82 %
Hernando Co. Assessments	8,526.50	8.56 %
Sumter Co. Assessments	5,632.50	5.65 %
Marion County Assessment	16,423.00	16.49 %
Interest Income - SBA Accounts	4,229.29	4.25 %
CAB Wifld Restricted Revenues	39,985.13	40.14 %
CAB Wifld Unrestricted Revenues	16,124.25	16.19 %
Ph 3 Irrig Aud Pgm SWFWMD Match	1,000.00	1.00 %
SWFWMD Match Ph4 Irri Audit Pgm	<u>889.00</u>	<u>0.89 %</u>
Total Revenue	99,604.67	100.00 %
Operating Expenses		
Consulting Admin Asst	9,375.00	9.41 %
Executive Director Richard Owen	19,999.97	20.08 %
Advertising	257.50	0.26 %
Bank Charges	15.00	0.02 %
Lecanto Rent	2,047.68	2.06 %
Registration/Dues	500.00	0.50 %
Legal - Monthly Meeting	500.00	0.50 %
Legal - Other Services	1,401.04	1.41 %
Office Supplies	271.98	0.27 %
Printing & Reproduction	452.38	0.45 %
Postage	132.90	0.13 %
Bookkeeping/Financial Asst.	500.00	0.50 %
Publications/Software	19.50	0.02 %
State Fees/Assessments	175.00	0.18 %
Web Page/Internet Services	465.00	0.47 %
Telephone	241.08	0.24 %
Travel	341.51	0.34 %
Legislative Consultant	10,500.00	10.54 %
FY 16/17 Local Govt	74,730.64	75.03 %
General Services Acct	6,603.54	6.63 %
Phase 4 N822 Irrigation Audits	<u>3,865.39</u>	<u>3.88 %</u>
Total Operating Expenses	<u>132,395.11</u>	<u>132.92 %</u>
Net Income (Loss)	<u>\$ (32,790.44)</u>	<u>(32.92)%</u>

See Accompanying Independent Accountant's Compilation Report

ACCOMPANYING SUPPLEMENTARY INFORMATION

Withlacoochee Regional Water Supply Authority

BUDGET TO ACTUAL

For the Period Ended December 31, 2017

	<u>3 months ended</u> <u>December 31,</u> <u>2017 Actual</u>	<u>3 months ended</u> <u>December 31,</u> <u>2017 Budget</u>	<u>Variance</u> <u>Over/(Under)</u> <u>Budget</u>	<u>Annual</u> <u>Budget</u>	<u>Variance</u>
Revenue					
Citrus Co. Assessments	\$ 6,795.00	\$ 6,795.00	\$ -	\$ 27,180.00	\$ (20,385.00)
Hernando Co. Assessments	8,526.50	8,526.50	-	34,106.00	(25,579.50)
Sumter Co. Assessments	5,632.50	5,632.50	-	22,530.00	(16,897.50)
Marion County Assessment	16,423.00	16,423.00	-	65,692.00	(49,269.00)
Interest Income - SBA Accounts	4,229.29	-	4,229.29	-	4,229.29
CAB Wifld Restricted Revenues	39,985.13	39,875.75	109.38	159,503.00	(119,517.87)
CAB Wifld Unrestricted Revenues	16,124.25	16,124.25	-	64,497.00	(48,372.75)
Ph 3 Irrig Aud Pgm SWFWMD Match	1,000.00	-	1,000.00	-	1,000.00
SWFWMD Match Ph4 Irri Audit Pgm	889.00	13,127.50	(12,238.50)	52,510.00	(51,621.00)
Total Revenue	99,604.67	150,568.25	(50,963.58)	602,273.00	(502,668.33)
Operating Expenses					
Consulting Admin Asst	\$ 9,375.00	\$ 9,375.00	\$ 0.00	\$ 37,500.00	\$ (28,125.00)
Executive Director Richard Owen	19,999.97	20,000.00	(0.03)	80,000.00	(60,000.03)
Advertising	257.50	250.00	7.50	1,000.00	(742.50)
Bank Charges	15.00	-	15.00	-	15.00
Lecanto Rent	2,047.68	512.00	1,535.68	2,048.00	(0.32)
Registration/Dues	500.00	475.00	25.00	1,900.00	(1,400.00)
Legal - Monthly Meeting	500.00	1,250.00	(750.00)	5,000.00	(4,500.00)
Legal - Other Services	1,401.04	3,000.00	(1,598.96)	12,000.00	(10,598.96)
Office Supplies	271.98	200.00	71.98	800.00	(528.02)
Printing & Reproduction	452.38	500.00	(47.62)	2,000.00	(1,547.62)
Postage	132.90	200.00	(67.10)	800.00	(667.10)
Bookkeeping/Financial Asst.	500.00	500.00	-	2,000.00	(1,500.00)
Publications/Software	19.50	50.00	(30.50)	200.00	(180.50)
Legislative Consultant	10,500.00	10,500.00	-	42,000.00	(31,500.00)
Web Page/Internet Services	465.00	575.00	(110.00)	2,300.00	(1,835.00)
Telephone	241.08	275.00	(33.92)	1,100.00	(858.92)
State Fees/Assessments	175.00	43.75	131.25	175.00	-
Travel	341.51	2,250.00	(1,908.49)	9,000.00	(8,658.49)
FY 16/17 Local Govt	74,730.64	32,500.00	42,230.64	130,000.00	(55,269.36)
General Services Acct	6,603.54	18,750.00	(12,146.46)	75,000.00	(68,396.46)
Phase 4 N822 Irrigation Audits	3,865.39	26,255.00	(22,389.61)	105,020.00	(101,154.61)
Total Operating Expenses	132,395.11	206,006.25	(73,611.14)	824,025.00	(691,629.89)
Increase (Decrease) in Net Position	\$ (32,790.44)	\$ (55,438.00)	\$ 22,647.56	\$ (221,752.00)	\$ 188,961.56

Item 12.d.

Executive Director's Report

Water Conservation Month Resolution

Water Conservation Month Resolution

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

The purpose of this item is to request the Board execute a resolution declaring April 2018 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. 2018-02 declaring April 2018 as “Water Conservation Month.”

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY

RESOLUTION 2018-02

**WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS
DESIGNATES APRIL 2018 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 2018 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 2018 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 twenty-first day of March 2018.

BOARD OF DIRECTORS, WITHLACOOCHEE
REGIONAL WATER SUPPLY AUTHORITY

Attest:

BY Michelle Stone, Chairman

Richard S. Owen, Executive Director

Item 12.e.

Executive Director's Report

Springs Protection Awareness Month Resolution

Springs Protection Awareness 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 2018 as “Springs Protection Awareness Month.” Declaring April as “Spring Protection Awareness Month” will allow the Authority to focus the public’s attention on 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 as an exhibit.

See Exhibit.

Staff Recommendation:

Approve and execute Resolution 2018-03 declaring April 2016 as “Springs Protection Awareness Month.”

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY

RESOLUTION NO. 2018-03

**PROCLAIMING APRIL 2018 as
“SPRINGS PROTECTION AWARENESS MONTH”**

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

WHEREAS, there are five first-magnitude spring groups within the Withlacoochee Regional Water Supply Authority (WRWSA) that collectively discharge more than one billion gallons of water per day; and

WHEREAS, 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 WRWSA, in partnership with the various stakeholders, is committed to helping to conserve and restore the ecological balance of these spring systems, thereby supporting regional economies and quality of life.

THEREFORE, BE IT RESOLVED that the Withlacoochee Regional Water Supply Authority hereby proclaims the month of April 2018 as “SPRINGS PROTECTION AWARENESS MONTH.”

BE IT FURTHER RESOLVED that the Withlacoochee Regional Water Supply Authority shall continue to contribute to an adaptive management strategy to protect the region’s springs through restoration, planning, communication and education, monitoring, research and development, regulation, conservation, and land acquisition and management.

BE IT FURTHER RESOLVED that the Board Chair and Secretary 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 twenty-first day of March 2018.

BOARD OF DIRECTORS, WITHLACOOCHEE
REGIONAL WATER SUPPLY AUTHORITY

Attest:

BY Michelle Stone, Chairman

Richard S. Owen, Executive Director

Item 12.f.

Executive Director's Report

Correspondence

None this month.

Item 12.g.

Executive Director's Report

News Articles

Citrus County Chronicle

Kinnard named WRWA treasurer

Special to the Chronicle Jan 21, 2018 / Updated Jan 21, 2018

The Withlacoochee Regional Water Authority (WRWA) board voted and approved Citrus County Commissioner Jeff Kinnard to serve as 2018 board treasurer at its Wednesday, Jan. 17, meeting. The Withlacoochee Regional Water Supply Authority (WRWSA) is a multi-county special district of the state of Florida charged with planning for and developing cost-efficient, high-quality water supplies for its member governments.

WRWA promotes environmental stewardship through its water conservation programs and will develop alternative water sources when necessary to augment traditional water supplies to meet the region's long-term needs, according to a news release.

The WRWSA is created by interlocal agreement among its member counties. Originally created in 1977, the interlocal agreement was revised in January 2014. Member governments include: Citrus County, Crystal River, Inverness, Hernando County, Brooksville, Marion County, Belleview, Dunnellon, McIntosh, Reddick, Ocala, Bushnell, Coleman, Center Hill, Webster and Wildwood.

Since its inception, the authority has moved forward with water supply planning studies; construction of its first regional water supply facility in Citrus County and; developed a cooperative funding program to provide grants to assist member local governments in developing adequate water supply facilities and water supply conservation projects, the news release stated.

Current activities include:

- Joint funding of water supply projects with member local governments.
- Tracking and providing input to water resource legislation that is of interest to the Withlacoochee Region.
- Implementation of the "Action Plan" resulting from the 2010 Master Water Supply Plan.
- To 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.
- Continued cooperation with Citrus County in operation of the authority's Charles A. Black Wellfield and Water Supply Facility (CABWSF).
- Cooperative funding with the Southwest Florida Water Management District for a regional irrigation audit program to implement outdoor water conservation;
- Updating of the Regional Water Supply Plan.

For more information on WRWSA visit: <http://www.wrwsa.org/index.html>.

Tampa Bay Times

DEP to drop controversial water pollution regulations and start over

Craig Pittman

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Florida regulators are withdrawing a set of controversial standards for how much pollution can be dumped into the state's waterways.

The standards drew strong opposition from environmental groups, local governments and Native American tribes. Now the Department of Environmental Protection says it will start over and work with one of those groups to produce new pollution standards.

"DEP has identified an opportunity to partner with the Seminole and Miccosukee tribes to gather additional data as we move forward to protect Florida's water," agency spokeswoman Lauren Engel said in an e-mail to the Tampa Bay Times .

She said that with their help, the DEP wants to "update the state's water quality criteria to ensure the department is relying on the latest science."

Attorneys for the Seminole Tribe did not return a call seeking comment Friday. No one at the Miccosukee Tribe offices answered the phone.

The pollution regulations that are being withdrawn marked the first update to the state's water quality standards in 24 years. When they were first unveiled in 2016, critics said they would allow polluters to increase the level of toxic chemicals they dump into Florida bays, rivers and lakes. Those most at risk would be children and people who eat a lot of seafood.

The 2016 standards, which were strongly supported by business and manufacturing interests, called for increasing the number of regulated chemicals allowed in drinking water from 54 to 92 chemicals and also raising the allowed limits on more than two dozen known carcinogens.

The DEP defended the new standards by saying they were actually stricter than federal requirements and had been reviewed by scientists at the U.S. Environmental Protection Agency, the Florida Department of Health, four Florida universities and the California Environmental Protection Agency.

The DEP developed the new regulations using a newly developed process called the "Monte Carlo method." Critics contended that was an apt term for pollution regulations that gambled with the public's health.

Once the DEP proposed the new rules, they had to be voted on by the state's Environmental Regulation Commission. But at the time of the vote, there were two vacancies on the board, one intended for a representative of the environmental community and another for a representative of local government, because Gov. Rick Scott hadn't appointed anyone.

Despite vocal opposition, the ERC approved the rules 3-2. The only thing standing in the way of them going into effect was getting them approved by the EPA.

But before that could happen, the new rules drew legal opposition from Broward County, the city of Miami and the Seminole tribe. The Pulp and Paper Association filed a legal challenge as well.

Their case was scheduled for a hearing in front of an administrative law judge in April. However, with the DEP withdrawing the rules and starting over, the legal challenge is now moot.

"Since these rules were not yet submitted to the EPA, Florida's current water standards remain in place," Engel said. She said the agency will soon unveil how it plans to proceed with drawing up new rules.

Linda Young of the Clean Water Network, one of the environmental groups that was most vocal in opposing the 2016 regulations, said she was not sure what might happen next.

"They could just adopt EPA's recommendations using Florida's fish-consumption numbers and be done with it," she said, but predicted that would run afoul of the polluting industries that had supported the 2016 change.

Young sees the DEP's decision to start over as part of a pattern in its dealings with polluters.

"The strategy used by DEP and the pulp and paper industry for the last 26 years has been delay and stall," she said. "They are masters at this game and so we see it continuing."

Times/Herald staff writer Mary Ellen Klas contributed to this report. Contact Craig Pittman at craig@tampabay.com.

Tampa Bay Times (online)

Despite tight water supply, Hernando commissioners consider sharing with Pasco

By Barbara Behrendt, Times Staff Writer
Published: March 1, 2018

BROOKSVILLE — Considering new projects already approved or on the drawing board, Hernando County's permitted water use will reach its capacity a dozen years too soon, county utilities director Gordon Onderdonk told commissioners last month.

Despite that, and a long-standing policy of keeping precious ground-water resources close to where they are needed, the County Commission has agreed to explore giving Hernando water to a Pasco County development owned by a local political heavyweight and Hernando County's former economic development director.

Commissioners even discussed annexing the Pasco property into Hernando County if that's what it takes to provide water service.

The discussion started late last year over a 20-acre property purchased in 2016 by Spring Hill Acquisitions from Cemex Construction Materials Florida.

The site owner is listed as Stall Master Company, which will process wood for shavings used in livestock stalls. Bagging those shavings would be the second phase of development, and the third phase would build 50,000 square feet of commercial development, according to paperwork submitted by company principal Randy Woodruff.

The owners plan a \$4 million investment, and they need up to 4,000 gallons of potable water a day, plus additional water for fire suppression. Woodruff told county officials he would pay to run Hernando County water lines under County Line Road to the Pasco side to make the project work.

The proposal came before the commission in December and was brought back last month when Onderdonk presented details backing up his recommendation to deny the request.

Hernando County can withdraw 23.3 million gallons of ground water per day under its permit with the Southwest Florida Water Management District. That permit expires in 2035. But daily usage is rising, and the daily usage per person has accelerated in recent years.

Last year, water usage reached 18.83 million gallons per day. Onderdonk said the county likely will reach its daily limit by 2023.

Hernando already limits lawn watering and is pushing for the use of more reclaimed water.

"We're up against a wall with water," said the county's hydrology consultant Jeff Trommer. The public doesn't like dead lawns, he said, and would not look favorably on sending water over the county line.

Pasco County has an available water line about two miles from the property, Woodruff said, but it would be expensive for him to connect to that. He spoke about being a Hernando native and how his deal would help both Hernando and Pasco counties.

A certified public accountant, Woodruff is well known in Hernando County political circles. He is a principal in nine active political action committees and electioneering committees listed on the state's election website. He's also campaign treasurer for several local elected officials, including state Sen. Wilton Simpson, R-Trilby, and state Rep. Blaise Ingoglia, R-Spring Hill.

The other well-known name connected to the business is Mike McHugh, Hernando County's economic development director for 11 years until he left in 2013 to pursue other interests.

Hernando water, Woodruff said to the commission last month, "is just across the county line." When Pasco County finally extends water service near his property, he will hook up to their system.

"In the grand scheme of things," Woodruff said, "it's a minute request."

Because of its rapid growth, Pasco County is in the Tampa Bay cautionary area for water use, Onderdonk said, and faces more regulation.

"We don't want to get ourselves into that situation," he said. Giving away water, even just for fire suppression, would set a precedent making it hard to say no to other applicants, he said. Woodruff disagreed.

Commissioner John Allocco said he was not comfortable with the proposal.

"I don't think that government should be picking and choosing the winners and the losers," he said, adding that it was Pasco County's responsibility to provide water to its property owners. Allocco disclosed that Woodruff is his campaign treasurer, but said it was his responsibility to take care of Hernando County.

Only four commissioners discussed the proposal. Commissioner Nick Nicholson withdrew from the commission chambers because of a conflict. He is the engineer on the project.

Commissioner Chairman Steve Champion said he wants to see development along County Line Road, which he thinks would help Hernando County. He said he wasn't sure the commission would approve potable water, but could possibly provide water for fire suppression.

Woodruff said he needed at least that to get his project started.

Commissioner Jeff Holcomb suggested the county annex the property into Hernando County, but officials said that would require action through the Florida Legislature.

Even a fire-suppression connection would require an agreement with Pasco County, Onderdonk said, and negotiating interlocal agreements can take time. Commissioners directed staff to explore such agreements, as well as annexation.

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Tampa Bay Times (online)

Bills to let treated sewage get pumped into aquifer close to approval by Legislature

By Craig Pittman, Times Staff Writer

Published: March 1, 2018 / Updated: March 2, 2018 at 08:03 PM

A pair of bills quietly moving through the Florida House and Senate have the potential to change the quality of the state's water supply.

The bills — HB 1149 and SB 1308 — encourage replenishing the fresh drinking water in the underground aquifer with treated sewage.

Clean Water Network of Florida director Linda Young calls the pair of bills, which are similar in language, "the Dirty Water Bill of 2018."

The legislation notes that by injecting the effluent, the state could continue approving new water-use permits for developers as new residents continue flooding into the state.

The effluent, often referred to as "reclaimed water," is frequently used to water lawns instead of wasting valuable drinking water on grass.

To inject it into the aquifer, though, would require cleaning the effluent to the point that it would meet federal drinking water standards, according to Mary Jane Angelo, director of the Environmental and Land Use Law Program at the University of Florida.

Those standards don't require screening out antibiotics, antidepressants and other drugs that routinely wind up in the sewer system because they're carried in human waste, Angelo said.

Young joked that if the bills pass, the state could launch a new ad campaign to attract tourists: "Hey guys, did you leave home without your Viagra? Not a problem! We provide plenty in your drinking water in Florida!"

The House sponsor, Rep. Bobby Payne, R-Palatka, called Young's comments "ridiculous." Payne, a utility company executive, said he would have no concerns about drinking water treated to that level.

The bill is necessary, Payne contended, because "we must assure that we continue to have adequate potable drinking water using our best available technology."

Bob Palmer, who lobbies on behalf of the Florida Springs Council, is even more concerned about nutrients. Nutrients are Florida's biggest pollution headache. They come from sewage spills, septic tank runoff, animal waste and over-fertilized lawns, and they can cause toxic algae blooms.

Drinking water standards allow for far higher levels of nutrients than are considered healthy for the state's beleaguered springs, which Gov. Rick Scott has vowed to clean up, Palmer said. But he said state officials have embraced the bills because their attitude is, "Let's inject as much of this stuff into the aquifer as we can so we can keep issuing permits."

Cynthia Barnett, the author of three books on water and an environmental fellow in residence at the University of Florida's Bob Graham Center for Public Service, said the bills are based on a faulty assumption concerning how much water Florida needs for its future growth.

The bills say that Florida will need 7.7 billion gallons of water per day by 2030, or 1.3 billion gallons more than the state was using in 2010. That, Barnett said, "would only be true if we live wastefully with water and irrigate as profligately as we have in the past, and all signs are pointing in the opposite direction. The most important things we can do going forward are to use less and pollute less — not plan for using more and more."

During a January committee hearing on the Senate bill, Sierra Club lobbyist David Cullen warned legislators that if the bills pass it could harm the aquifer, "and once the aquifer is contaminated, it's broken."

But in a video recording of the meeting, sponsor Sen. Keith Perry, R-Gainesville, who owns a roofing business, said that one of the purposes of injecting the effluent into the state's drinking water supply is "to improve water quality in the aquifer." He did not elaborate on what that meant.

To David Childs, a lobbyist for the state's sewage treatment utilities, the whole point is to augment the aquifer as it's being drained. Childs told the committee the bills would encourage using the effluent "for the benefit of the public" because it will guarantee new residents moving to Florida will continue getting water.

So far both bills have passed all their committee stops and are awaiting a floor vote.

The state Department of Environmental Protection, which oversees water permitting by the state's water management districts, has not taken a position for or against the bills, but is monitoring their progress, spokeswoman Lauren Engel said.

The bills also create a "Blue Star" program for sewer plants that allows them to get permits that last twice as long as regular five-year sewer plant permits. It then grants them a presumption that they are in compliance with state pollution regulations — even if they're under a state consent order to clean up a previous pollution spill. That might apply to St. Petersburg's troubled sewer system, which has repeatedly spilled treated sewage into the area's waterways.

The two bills differ from another pair of bills involving sewer effluent — SB 1710 and HB 1303 — that were requested by Tampa Mayor Bob Buckhorn. Those bills sparked a flurry of opposition from Tampa Bay Water because they called for giving each city or county that is a part of regional authority "the absolute right" to use its highly treated reclaimed water as drinking water or to sell it to other members. Neither bill made it out of committee.

Times senior news researcher Caryn Baird contributed to this report. Contact Craig Pittman at craig@tampabay.com. Follow @craigtimes.

Blaise Ingoglia withdraws septic tank amendment

Ingoglia withdrew his amendment to HB 1149 that would have delayed state restrictions on septic tanks installed near springs from going into effect for four years, but before doing so he warned lawmakers that constituents would come calling once they saw higher bills.

"Your constituents may not know what's going to hit them right now," he said. "But I promise you in six or seven months they will be knocking down your door asking, 'What happened?'"

Ingoglia said nitrogen-reducing septic tanks, which run between \$16,000 and \$19,000, are three times as expensive as normal units and the cost of complying with septic regulations would run \$1.5 billion in Hernando County alone.

Ingoglia said the delay would give septic tank manufacturers more time to develop less costly tanks that comply with the regulations, but environmental groups said the delay would be damaging to Florida springs.

Subject: Ingoglia withdrew his amendment to HB 1149

From: Diane Salz <salz.govconsultant@gmail.com>

Date: Mon, March 05, 2018 7:43 am

