



WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY

Board Meeting Package

April 17, 2019
3:30 p.m.

Meeting Location:

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

Withlacoochee Regional Water Supply Authority

Board of Directors

Effective February 2019

Office	Board Members
Chair	The Honorable Michelle Stone
Vice Chair	The Honorable Stephen Printz
Treasurer	<i>Vacancy</i>

Jurisdiction	Board Members
Citrus County	The Honorable Scott Carnahan
	The Honorable Jeff Kinnard
Hernando County	The Honorable Steve Champion
	The Honorable Jeff Holcomb
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 2018-2019 fiscal year are as follows:

October 17, 2018 – Special Budget Meeting

~~November 14, 2018~~

January 16, 2019

February 20, 2019 – Special Meeting

~~March 20, 2019~~

April 17, 2019

May 15, 2019

July 17, 2019

September 18, 2019



April 5, 2019

MEMORANDUM

To: Water Supply Authority Board of Directors and Interested Parties

From: Richard S. Owen, Executive Director

Subject: Withlacoochee Regional Water Supply Authority Board of Directors Meeting

The Withlacoochee Regional Water Supply Authority will hold a regular business meeting on **Wednesday, April 17, 2019, 3:30 p.m., at the Lecanto Government Center Building, Room 166, 3600 Sovereign Path, Lecanto, FL 34461.**

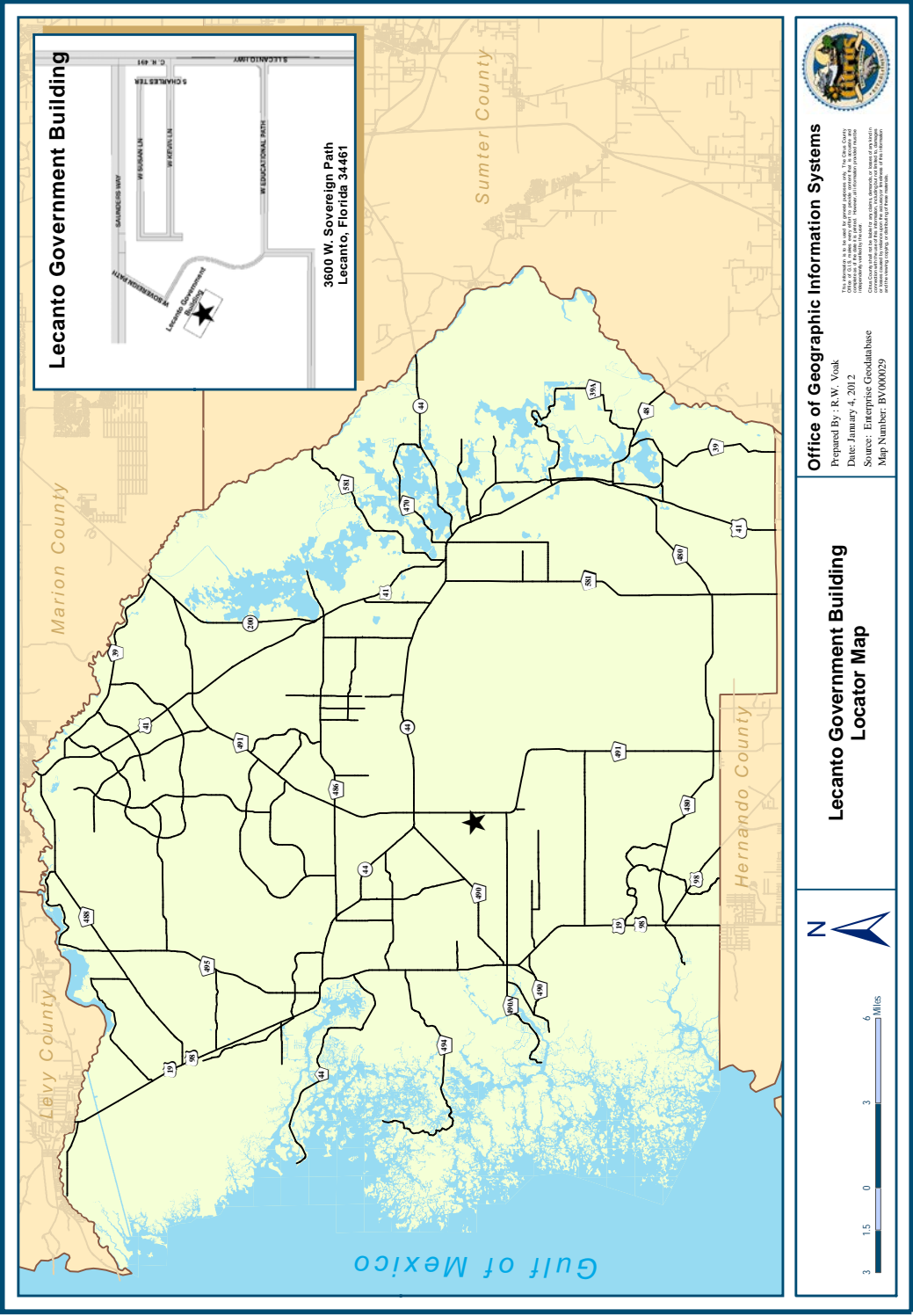
Enclosed for your review are the following items:

- Agenda
- Minutes of the January 16, 2019 and February 20, 2019 meetings
- 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

**April 17, 2019 -- 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.

PAGE

1. **Call to Order** . . . Michelle Stone, Chair
2. **Roll Call** . . . Richard Owen, WRWSA Executive Director
3. **Introductions and Announcements** . . . Richard Owen, WRWSA
4. **Pledge of Allegiance** . . . Led by the Board
5. **Public Comment**
6. **Consent Agenda** . . . Michelle Stone, Chair
 - a. **Approval of Minutes** [January 16, 2019 and February 20, 2019] 9
 - b. **Bills to be Paid** [January, February and March 2019 bills included; April 2019 bills provided at the meeting] 21
 - c. **Purvis Gray & Company Compilation Engagement Letter** 25
 - d. **FY 2018-19 First Quarter Financial Report** 31
 - e. **Water Conservation Month Resolution** 37
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 - a. **Amendment of Agreement for Special Counsel Services**
 - b. **Citrus County Municipal Representation on the WRWSA Board**
 - c. **Sumter County's Request for Declaratory Judgement**
9. **Reevaluation of the Minimum Flows for the Chassahowitzka and Homosassa River Systems** . . . Gabe Herrick and Ron Basso, SWFWMD 49
10. **FY 2017-18 Annual Audit Report** . . . Mark White, Purvis Gray & Company 51
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12. **FY 2019-20 Budget Approval** . . . Richard Owen, WRWSA 67
13. **Executive Director's Report** . . . Richard Owen, WRWSA
 - a. **Correspondence** 77
 - b. **News Articles** 87
 - c. **Other**
14. **Legislative Report** . . . Diane Salz, WRWSA Governmental Affairs
15. **Attorney's Report** . . . Larry Haag, WRWSA Attorney
16. **Other Business**
17. **Next Meeting** . . . May 15, 2019; 3:30 p.m.; Lecanto Government Building, Room 166
18. **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 6.a.

Consent Agenda

Approval of Minutes

DRAFT

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY BOARD OF DIRECTORS

Minutes of the Meeting January 16, 2019

TIME: 3:37 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

Chair Stone called the Withlacoochee Regional Water Supply Authority (WRWSA) Board of Directors meeting to order at 3:37 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

Michelle Stone, Chair, Marion County Commissioner
Kathy Bryant, Marion County Commissioner
Al Butler, Sumter County Commissioner
William Kemerer, Brooksville City Councilor
Dale Swain, Bushnell City Councilor

ALTERNATE(S) PRESIDING

Alys Brockway, Hernando County Water Res Mgr

BOARD MEMBERS ABSENT

Stephen Printz, *Vice-Chair*, Sumter County Commissioner
Ken Brown, Crystal River City Councilor
Scott Carnahan, Citrus County Commissioner
Steve Champion, Hernando Co Commissioner
Wayne Dukes, Hernando Co Commissioner
Gary Ernst, Belleview City Commissioner
Jeff Kinnard, Citrus County Commissioner
Carl Zalak, Marion County Commissioner

3. Introductions and Announcements

WRWSA STAFF PRESENT

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

OTHERS PRESENT

Debra Burden, Citrus Co Water Conservation
Michon Fabio, Marion County Water Res Liaison
Frank DiGiovanni, City of Inverness City Manager
Gregg Jones, Brown and Caldwell
Denise Lyn, Citrus County Attorney
Ken Hinkle, City of Inverness Council
Richard Radacky, City of Brooksville Public Works Dir
Dave Ryan, City of Inverness Council

4. **Pledge of Allegiance** – Chair Stone led those present in reciting the Pledge of Allegiance.

5. **Public Comment** – Chair Stone opened public comment and noted that no speaker cards were submitted. No audience members requested to address the Board.

6. Consent Agenda

- a. **Approval of Minutes** – The October 18, 2018 minutes were provided in the Board's meeting materials and recommended for approval.
- b. **Bills to be Paid** – Staff recommended ratification of November 2018 (\$95,581.32) and December 2018 (\$40,867.67) bills and approval of payment of January 2019 bills (\$57,886.00).

Ms. Byrant moved, seconded by Mr. Swain, to approve Consent Agenda Items 6.a. and 6.b. The motion carried unanimously.

7. Election of Board Officers

Mr. Owen explained 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, 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. This practice is informal, and circumstances may warrant nominations and elections to deviate from this practice. 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.

Current Board officers include Marion County Commissioner Michelle Stone, Chair; and Sumter County Commissioner Steve Printz, Vice Chair. The Treasurer position is currently vacant due to the resignation of Citrus County Commissioner Jeff Kinnard. Hernando County currently does not have a Board representative as an officer.

Mr. Kemerer moved to nominate Ms. Stone for Chair, Mr. Printz for Vice-Chair, and Mr. Dukes for Treasurer. Mr. Swain seconded the motion and it carried unanimously.

8. City of Inverness Request for Board Representation

Mr. Owen said the Authority has received a request from the City of Inverness in Citrus County to have representation on the Authority Board. The Interlocal Agreement creating the Authority provides that there may be one (1) municipal representative from each of the member counties. The City of Inverness correspondence and relevant portion of the Interlocal Agreement were included in the Board's meeting materials. Currently the City of Crystal River is the municipal representative from Citrus County, with Councilman Ken Brown representing Crystal River. Crystal River and Inverness are the only two municipalities in Citrus County.

The Interlocal Agreement is silent on how to handle a situation where municipalities within an Authority member county have not reached agreement on WRWSA Board representation. To the best of staff's knowledge, this situation has not been previously encountered. If the cities of Crystal River and Inverness cannot reach a mutual agreement on WRWSA Board representation, one way for the Board to address this issue is to adopt a Board policy. One option would be to provide for rotation among multiple municipalities within a member county who desire to have representation on the WRWSA Board.

Mr. Owen said he received a message from Mr. David Burwell, City of Crystal River City Manager, saying the issue had been resolved but a definite date was not given for the rotation to begin.

Mr. Frank DiGiovanni, City of Inverness City Manager, addressed the Board regarding the City of Inverness' desire to reestablish communication with the Authority. He noted that three elected officials were also in attendance. He provided a brief history of past participation. Mr. DiGiovanni said that water is a serious business and working together collectively brings the region to the best decisions for the future.

In response to Chair Stone's inquiry, Mr. DiGiovanni said he was not aware of whether the issue was resolved. Chair Stone thanked the City officials for their interest and being here today.

Since this is the start of a new year and the City of Inverness has expressed interest in being part of the Authority, Ms. Bryant moved for rotation between the cities to begin in January and appointed this month as the start for the City of Inverness. Mr. Swain seconded the motion.

In response to Mr. Kemerer's question, Mr. Haag said the issue is agreement by the cities and the interlocal agreement does not include language if the cities do not agree. Mr. Kemerer said his concern is whether the Board is being presumptive in taking action. Mr. Haag noted that he is also general counsel to the City of Inverness and would prefer questions be directed to Mr. Owen.

Mr. Owen said he reached out to the City of Crystal River staff but has not spoken to Mr. Brown. He noted that no resolutions from the cities as called for in the interlocal agreement have been found in the Authority's records.

Mr. Owen suggested not taking action today but allow for staff to ensure the City of Crystal River Council representative is aware of the situation and reach out to the Crystal River City Manager to ensure everyone is on the same page with their positions. Also, he suggested, at the Board's next meeting, considering a proposed policy if they do not agree, calling for in those circumstances there be an alternating representation of municipalities which have shown interest to be on this Board.

Mr. Kemerer said perhaps resolutions should be requested by the interested municipalities to provide a basis for representation so proper documentation is available.

Ms. Bryant amended the motion for rotation of the City of Inverness on the Board and its year starting at this meeting; and allow staff to communicate with the City of Crystal River about the rotation process and previous agreement of alternating representation between the City of Inverness and the City of Crystal River as stated in Section V of the Interlocal Agreement. If the City of Crystal River has an issue with the Board's action, this item will be considered at the Board's next meeting. Mr. Swain seconded the amended motion.

Chair Stone called for the vote on amending the motion and it carried with Mr. Kemerer dissenting.

Chair Stone opened the floor to public comment.

Mr. Ken Hinkle, City of Inverness Council, said, for the Board's information, he has volunteered to be the City's representative.

Ms. Denise Lyn, Citrus County Attorney, said she was contacted by the City of Crystal River's attorney who expressed Crystal River's interest in continuing representation on the Board. She noted that Ms. Jennifer Rey had a conflict and could not attend today's meeting.

Chair Stone closed public comment.

Chair Stone called for the vote on the motion and it carried with Mr. Kemerer dissenting.

In response to Mr. Haag's inquiry, Chair Stone said resolutions should be provided as noted in the interlocal agreement.

Chair Stone welcomed Mr. Hinkle who will be at the next meeting.

9. Regional Water Supply Plan Update

Mr. Gregg Jones, Brown and Caldwell, presented an update on the Regional Water Supply Plan project progresses, with a focus on estimating future water savings through conservation, evaluating potential supply sources and seeking input from various public supply utilities in the region.

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

10. Phase 4 Enhanced Irrigation System Evaluation Program Status Report

Mr. Owen presented a status update to the Board on the Phase 4 Enhanced Irrigation System Evaluation Program. The Program is co-funded by the Southwest Florida Water Management District, participating utilities and the WRWSA. Participating utilities include Citrus, Hernando and Marion counties, the Village Center Community Development District (VCCDD) and the North Sumter County Utility Dependent District (NSCUDD).

The contractor continued to implement irrigation system audits for customers within the five utilities through September 2018, consistent with the project timeline. The contractor has started conducting follow-up visits with approximately 25 percent of the participating customers. Pre- and post-audit water use data will be collected by the participating utilities and provided to the WRWSA for analysis once one year of post-audit water use data is available. All data should be available by October 2019. The final report is scheduled for completion in early 2020.

Mr. Owen reviewed the number of audits performed for each entity and noted that activities are below the budgeted amount. He said he recently met with SWFWMD staff to discuss Phases 4 and 5 and a possible amendment to the Phase 4 Agreement may be necessary.

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

11. Charles A. Black Wellfield – Renewal and Replacement Fund Annual Report

Mr. Owen stated that 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, 2018, the first two pages of which are included as an exhibit to this item. This annual report is required by the Water Supply Contract between the WRWSA and Citrus County. Staff has reviewed this report, has corresponded with Citrus County staff regarding several questions and based in part on the County's responses to these questions has found that the report is consistent with the pertinent Contract requirements.

Mr. Swain moved, seconded by Mr. Butler, to accept Citrus County's annual report for the CAB R&R Fund, documenting expenditures and deposits for the fiscal year ending September 30, 2018.

Mr. Owen said September 2018 was end of the second year of the new water supply contract with Citrus County. The annual minimum production charge of \$224,000 was not met for 2017-2018 and the County has agreed to include that amount in the December payment. The contract also includes an annual cost-of-living adjustment that tracks the County's COLA (1.76%) and the County has agreed to include the adjustment in the water rates.

In response to Ms. Bryant's inquiry, Mr. Owen said the R&R schedule includes all capital facilities and is updated every five years to ensure sufficient revenues are available. He said the \$160,000 is to purchase replacement emergency generators.

Ms. Bryant suggested scheduling a tour of the facility to enhance the Board's knowledge.

12. Charles A. Black Wellfield – Citrus County Discussions

Mr. Owen noted that Citrus County Commissioner and WRWSA Board member Jeff Kinnard contacted the Executive Director subsequent to the last WRWSA Board meeting and requested a meeting to discuss possible resolutions of the County's desire to take ownership of the Charles A. Black wellfield facilities. After consultation with the WRWSA Chair, the Executive Director and Authority Attorney met with Commissioner Kinnard and Citrus County Attorney Dennis Lyn.

Mr. Owen said, on November 29, the County proposed an option for termination of the existing purchase agreement and entering into a new agreement for the Authority's continued ownership of the Charles A. Black Wellfield, but no further payments for water by Citrus County until such time as the Authority had another member under contract to purchase similar or like amount of water (approximately 4.5 million gallons per day) which is the facility's capacity. Citrus County asked the Authority Executive Director to agree to the proposal. Mr. Owen said he told them he was not in a position to agree with the proposal but would bring it to the Authority Board. He encouraged Mr. Kinnard to discuss this item with the Board.

This was an information item only and no Board action was recommended at this time.

13. Executive Director's Report

- a. **Correspondence** – Included in the meeting materials, Mr. Owen noted a copy of correspondence sent to Purvis Gray and Company from the Citrus County Office of the Administrator regarding Budgetary Non-Compliance with Florida Statutes.
- b. **News Articles** – Mr. Owen noted the Florida Trend article written about Florida's future water supply was included in the meeting materials.
- c. **Other** – At Mr. Owen's request, he and Chair Stone on November 11 meet with the Citrus Chronicle Editorial Board to discuss the Authority's role and importance to the region, and the Charles A. Black Wellfield and its purpose.

14. Legislative Report

- a. **Draft Legislative Matrix** – Ms. Salz presented the proposed 2019 Legislative Issues for the Board's approval. Chair Stone said one of Marion County's legislative priorities is that water management districts streamline the grant process and also participate at a 25 percent funding level for all projects and the state match for a combined 50 percent.

Ms. Salz noted the 2019 Legislative Issues document will be posted on the Authority's website and a copy sent under a cover letter signed by the Chair to each legislator in the Authority's four-county region.

Ms. Bryant moved, seconded by Mr. Swain, to approve the 2019 Legislative Issues as presented. Motion carried unanimously.

- b. **Other** – Ms. Salz provided (1) an up-to-date list of legislators in the Authority's four-county region, (2) a copy of the letter being sent to each legislator congratulating and introducing them to the Authority, and (3) a copy of the Legislative Session's dates. She said a copy of the WRWSA 2019 Legislative Issues will be included in the letter and noted there is only one newly-elected legislator.

Ms. Salz reported on the announcement from Governor DeSantis regarding funding for Everglades Restoration and protection of water resources, along with establishment of the Office of Environmental Accountability and Transparency and appointment of a Chief Science Officer.

15. Attorney's Report – Mr. Haag said he had nothing to report at this time.

16. Other Business – None

17. Next Meeting Time and Location

- Next Regular Board Meeting – March 20, 2019 at 3:30 p.m. at the Lecanto Government Building, Room 166.
- Ms. Bryant noted she will be absent from the March meeting.

10. Adjournment – Chair Stone adjourned the meeting at 4:50 p.m.

Michelle Stone, Chair

Richard S. Owen, Executive Director

DRAFT

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY BOARD OF DIRECTORS

Minutes of the Meeting February 20, 2019

TIME: 3:32 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

Chair Stone called the Withlacoochee Regional Water Supply Authority (WRWSA) Board of Directors meeting to order at 3:37 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

Michelle Stone, Chair, Marion County Commissioner
Stephen Printz, *Vice-Chair*, Sumter County Commissioner
Ken Brown, Crystal River City Councilor
Kathy Bryant, Marion County Commissioner
Al Butler, Sumter County Commissioner
Gary Ernst, Belleview City Commissioner
William Kemerer, Brooksville City Councilor
Jeff Kinnard, Citrus County Commissioner
Dale Swain, Bushnell City Councilor

BOARD MEMBERS ABSENT

Scott Carnahan, Citrus County Commissioner
Steve Champion, Hernando Co Commissioner
Carl Zalak, Marion County Commissioner

ALTERNATE(S) PRESIDING

Randy Oliver, Citrus County Administrator

3. Introductions and Announcements

WRWSA STAFF PRESENT

Richard Owen, Executive Director
Larry Haag, Attorney
LuAnne Stout, Administrative Asst.

OTHERS PRESENT

Debra Burden, Citrus Co Water Conservation
Frank DiGiovanni, City of Inverness City Manager
Ken Hinkle, City of Inverness Council
Jody Kirkman, Marion Co Environmental Services Dir
Denise Lyn, Citrus County Attorney
Richard Radacky, City of Brooksville Public Works Dir

4. Pledge of Allegiance – Chair Stone led those present in reciting the Pledge of Allegiance.

Mr. Owen provided information regarding action taken at the Board's January 16, 2019 meeting and municipality representation on the Board as stated in the interlocal agreement. He said there appears to be confusion between the cities of Crystal River and Inverness.

Mr. Brown stated his position regarding the City of Crystal River's seat on the Board and said he does not recognize the Board's authority to change representation. He said the agreement by the two cities' city managers is for the City of Crystal River to remain through 2019. Mr. Brown referenced a letter by the City of Crystal River stating this position of retaining its seat on the Board for the remainder of 2019 and the City of Inverness joining in 2020.

Mr. Owen noted that Mr. Haag is also the City of Inverness' attorney and has declared a conflict of interest.

Mr. Brown said the City of Crystal River in its letter dated January 19, 2019 noted that board and committee assignments were made prior to receiving the WRWSA letter regarding action taken at its January 16, 2019 meeting.

Mr. Kinnard noted that he supported Mr. Brown's position and the Board stepped out of traditional protocol. He concurred with Mr. Oliver regarding purpose of meeting which is to hire special counsel.

Discussion ensued regarding municipality representation and whether to consider the matter at this meeting or the next meeting.

Chair Stone recessed the meeting at 3:47 p.m.

Citrus County provided a written note approved by Mr. Kinnard as Chair of the Citrus County Board of County Commissioners authorizing Mr. Oliver as the County's alternate representative. Mr. Oliver noted that the advertised purpose for this meeting is hiring of special legal counsel.

Chair Stone reconvened the meeting at 3:59 p.m. She stated that no action will be considered at this time regarding municipality representation from Citrus County and both city representatives may stay seated at the dais but any votes by either city representative will not be accepted at this meeting. She said this matter will be considered at the Board's next regularly scheduled meeting.

Mr. Brown reiterated his position. Mr. Kinnard moved to recognize Mr. Brown as the municipality representative for the meeting. Mr. Oliver seconded the motion.

Ms. Bryant noted that the purpose for today is discuss hiring special legal counsel. Chair Stone said the Board will consider this matter at its next meeting.

Mr. Oliver moved to override the chair and Mr. Brown seconded the motion.

Discussion ensued. Motions died for lack of a vote.

5. Public Comment – Chair Stone opened public comment.

Ms. Denise Lyn, Citrus County Attorney, addressed the Board. She stated the Board has no authority to remove the City of Crystal River from its seat on the Board and action taken in January is void. She said this is the Board's next meeting and the matter can be considered.

Chair Stone closed public comment since no other audience members requested to speak.

Mr. Owen completed roll call and suggested Item 6 be deleted from consideration today.

6. Consent Agenda

- a. Approval of Minutes**
- b. Bills to be Paid**

Following discussion, Mr. Ernst moved, seconded by Mr. Butler, to move consideration of the Consent Agenda to the Board's next regularly scheduled meeting.

Motion carried with Messrs. Brown, Kinnard and Oliver dissenting.

7. Hiring of Special Legal Counsel

Mr. Owen presented this item. Sumter County has authorized its legal counsel to pursue a Declaratory Judgement with respect to Sumter County's representation on the WRWSA taking part in meetings and actions of the Authority in light of the state of the Authority's FY18-19 budget (Exhibit 1) which was approved by the Sumter County Board of County Commissioners at its January 22, 2019 meeting. This legal process will necessitate the Authority's participation. The Authority's attorney, Larry Haag, as well as the Authority's Executive Director, will likely be called as witnesses. This will legally prohibit Mr. Haag from representing the Authority in this process, necessitating the retainage of special legal counsel to represent the Authority.

The purpose of the agenda item is to seek Board authorization to retain special counsel for the purpose of WRWSA representation during this legal process, including to file any counterclaim, cross claim or third-party complaint necessary in order to bring all relevant issues before the Court.

Staff contacted three law firms to solicit potential special counsel services in this matter. After interviewing three attorneys, staff recommended Attorney Robert Batsel of the law firm Gilligan, Gooding, Franjola & Batsel in Ocala, Florida. Included as Exhibit 2 to this item is Resolution 2019-01 Budget Amendment for Special Counsel Services and Exhibit 3 is a proposed Agreement for Professional Legal Services. Exhibits 1, 2 and 3 were included in the Board's meeting materials.

Staff recommended Board approval of (1) amendment of the Authority's Fiscal Year 2018-19 Budget by Approval of Resolution 2019 01 Amending the FY 2018-19 Budget for the Purposes of Hiring Special Counsel, including the transfer of \$20,000 in funds from the Authority's Unrestricted Reserves Account to Legal Services (Exhibit 2); and (2) authorization for the Chairman to sign the Agreement for Professional Legal Services (Exhibit 3).

Mr. Kinnard said he opposes hiring special counsel when the Board has good legal representation in Mr. Haag. He requested Sumter County representatives to refrain from voting since taking an adversarial position against the Board. He said he has a concern regarding Exhibit 3, page 2 under Scope of Services.

Mr. Oliver said the budget amendment was not part of the called purpose of this meeting and stated that the Board does not have a properly approved budget and the Board has no authority to expend money.

Ms. Bryant stated that the Board is in this position because representatives did not attend meetings and noted a letter from an attorney requesting a legal opinion from the Attorney General about bringing legal charges against this Board. She said she finds it extremely inappropriate for the comments being made here today. Ms. Bryant said the members of this Board have come to meetings to continue doing the business of this Board. She said if Sumter County should refrain, then Citrus County should also.

Mr. Kinnard said that attendance has been an issue for a number of members and noted that positions have been misstated and misunderstood.

Chair Stone requested Mr. Haag to provide direction to the Board.

Mr. Haag spoke to the purpose of hiring special counsel. He said Sumter County has approved a declaratory judgment about the validity of the WRWSA budget. He noted the Board needs to proceed and hire special counsel with the power to file appropriate pleadings.

In response to Chair Stone's question, Mr. Haag said members of the Board are required by law to vote unless there is a personal conflict. He said this is an issue of county versus county.

Following discussion, Ms. Bryant moved, seconded by Mr. Ernst, to approve (1) amendment of the Authority's Fiscal Year 2018-19 Budget by Approval of Resolution 2019-01 Amending the FY 2018-19 Budget for the Purposes of Hiring Special Counsel, including the transfer of \$20,000 in

funds from the Authority's Unrestricted Reserves Account to Legal Services; and (2) authorization for the Chairman to execute the Agreement for Professional Legal Services.

Discussion ensued regarding validity of budget and the WRWSA currently has appropriate legal representation. Mr. Haag said that, due to health issues, he cannot be involved in a protracted case. He noted that he and Mr. Owen may be called as witnesses in the facts of this matter.

Motion carried with Messrs. Brown, Kinnard and Oliver dissenting.

8. Executive Director's Report – Mr. Owen said he had nothing further to report.

- a. **Correspondence**
- b. **News Articles**
- c. **Other**

9. Other Business – None

10. Next Meeting Time and Location

Board concurred with canceling the next regularly scheduled meeting on March 20, 2019 and rescheduling the meeting to April 17, 2019.

The Board's next regular board meeting is April 17, 2019 at 3:30 p.m. at the Lecanto Government Building, Room 166.

11. Adjournment – Chair Stone adjourned the meeting at 4:26 p.m.

Michelle Stone, Chair

Richard S. Owen, Executive Director

Item 6.b.

Consent Agenda

Bills to be Paid

**January, February and March 2019
included in meeting materials.**

April 2019 to be provided at meeting

Withlacoochee Regional Water Supply Authority
3600 W. Sovereign Path, Suite 228, Lecanto, Florida 34461

Bills For Payment
1/16/2019

<u>Administrative Invoices</u>	<u>Invoice Number(s)</u>	<u>Invoice Date</u>	<u>Amount</u>
Richard S. Owen, AICP, Executive Director	2018-12	1/2/2019	\$6,783.43
Larry Haag, Attorney			\$0.00
Diane Salz, Governmental Affairs (Professional Fee)	123118	12/31/2018	\$3,500.00
C. LuAnne Stout, Admin Asst (Services)	012-Dec-2018	1/3/2019	\$3,125.00
Karen Allen (Web Maintenance)	107	1/9/2019	\$100.00
Sun Trust Business Card Statement (Dec rec'd late)	12.2.2018	12/2/2018	\$19.55
Total Administrative Invoices			\$13,527.98

<u>Water Supply Studies and Facilities</u>	<u>Contract/ Budget</u>	<u>Balance Remaining</u>	<u>Current Invoice(s)</u>
General Services Contract	\$75,000.00	\$35,000.00	
Work Order 18-01. Water Resource Associates	\$25,000.00	\$20,754.60	
Work Order 18-02. Weber and Associates	\$15,000.00	\$13,156.25	
Regional Water Supply Plan Update	\$299,940.00	\$188,301.96	\$21,403.75 (1)
FY2017-18 Water Conservation Grants Program			
Citrus County	\$42,627.50	\$2,461.38	
Hernando County	\$48,350.00	\$7,973.69	
Marion County	\$35,245.00	\$17,571.18	\$17,673.82 (2)
Phase 4 Irrigation Program	\$200,000.00	\$66,239.78	\$500.00 (3)
Phase 5 Irrigation Program	\$200,000.00	\$195,219.55	\$4,780.45 (4)
Total Project Invoices	\$941,162.50	\$546,678.39	\$44,358.02

Total Bills to be Paid	\$57,886.00
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State Board of Administration	Transfer from SBA2 to SBA1	\$44,358.02
State Board of Administration	Transfer from SBA1 to SunTrust Bank	\$57,886.00

Notes:

(1) Regional Water Supply Plan Update

Cardno Inc \$21,403.75 Invoice 267396

(2) Water Conservation Grant Program

Marion County Toilet Rebate Program	\$3,917.00	Invoice WR-18-004
Marion County Water Conservation Program	\$13,756.82	Invoice WRWSA FY 17-18
	<u>\$17,673.82</u>	

(3) Phase 4 (N822) - Irrigation Audit Reinspections

Jack Overdorff, ECO Land Design \$500.00 Invoice 335

(4) Phase 5 (Q040) - Irrigation Audits

Jack Overdorff, ECO Land Design \$4,780.45 Invoice 333

Withlacoochee Regional Water Supply Authority

3600 W. Sovereign Path, Suite 228, Lecanto, Florida 34461

Bills For Payment

2/20/2019

<u>Administrative Invoices</u>	<u>Invoice Number(s)</u>	<u>Invoice Date</u>	<u>Amount</u>
Richard S. Owen, AICP, Executive Director	2019-01	2/1/2019	\$6,751.06
Larry Haag, Attorney	34606 34607	2/18/2019	\$1,100.00
Diane Salz, Governmental Affairs (Professional Fee)	13119	1/31/2019	\$3,500.00
Diane Salz, Governmental Affairs (Travel)	13119	1/31/2019	\$191.98
C. LuAnne Stout, Admin Asst (Services)	01-Jan-2019	2/1/2019	\$3,125.00
Kathy Bryant (Board Travel)		1/16/2019	\$36.49
Al Butler (Board Travel Oct 2018 & Jan 2019)		1/16/2019	\$55.18
Wayne Dukes (Board Travel)		10/17/2019	\$19.58
Gary Ernst (Board Travel)		10/17/2019	\$36.49
Stephen Printz (Board Travel)		10/17/2019	\$27.59
Dale Swain (Board Travel Oct 2018 & Jan 2019)		1/16/2019	\$55.18
Citrus Co Chronicle (Advertise Spec Mtg)	12928596	1/30/2019	\$45.22
Citrus Co / Riverland News (Advertise Spec Mtg)	12928585	1/30/2019	\$46.61
Citrus Co / Sumter Co Times (Advertise Spec Mtg)	12928735	1/30/2019	\$46.61
Daily Commercial (Advertise Spec Mtg)	76809	1/31/2019	\$103.50
Ocala Star Banner (Advertise Spec Mtg)	8201747	1/30/2019	\$96.52
Times Publishing (Advertise Spec Mtg)	739380	2/1/2019	\$42.80
FL Dept of State FAR (Advertise Spec Mtg)	902348	2/5/2019	\$35.14
Karen Allen (Web Maintenance)	108	2/8/2019	\$100.00
Alliance for Water Efficiency (Annual Dues)	5813	1/1/2019	\$500.00
Sun Trust Business Card Statement (Dec rec'd late)	01.2.2019	1/2/2019	\$318.02
Total Administrative Invoices			\$16,232.97

<u>Water Supply Studies and Facilities</u>	<u>Contract/ Budget</u>	<u>Balance Remaining</u>	<u>Current Invoice(s)</u>
General Services Contract	\$75,000.00	\$35,000.00	
Work Order 18-01. Water Resource Associates	\$25,000.00	\$20,754.60	
Work Order 18-02. Weber and Associates	\$15,000.00	\$12,781.25	\$375.00 (1)
Regional Water Supply Plan Update	\$299,940.00	\$209,705.71	
FY2017-18 Water Conservation Grants Program			
Citrus County	\$42,627.50	\$2,461.38	
Hernando County	\$48,350.00	\$7,973.69	
Marion County	\$35,245.00	\$17,571.18	
Phase 4 Irrigation Program	\$200,000.00	\$66,239.78	
Phase 5 Irrigation Program	\$200,000.00	\$180,559.02	\$14,660.53 (2)
Total Project Invoices	\$941,162.50	\$553,046.61	\$15,035.53

Total Bills to be Paid	\$31,268.50
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State Board of Administration	Transfer from SBA2 to SBA1	\$15,035.53
State Board of Administration	Transfer from SBA1 to SunTrust Bank	\$31,268.50

Notes:

(1) Work Order 2018-03 - Weber & Associates

\$375.00 Invoice #5

(2) Phase 5 (Q040) - Irrigation Audits

Jack Overdorff, ECO Land Design

\$12,260.53

Invoice 340

C. LuAnne Stout, Admin Services

\$2,400.00

Invoice 01-Jan-Q040 2019

\$14,660.53

Withlacoochee Regional Water Supply Authority
3600 W. Sovereign Path, Suite 228, Lecanto, Florida 34461

Bills For Payment
3/20/2019

<u>Administrative Invoices</u>	<u>Invoice Number(s)</u>	<u>Invoice Date</u>	<u>Amount</u>
Richard S. Owen, AICP, Executive Director	2019-02	3/1/2019	\$7,290.89
Larry Haag, Attorney	34621 34622	3/7/2019	\$1,985.24
Robert Batsel, Special Counsel	50321	3/4/2019	\$554.31
Diane Salz, Governmental Affairs (Professional Fee)	22819	2/28/2019	\$3,500.00
C. LuAnne Stout, Admin Asst (Services)	02-Feb-2019	3/1/2019	\$3,125.00
Kathy Bryant (Board Travel)		2/20/2019	\$36.49
Al Butler (Board Travel)		2/20/2019	\$27.59
Gary Ernst (Board Travel)		2/20/2019	\$36.49
Ken Hinkle (Board Travel)		2/20/2019	\$11.13
Stephen Printz (Board Travel)		2/20/2019	\$27.59
Dale Swain (Board Travel)		2/20/2019	\$27.59
Citrus Co Chronicle (Cancel March Mtg)	12930563	2/27/2019	\$43.84
Citrus Co / Riverland News (Cancel March Mtg)	12930556	3/1/2019	\$43.84
Citrus Co / Sumter Co Times (Cancel March Mtg)	12930794	3/1/2019	\$43.84
Daily Commercial (Cancel March Mtg)	77599	3/3/2019	\$99.76
Ocala Star Banner (Cancel March Mtg)	8202309	3/3/2019	\$94.44
Times Publishing (Cancel March Mtg)	750639	3/1/2019	\$35.70
Purvis Gray & Company (Annual Audit)	36567	3/8/2019	\$10,325.00
Karen Allen (Web Maint & Page Creation)	109	3/3/2019	\$125.00
Sun Trust Business Card Statement (Dec rec'd late)	02.2.2019	2/2/2019	\$251.55
Total Administrative Invoices			\$27,685.29

<u>Water Supply Studies and Facilities</u>	<u>Contract/Budget</u>	<u>Balance Remaining</u>	<u>Current Invoice(s)</u>
General Services Contract	\$75,000.00	\$35,000.00	
Work Order 18-01. Water Resource Associates	\$25,000.00	\$20,754.60	
Work Order 18-02. Weber and Associates	\$15,000.00	\$11,687.50	\$1,093.75 (1)
Regional Water Supply Plan Update	\$299,940.00	\$186,270.71	\$23,435.00 (2)
FY2017-18 Water Conservation Grants Program			
Citrus County	\$42,627.50	\$2,461.38	
Hernando County	\$48,350.00	\$7,973.69	
Marion County	\$35,245.00	\$17,571.18	
Phase 4 Irrigation Program	\$200,000.00	\$65,839.78	\$400.00 (3)
Phase 5 Irrigation Program	\$200,000.00	\$168,923.21	\$11,635.81 (4)
Total Project Invoices	\$941,162.50	\$516,482.05	\$36,564.56

Total Bills to be Paid	\$64,249.85
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State Board of Administration	Transfer from SBA2 to SBA1	\$36,564.56
State Board of Administration	Transfer from SBA1 to SunTrust Bank	\$64,249.85

Notes:

- | | | |
|---|--------------------|--------------------------|
| (1) Work Order 2018-03 - Weber & Associates | \$1,093.75 | Invoice #6 |
| (2) Regional Supply Plan Update - Cardno, Inc. | \$23,435.00 | Invoice 270154 |
| (3) Phase 4 (N822) - Irrigation Audit Reinspections | | |
| Jack Overdorff, ECO Land Design | \$400.00 | Invoice 347 |
| (4) Phase 5 (Q040) - Irrigation Audits | | |
| Jack Overdorff, ECO Land Design | \$10,285.81 | Invoice 345 |
| C. LuAnne Stout, Admin Services | \$1,350.00 | Invoice 02-Feb-Q040 2019 |
| | <u>\$11,635.81</u> | |

Item 6.c

Purvis Gray & Company Compilation Engagement Letter

Purvis Gary & Company, LLC, prepares the Authority's quarterly financial reports. These services are provided pursuant to a Compilation Engagement Letter, last dated July 18, 2013 and approved by the Board at its September 18, 2013 meeting.

The purpose of this item is to approve a new Compilation Engagement Letter with Purvis Gray, at the same quarterly fee of \$500.00.

The proposed Compilation Engagement Letter is included as an exhibit in the Board's meeting materials.

Staff Recommendation:

Approve and authorize the Chair to sign the Compilation Engagement Letter with Purvis Gray & Company, LLC.

March 22, 2019

COMPILATION ENGAGEMENT LETTER

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

We are pleased to confirm our understanding of the services we are to provide for Withlacoochee Regional Water Supply Authority for the year ended September 30, 2019.

You have requested that we perform a compilation engagement with respect to the financial statements of Withlacoochee Regional Water Supply Authority, which comprise the balance sheets and the related statements of income for the first three quarters of the year ending September 30, 2019. These financial statements will not include statement of cash flows and related notes to the financial statements.

In addition, the supplementary information will be presented with the financial statements. Such information is the responsibility of management and will not be subject to our compilation engagement.

We will assist your bookkeeper in adjusting the books of accounts with the objective that she will be able to prepare a working trial balance from which financial statements can be prepared. Your bookkeeper will provide us with a detailed trial balance and any supporting schedules we require.

Our Responsibilities

The objective of our engagement is to—

- 1) Prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you.
- 2) Apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

We will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS), promulgated by the Accounting and Review Services Committee of the AICPA, and comply with applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care, when performing the bookkeeping services, preparing the financial statements, and performing the compilation engagement.

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350
1560 N. Orange Ave., Suite #450 • Winter Park, Florida 32789
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
Attn: Mr. Richard Owen, Executive Director
Lecanto, Florida

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March 22, 2019

Our Responsibilities (Concluded)

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within Withlacoochee Regional Water Supply Authority or noncompliance with laws and regulations.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities since performing those procedures or taking such action would impair our independence.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America and assist you in the presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

- 1) The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
- 2) The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America.
- 3) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements.
- 4) The prevention and detection of fraud.
- 5) To ensure that Withlacoochee Regional Water Supply Authority complies with the laws and regulations applicable to its activities.
- 6) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- 7) To provide us with—
 - Access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - Additional information that we may request from you for the purpose of the compilation engagement.
 - Unrestricted access to persons within Withlacoochee Regional Water Supply Authority of whom we determine it necessary to make inquiries.

Withlacoochee Regional Water Supply Authority
Attn: Mr. Richard Owen, Executive Director
Lecanto, Florida

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March 22, 2019

Your Responsibilities (*Concluded*)

You are also responsible for all management decisions and responsibilities for designating an individual with suitable skills, knowledge, and experience to oversee our bookkeeping services and the preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

We will assist you by proposing standard, adjusting, or correcting journal entries to your financial statements as needed. We will provide you with these journal entries for your review and approval. If, while reviewing the journal entries, you determine that a journal entry is inappropriate, it will be your responsibility to contact us to correct it.

We will assist you in maintaining a depreciation schedule of fixed assets.

We will discuss such suggestions and recommendations concerning your accounting methods and financial affairs as we consider appropriate with you and/or your selected personnel.

Our Report

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. There may be circumstances in which the report differs from the expected form and content. If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

Our report will disclose that Withlacoochee Regional Water Supply Authority's management has elected to omit the statement of cash flows and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the statement of cash flows and omitted disclosures were to be included in the financial statements, they might influence the user's conclusions about Withlacoochee Regional Water Supply Authority's financial position, results of operations, and cash flows. Accordingly, the financial statements will not be designed for those who are not informed about such matters.

You agree to include our accountants' compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements, and prior to the inclusion of the report, to obtain our permission to do so. The supplementary information accompanying the financial statements will be presented for purposes of additional analysis. Our report will not express an opinion, a conclusion, nor provide any assurance on such information.

Other Relevant Information

I will be the partner in charge of the work described above. I will be responsible for supervising the engagement and signing the report or authorizing another individual to sign it. I will be assisted by other staff in the Firm whenever necessary.

Our fee for this service is \$500 per quarter, representing no change from the previous years.

Withlacoochee Regional Water Supply Authority
Attn: Mr. Richard Owen, Executive Director
Lecanto, Florida

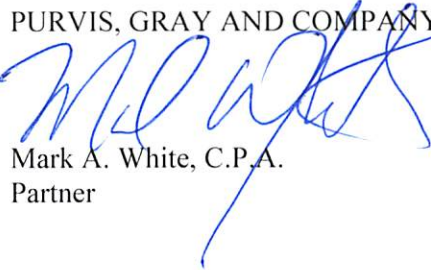
-4-

March 22, 2019

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy, and return it to us.

Sincerely,

PURVIS, GRAY AND COMPANY, LLP



Mark A. White, C.P.A.
Partner

MAW/jlk
Enclosure

ACKNOWLEDGED:

The services and terms described above are acceptable to Withlacoochee Regional Water Supply Authority and are hereby agreed to.

Signature: _____

Title: _____

Date: _____

FY 2018-19 First Quarter Financial Report

Purvis Gray & Company has prepared the FY 2018-19 First Quarter Financial Report for the period October 1, 2018 – December 31, 2018, which is included as an exhibit to this item and included in the Board's meeting materials.

See Exhibit

Staff Recommendation:

Board acceptance of the FY 2018-19 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, 2018, in accordance with accounting principles generally accepted in the United States of America. We have 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.



April 3, 2019
Ocala, Florida

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
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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, 2018

ASSETS

Cash in Bank - SunTrust	\$ 44,835.44
Cash in Bank - SBA1	640,333.12
Cash in Bank - SBA2	902,938.54
Accounts Receivable - SWFWMD	53,248.36
Accounts Receivable - County	17,367.27
Prepaid Expense	<u>3,594.26</u>

Total Current Assets	1,662,316.99
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PROPERTY AND EQUIPMENTS

Equipment	3,728.84
Accum Deprec - Equipment	(2,920.87)
Citrus Co. Wellfield	4,895,231.21
Accum Deprec - Wellfield	<u>(4,283,330.36)</u>

Total Property and Equipment	<u>612,708.82</u>
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TOTAL ASSETS	<u>\$ 2,275,025.81</u>
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LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Acct Payable - Special Projects	\$ 44,358.02
Acct Payable - General	<u>13,927.98</u>

Total Current Liabilities	58,286.00
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NET POSITION

Beginning Net Position	2,230,638.82
Net Income	<u>(13,899.01)</u>

Total Net Position	<u>2,216,739.81</u>
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TOTAL LIABILITIES AND NET POSITION	<u>\$ 2,275,025.81</u>
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Withlacoochee Regional Water Supply Authority
Statement of Revenue and Expenses
For the Period Ended December 31, 2018

	<u>3 months ended</u> <u>December 31, 2018</u>	<u>%</u>
REVENUE		
Citrus Co. Assessments	\$ 6,830.50	5.37 %
CAB Wifld Restricted Revenues	39,609.82	31.15 %
CAB Wifld Unrestricted Revenues	14,147.75	11.13 %
Hernando Co. Assessments	8,639.50	6.79 %
Sumter Co. Assessments	5,733.25	4.51 %
Marion Co. Assessment	16,590.25	13.05 %
Interest Income - SBA Accounts	12,865.47	10.12 %
Ph4 N822 Irg Audit Coop Match	477.33	0.38 %
RWSP Update SWFWMD Match	<u>22,252.51</u>	<u>17.50 %</u>
Total Revenue	127,146.38	100.00 %
OPERATING EXPENSES		
Administrative Assistant	9,375.00	7.37 %
Advertising	399.76	0.31 %
Bank Charges	34.55	0.03 %
Depreciation Expense	40,841.07	32.12 %
Executive Director	19,999.97	15.73 %
Legal - Other Services	1,071.64	0.84 %
Legislative Consultant	10,500.00	8.26 %
Liability Insurance	629.29	0.49 %
Local Govt Water Cons Proj	3,917.00	3.08 %
Office Supplies	142.48	0.11 %
Ph5 Irg Audit Program	4,780.45	3.76 %
Phase 4 N822 Irrig Audit Prgm	1,900.00	1.49 %
Postage	161.14	0.13 %
Printing & Reproduction	410.70	0.32 %
Publications/Software	26.00	0.02 %
Reg Water Supply PIn Upd SWFWMD	44,505.01	35.00 %
Registration/Dues	350.00	0.28 %
Rent (Lecanto Gov't Bldg)	511.92	0.40 %
State Fees/Assessments	175.00	0.14 %
Telephone	270.83	0.21 %
Travel (Board Members & Staff)	718.58	0.57 %
Web Page/Computer Maintenance	<u>325.00</u>	<u>0.26 %</u>
Total Operating Expenses	<u>141,045.39</u>	<u>110.93 %</u>
Net Income (Loss)	<u>\$ (13,899.01)</u>	<u>(10.93)%</u>

ACCOMPANYING SUPPLEMENTARY INFORMATION

Withlacoochee Regional Water Supply Authority

BUDGET TO ACTUAL

For the Period Ended December 31, 2018

	<u>3 months ended</u> <u>December 31,</u> <u>2018 Actual</u>	<u>3 months ended</u> <u>December 31,</u> <u>2018 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	\$ 6,830.50	\$ 6,830.50	\$ -	\$ 27,322.00	\$ (20,491.50)
Hernando Co. Assessments	8,639.50	8,639.50	-	34,558.00	(25,918.50)
Sumter Co. Assessments	5,733.25	5,733.25	-	22,933.00	(17,199.75)
Marion Co. Assessment	16,590.25	16,590.25	-	66,361.00	(49,770.75)
Interest Income - SBA Accounts	12,865.47	-	12,865.47	-	12,865.47
CAB Wifld Restricted Revenues	39,609.82	41,852.25	(2,242.43)	167,409.00	(127,799.18)
CAB Wifld Unrestricted Revenues	14,147.75	14,147.75	-	56,591.00	(42,443.25)
Ph4 N822 Irrg Aud SWFWMD Match	-	7,958.75	(7,958.75)	31,835.00	(31,835.00)
Ph4 N822 Irrg Audit Coop Match	477.33	3,979.25	(3,501.92)	15,917.00	(15,439.67)
Ph5 Irrg Audit Prgm SWFWMD Match	-	18,125.00	(18,125.00)	72,500.00	(72,500.00)
Ph5 Irrg Audit Prgm Coop Match	-	9,062.50	(9,062.50)	36,250.00	(36,250.00)
Reg Wtr Sup Plan Update SWFWMD Match	22,252.51	26,561.25	(4,308.74)	106,245.00	(83,992.49)
Total Revenue	127,146.38	159,480.25	(32,333.87)	637,921.00	(510,774.62)
Operating Expenses					
Administrative Assistant	\$ 9,375.00	\$ 9,375.00	\$ -	\$ 37,500.00	\$ (28,125.00)
Advertising	399.76	250.00	149.76	1,000.00	(600.24)
Audit	-	2,581.25	(2,581.25)	10,325.00	(10,325.00)
Bank Charges	34.55	-	34.55	-	34.55
Bookkeeping Services	-	500.00	(500.00)	2,000.00	(2,000.00)
Contingencies	-	371.75	(371.75)	1,487.00	(1,487.00)
Depreciation Expense	40,841.07	-	40,841.07	-	40,841.07
Executive Director	19,999.97	20,000.00	(0.03)	80,000.00	(60,000.03)
General Services Contracts	-	18,750.00	(18,750.00)	75,000.00	(75,000.00)
Legal - Monthly Meeting	-	750.00	(750.00)	3,000.00	(3,000.00)
Legal - Other Services	1,071.64	2,500.00	(1,428.36)	10,000.00	(8,928.36)
Legislative Consultant	10,500.00	10,500.00	-	42,000.00	(31,500.00)
Liability Insurance	629.29	632.50	(3.21)	2,530.00	(1,900.71)
Local Govt Water Cons Proj	3,917.00	32,500.00	(28,583.00)	130,000.00	(126,083.00)
Office Supplies	142.48	350.00	(207.52)	1,400.00	(1,257.52)
Ph5 Irrg Audit Program	4,780.45	36,250.00	(31,469.55)	145,000.00	(140,219.55)
Phase 4 N822 Irrig Audit Prgm	1,900.00	16,250.00	(14,350.00)	65,000.00	(63,100.00)
Postage	161.14	200.00	(38.86)	800.00	(638.86)
Printing & Reproduction	410.70	375.00	35.70	1,500.00	(1,089.30)
Publications/Software	26.00	50.00	(24.00)	200.00	(174.00)
Reg Water Supply Pln Upd SWFWMD	44,505.01	53,122.50	(8,617.49)	212,490.00	(167,984.99)
Registration/Dues	350.00	475.00	(125.00)	1,900.00	(1,550.00)
Rent (Lecanto Gov't Bldg)	511.92	512.00	(0.08)	2,048.00	(1,536.08)
State Fees/Assessments	175.00	43.75	131.25	175.00	-
Telephone	270.83	350.00	(79.17)	1,400.00	(1,129.17)
Travel (Board Members & Staff)	718.58	1,625.00	(906.42)	6,500.00	(5,781.42)
Web Page/Computer Maintenance	325.00	500.00	(175.00)	2,000.00	(1,675.00)
Total Operating Expenses	141,045.39	208,813.75	(67,768.36)	835,255.00	(694,209.61)
Increase (Decrease) in Net Position	(13,899.01)	(49,333.50)	35,434.49	(197,334.00)	183,434.99

Item 6.e.

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 2019 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. 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 authorize the Chair to sign Resolution No. 2019-02 declaring April 2019 as “Water Conservation Month.”

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY

RESOLUTION 2019-02

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY

BOARD OF DIRECTORS

**DESIGNATES APRIL 2019 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 2019 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 2019 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 seventeenth day of April 2019.

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

Attest:

BY Michelle Stone, Chairman

Richard S. Owen, Executive Director

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 2019 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 Awareness 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 continue and enhance where appropriate local efforts to protect our springs and to support the Southwest Florida Water Management District and the St. Johns River Water Management District in their efforts to conserve and protect our local springs.

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

See Exhibit

Staff Recommendation:

Approve and authorize the Chair to sign Resolution 2019-03 declaring April 2019 as “Springs Protection Awareness Month.”

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY

RESOLUTION NO. 2019-03

**WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS
PROCLAIMS APRIL 2019 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 2019 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 seventeenth day of April 2019.

**WITHLACOOCHEE REGIONAL WATER
SUPPLY AUTHORITY**

Attest:

By: _____
Michelle Stone, Chair

Richard Owen, Secretary

Election of Treasurer

At the January 2019 meeting, the Board elected officers. At that meeting, Hernando County Commissioner Wayne Dukes was elected Treasurer. The Hernando County Board of County Commissioners recently made new appointments. Commissioner Dukes was replaced by Commissioner Holcomb, with Commissioner Champion continuing to serve as a Hernando County representative on the WRWSA Board.

With Commissioner Dukes leaving the Board, it is necessary for the Board to elect a new Treasurer. The office of Treasurer is customarily filled by a Board member from the county without a representative as an officer in the previous slate of officers and Hernando County did not have an officer position on the previous slate. This practice is informal, and circumstances may warrant nominations and elections to deviate from this practice.

Staff Recommendation:

Board election of the Treasurer.

Special Counsel Report

Mr. Richard Owen, WRWSA, and Mr. Rob Batsel, Special Counsel, will present this item.

At the February 2019 meeting, the Board authorized the hiring of Special Counsel to represent the Authority in response to a Petition for Declaratory Judgement then discussed and now filed by Sumter County. This Special Counsel Report item has three components: (a) staff is requesting an amendment to the Agreement for Special Counsel services, (b) staff is recommending the Board accept a legal opinion from Special Counsel regarding municipal Board representation from Citrus County, and (c) a progress report on the Petition for Declaratory Judgement.

a. Amendment of Agreement for Special Counsel Services

At its January 2019 meeting, at the request of the City of Inverness and recognizing that the City of Crystal River representative had not attended a Board meeting since March 2018, the Board took action to designate Inverness as the municipal Board representative for Citrus County. At the Board's February meeting, with representatives of both Inverness and Crystal River in attendance, there was significant Board discussion during the roll call regarding who is the appropriate municipal representative from Citrus County. In an effort to bring closure to this issue and recognizing that the WRWSA's General Counsel, Mr. Larry Haag, had declared a conflict in that he represents the City of Inverness as well as the WRWSA, staff requested Special Counsel provide an opinion on this matter and to do so prior to the next Board meeting. These services were not specifically included in the original Agreement for Professional Legal Services with Special Counsel.

The purpose of this item is to request the Board approve an amendment to the Agreement included as an exhibit in the Board's meeting materials.

Staff Recommendation:

Board approval of the First Amendment to the Agreement for Professional Legal Services with Gilligan, Gooding, Franjola and Batsel, P.A.

b. Citrus County Municipal Representation on the WRWSA Board

Included as an exhibit to this item is the Opinion Letter from Special Counsel regarding Joint Municipal Representative from Citrus County. Mr. Rob Batsel, Special Counsel, will discuss his opinion letter with the Board.

See exhibit included in the Board's meeting materials.

Staff Recommendation:

Board acceptance of the Special Counsel opinion letter regarding municipal representation from Citrus County.

c. Sumter County's Petition for Declaratory Judgement – Mr. Rob Batsel, Special Counsel, will provide the Board with an update on the Petition for Declaratory Judgement.

Staff Recommendation:

To be presented at the meeting.

AMENDMENT 1
AGREEMENT FOR
PROFESSIONAL LEGAL SERVICES

THIS AMENDMENT 1, is made and entered into this ____ day of April 2019, by and between the **WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY** (hereinafter referred to as AUTHORITY), and the law firm of **GILLIGAN, GOODING, FRANJOLA & BATSEL, P.A.** (hereinafter referred to as SPECIAL COUNSEL), wherein it is agreed as follows:

WITNESSETH

WHEREAS, the AUTHORITY and SPECIAL COUNSEL entered into an Agreement for services dated January ____, 2019; and,

WHEREAS, the parties wish to amend said agreement to incorporate additional services to be provided by SPECIAL COUNSEL; and,

WHEREAS, SPECIAL COUNSEL represents that it has the requisite experience and skill to represent the Authority in the additional services described herein, including the services of Attorney Robert Batsel; and

WHEREAS, the AUTHORITY, desires to employ SPECIAL COUNSEL to represent the AUTHORITY with respect to said additional services.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. **RECITALS INCORPORATED:** The above recitals are true and correct and incorporated into this Agreement.

2. **SCOPE OF ADDITIONAL SERVICES:** SPECIAL COUNSEL will represent the AUTHORITY in those matters where the Authority's General

Counsel, Mr. Larry Haag, has declared a conflict of interest. This includes, but is not limited to, the issue of municipal representation within Citrus County when the municipalities cannot agree upon which municipality will represent, on the Authority Board of Directors, all municipalities within Citrus County. Other additional services may be as directed by the Authority Board or Executive Director and as agreed to by SPECIAL COUNSEL.

3. All of the terms and conditions of the original Agreement shall continue to be in force and effect except as modified by this Amendment.

IN WITNESS WHEREOF, the AUTHORITY and SPECIAL COUNSEL have executed this Agreement this ____ day of April 2019.

ATTESTED:

RICHARD OWEN
Executive Director

**WITHLACOOCHEE REGIONAL
WATER SUPPLY AUTHORITY**

By: _____
MICHELLE STONE
CHAIR

SPECIAL COUNSEL

By: _____
Printed Name: _____
Title: _____
Firm: Gilligan, Gooding, Franjola & Batsel, P.A.

GILLIGAN, GOODING, FRANJOLA & BATSEL, P.A.

**ATTORNEYS AT LAW
1531 SE 36TH AVENUE
OCALA, FLORIDA 34471**

**PATRICK G. GILLIGAN
W. JAMES GOODING III
GEORGE FRANJOLA
ROBERT W. BATSEL, JR.
CHRISTOPHER A. ANDERSON
GWENDOLYN M. PASTEUR
WILLIAMS**

**TELEPHONE (352) 867-7707
FACSIMILE (352) 620-8884
www.ocalalaw.com
email: rbatsel@ocalalaw.com**

March 8, 2019

Via Electronic Mail

Mr. Richard S. Owen
Executive Director
Withlacoochee Regional Water Supply Authority
3600 W. Sovereign Path, Suite 228
Lecanto, FL 34461
richardowen@wrwsa.org

RE: Joint Municipal Representative from Citrus County

Dear Mr. Owen,

I hope my letter finds you well. Following our recent conversation and subsequent investigation, including discussions with Withlacoochee Regional Water Supply Authority ("Authority") member attorneys, I am writing to provide my opinion concerning the Authority Governing Board's joint representative authorized to serve on behalf of member municipalities located in Citrus County.

The Authority's Revised and Restated Interlocal Agreement ("Interlocal Agreement") provides that any municipality may become a party thereto upon adoption of a resolution indicating its desire to do so. Thereafter, "(a)ll cities within each member county will have one (1) joint representative who shall be selected by all member cities within their respective county by selecting the said representative who will thereafter represent all member cities within the respective county." In other words, the power to designate a joint representative rests with the member cities from each county. In Citrus County, member cities include the City of Crystal River and the City of Inverness.

Until January of 2019, it is my understanding that the City of Crystal River was selected and recognized by all Authority members as the joint representative from Citrus County. There has been no recent "selection" by the cities of Crystal River and Inverness to designate an alternative joint representative pursuant to the Interlocal Agreement. Therefore, it is my opinion that the City of Crystal River remains authorized to serve as the joint representative from Citrus County unless and until the member cities select an alternative representative or mutually acceptable arrangement, the Interlocal Agreement is amended by the signatories, or alternative action is taken to effectuate the removal of members or representatives through other means.

I sincerely appreciate the opportunity to serve the Authority and its members. Please do not hesitate to contact me with any questions or concerns. I look forward to speaking with you soon.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Batsel, Jr.", with a stylized, cursive script.

Robert W. Batsel, Jr.

Reevaluation of the Minimum Flows for the Chassahowitzka and Homosassa River Systems

Gabe Herrick, PhD., Senior Environmental Scientist, and Ron Basso, Chief Hydrogeologist, both with the Southwest Florida Water Management District (SWFWMD), will provide an update on the reevaluation of the Minimum Flows for the Chassahowitzka and Homosassa River Systems.

The SWFWMD is directed by the Florida Legislature to establish minimum flows for rivers and springs within its jurisdiction. Minimum flows are defined in Section 373.042(1), Florida Statutes, as “the limit at which further withdrawals would be significantly harmful to the water resources or ecology of the area.” Once adopted into District rules, minimum flows can be used for water supply planning, water use permitting and environmental resource regulation. Minimum flows are important to the WRWSA and its member governments in that they help to define the amount of water available for withdrawal, not only in the river systems, but in the groundwater basins that contribute flow to the springs and river runs.

Minimum flows for the Chassahowitzka and Homosassa River Systems were first adopted by the SWFWMD in 2013. The SWFWMD committed to reevaluate the Minimum Flows for these two river systems within six years of the initial adoption. The reevaluations are scheduled for completion in 2019.

Staff Recommendation:

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

Fiscal Year 2017-18 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, 2018.

Included as an exhibit in the Board's meeting materials is the Authority's financial position provided to Purvis Gray & Company.

See the following exhibits which are included as separate documents:

- A. March 5, 2019 letter from Purvis Gray and Company;
- B. Financial Statements and Independent Auditors' Report for Fiscal Year 2017-18.

Staff Recommendation:

Board approval of the Financial Statements and Independent Auditors' Report for Fiscal Year 2017-18, dated March 5, 2019, as presented at the meeting and submittal of this report to the Auditor General and to the Florida Department of Financial Services.



March 5, 2019

Purvis, Gray & Company, LLP
Laurel Ridge Professional Center
2347 S.E. 17th Street
Ocala, Florida 34471

This representation letter is provided in connection with your audit of the financial statements of the Withlacoochee Regional Water Supply Authority (the Authority), which comprise the respective financial position of the business-type activities and the major fund as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 5, 2019, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 26, 2005, and communications letter dated September 30, 2017 including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements, if any.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Authority or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Authority and involves —
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by employees, former employees, regulators, or others
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have address prior year audit findings and recommendations.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 22) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net position.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 28) As part of your audit, you assisted with preparation of the financial statements and related notes and period end closing assistance. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 29) In regard to the maintenance of the depreciation schedules and proposed adjust adjustments by you, we have—
 - 1) Assumed all management responsibilities.
 - 2) Designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services.
 - 3) Evaluated the adequacy and results of the services performed.
 - 4) Accepted responsibility for the results of the services.

- 30) The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 31) The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 32) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34 .
- 33) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 36) Provisions for uncollectible receivables have been properly identified and recorded.
- 37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 38) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 39) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 40) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 42) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Sincerely,

A handwritten signature in black ink, reading "Richard S. Owen". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Richard S. Owen, AICP
Executive Director

Fiscal Year 2018-19 Budget Approval Ratification

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

The Revised and Restated Interlocal Agreement creating the WRWSA requires at least one county commissioner member from each of the Authority's four counties be present to constitute a quorum for purposes of approving the budget. This budget approval quorum requirement has not been met at multiple Board meetings where the Fiscal Year (FY) 2018-19 budget was placed on the agenda for approval, including the May and September 2018 regularly scheduled Board meetings and the October 2018 special Board meeting convened for the specific purpose of budget approval. At each of these meetings, which otherwise met the quorum requirements for having a Board meeting, a majority of the members present voted to approve the budget. This item has been placed on the agenda in anticipation that at least one county commissioner member from each of the Authority's four counties will be present to constitute a quorum for purposes of approving the FY 2018-19 budget.

The following information and associated exhibits for the FY 2018-19 Budget are the same as was provided for the May, September and October 2018 Board meetings.

Included as Exhibit A to this item is the proposed FY 2018-19 budget for the Board's review and approval. The budget has been prepared in a conservative manner in an effort to reduce costs and enhance efficiencies for member governments. Included as Exhibit B is a description of the Authority's FY 2018-19 work program that is supported by the proposed budget. Outlined below are the major aspects of the proposed budget.

Highlights

- Administrative expenditures of \$207,765, down slightly from the current year by \$6,240 or 2.9%. There is no change in contracted staff compensation.
- Water Resource Development Project expenditures of \$627,490, up from the current year amended budget by \$17,470 or 2.9%, due to a combination of a reduction in the budget for the continuation of the Phase 4 Irrigation Audit Program and the Regional Water Supply Plan Update, and the addition of the Phase 5 Irrigation Audit Program.
- Total budgeted expenditures amount to \$835,255, representing an increase from the current year amended budget in an amount of \$11,230, or 1.4%.
- Administrative Reserves at the end of the fiscal year are budgeted at \$575,100, up from the current year by \$74,723 or 14.9%.
- Water Resource Development Reserves at the end of the fiscal year are budgeted at \$755,656, down from the current year by \$47,462 or 6.7%.
- Combined Administrative and Water Resource Development Reserves at the end of the fiscal year total \$1,330,756, representing an increase of \$122,185 or 10.1%.

Revenues

Administrative

Staff recommends a per capita rate of \$0.19, the same assessment as in the last eight years. The per capita assessment will generate \$151,174 in revenues, up just slightly from the current year (an increase of \$1,666) due to increases in the region's population. Consistent with Board direction received at the January 18, 2017 meeting, administrative revenue from the Charles A. Black (CAB) wellfield facilities has been set at the amount of administrative expenditures in excess of the per capita revenues. This results in \$56,591 of the CAB wellfield revenues being allocated to administration, a decrease of \$3,409 from the current year. Combined, these

revenue sources generate \$207,765 in revenue for administrative purposes. This is equal to the proposed Administrative expenditures described below.

Water Supply Facility Development

Revenues for Water Supply Facility Development are derived from matching funds generated by cooperatively funded projects and the CAB wellfield payments. Two continuing cooperatively funded projects, including Phase 4 of the Irrigation Audit Program and the Regional Water Supply Plan Update, will carry on in the coming fiscal year. In addition, Phase 5 of the Irrigation Audit Program commences in the fiscal year. Budgeted revenues from cooperators during the fiscal year include \$210,580 from the SWFWMD and \$52,167 from utilities participating in the Irrigation Audit Programs. The CAB wellfield revenue has been budgeted at the minimum annual production charge of \$224,000 minus the \$56,591 allocated toward administrative expenses, as described above. Should the Authority receive funds above the annual minimum production charge, these funds will be placed in the Water Resource Development Reserves account for future projects. Combined, these revenue sources generate \$430,156 in project-related revenues.

Expenditures

General Administration

Staff has again worked diligently to hold the line on and reduce, where possible, budgeted administrative expenses. This has involved a comprehensive review of all administrative expenses, examining each for expenditures to-date, projected expenditures through the remainder of the current fiscal year and then projecting these for the coming year. Most of the Authority's contracted staff support, including the Executive Director, Administrative Assistant, and Legislative contractors are proposed at the current fiscal year levels of funding. Legal Services have been reduced to reflect only 6 Board meetings in the year and a reduced amount budgeted for other legal services based upon recent actual expenditures. The slight increase in audit services is consistent with the audit engagement letter, which provides for a cost-of-living adjustment each year. The bookkeeping services are proposed at the current year amount of \$500.00 per quarter. All other changes in budgeted administrative activities are based upon recent trends in expenditures. Contingencies represent approximately 5% of the other non-contract administrative costs (e.g., administrative costs excluding the Executive Director, Administrative Assistant, Legal Services, Legislative Consultant, Audit and Bookkeeping services).

Total administrative expenses are proposed at \$207,765, a decrease of \$6,240, or 2.8%, from the current fiscal year budget.

Water Resource Development Projects

There are five (5) projects proposed in FY 2018-19, each of which is briefly described below.

1. General Services – the General Services project is proposed to continue at the current funding amount of \$75,000.
2. Local Government Water Supply Grants – the Board previously approved setting the Authority's Water Conservation Grants program at a funding level of \$130,000 for the year. Grant proposals are due by the end of June 2018 and will be presented at the Board's September 2018 meeting.
3. Phase 4 Irrigation Audit Program – this program started in FY 2016-17 and is scheduled to continue through the coming FY with a budget of \$65,000. Completion is scheduled for FY2019-20.

Item 11

4. Phase 5 Irrigation Audit Program – this phase of the irrigation audit program is currently recommended for cooperative funding by the SWFWMD. Pursuant to the District's cooperative funding requirements, the project's full cost is budgeted in the coming year, even though it is a multi-year project and the expenditures will extend into future years.
5. Regional Water Supply Plan Update – this project began in FY 2017-18 and continues into the coming year.

The total project-related budgeted expenditures are \$627,490. This represents \$197,334 more than project-related revenues (\$627,490 - \$430,156), which is funded by utilization of Carryover WRDF reserves. Carryover WRDF reserve funds are estimated to be \$755,656 at the end of FY 2018-19.

Fund Balances

Total fund balances at the end of FY 2018-19 are projected to be \$1,330,756 with Administrative Reserves comprising \$575,100 and Water Resource Development Reserves projected at \$755,656. These funds could be used during FY 2018-19 for possible projects and costs that may arise and that are approved by the Board and will be available for future project funding.

See exhibits provided in the Board's meeting materials.

Staff Recommendation:

Board ratify the action taken by the Board at its October 17, 2018 meeting approving the FY 2018-19 budget by adoption of Resolution 2018-04, shown as in the Exhibit, said budget including budgeted expenditures in the amount of \$835,255, budgeted reserves in the amount of \$1,330,756, and a combined total amount of \$2,166,010, as presented in Exhibit A.

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY						
Proposed Fiscal Year 2018-19 Budget						
As of April 26, 2018						
	4/1/2017 Population Estimate	Comments	Fiscal Year 2018-19	Fiscal Year 2017-18	\$ Change	% Change
Revenues: Administrative						
Assessments:	Official BEBR Population Estimates					
Citrus	143,801	747 person increase	\$27,322	\$27,180	\$142	0.5%
Hernando	181,882	2,379 person increase	\$34,558	\$34,106	\$452	1.3%
Marion	349,267	3,518 person increase	\$66,361	\$65,692	\$669	1.0%
Sumter	120,700	2,123 person increase	\$22,933	\$22,530	\$403	1.8%
Total Population/Assessments @ 19¢/Capita	795,650		\$151,174	\$149,508	\$1,666	1.1%
Administrative Revenue from Citrus Contract		Based on Citrus County contract and Board direction	\$56,591	\$60,000	-\$3,409	-5.7%
Subtotal			\$207,765	\$209,508	-\$1,744	-0.8%
Carryover Administration Reserve Funds (FYE 17/18 Estimate) (SBA1)		See Attachment 2	\$575,100	\$500,377	\$74,723	14.9%
Total Administrative Revenue Available			\$782,865	\$709,885	\$72,980	10.3%
Revenues: Water Resource Development (WRD) Projects						
Phase 4 Irrigation Audit Program SWFWMD Matching Funds		Based on project schedule and billings	\$31,835	\$52,510	-\$20,675	-39.4%
Phase 4 Irrigation Audit Program Cooperator Matching Funds		Based on project schedule and billings	\$15,917	\$26,255	-\$10,338	-39.4%
Phase 5 Irrigation Audit Program SWFWMD Matching Funds		50% of Total Project Budget	\$72,500	\$0	\$72,500	NA
Phase 5 Irrigation Audit Program Cooperator Matching Funds		25% of Total Project Budget	\$36,250	\$0	\$36,250	NA
Regional Water Supply Plan Update SWFWMD Matching Funds		50% of Projected FY 2018-19 Expenses based on C&B weimer contract minimum production charge of \$224,000 minus funds allocated to administrative revenue share	\$106,245	\$150,000	-\$43,755	NA
Annual Citrus WRD Payments (SBA2)			\$167,409	\$161,169	\$6,240	3.9%
Subtotal			\$430,156	\$389,934	\$40,223	10.3%
Carryover WRD Reserve Funds (FYE 17/18 Estimate) (SBA2)		See Attachment 2	\$952,989	\$928,280	\$24,709	2.7%
Total Water Resource Development Revenue Available			\$1,383,146	\$1,318,214	\$105,154	8.0%
Total Revenues Available			\$2,166,010	\$2,028,099	\$178,134	8.8%
Expenditures: General Administration						
Executive Director		Based on annual contract	\$80,000	\$80,000	\$0	0.0%
Administrative Assistant		Based on annual contract	\$37,500	\$37,500	\$0	0.0%
Legal Services		Based on annual contract:				
Monthly Meetings @ \$500/meeting		6 meetings per year	\$3,000	\$5,000	-\$2,000	-40.0%
Other Services @ \$150/hr.		80 hours	\$10,000	\$12,000	-\$2,000	-16.7%
Legislative Consultant		Based on annual contract	\$42,000	\$42,000	\$0	0.0%
Advertising		Based on FY 2017-18 Actual	\$1,000	\$1,000	\$0	0.0%
Audit		FY 2017 Actual plus 3% COLA	\$10,325	\$9,978	\$347	3.5%
Bookkeeping Services		\$500/quarter per Engagement Letter	\$2,000	\$2,000	\$0	0.0%
Liability Insurance		Based on FY 17-18 plus 5% rounded up	\$2,530	\$2,625	-\$95	-3.6%
Office Supplies		Based on FY 2017-18 Actual	\$1,400	\$800	\$600	75.0%
Postage		Based on FY 2017-18 Actual	\$800	\$800	\$0	0.0%
Printing and Reproduction		Based on FY 2017-18 Actual	\$1,500	\$2,000	-\$500	-25.0%
Publications/Software		Based on FY 2017-18 Actual	\$200	\$200	\$0	0.0%
Rent (Lecanto Gov't Bldg)		Based on lease agreement	\$2,048	\$2,048	\$0	0.0%
Registrations/Dues		Based on inventory	\$1,900	\$1,900	\$0	0.0%
State Fees/Assessments		Based on FY 2017-18 Actual	\$175	\$175	\$0	0.0%
Telephone		Based on FY 2017-18 Actual	\$1,400	\$1,100	\$300	27.3%
Travel (Board Members & Staff)		Based on FY 2017-18 Actual	\$6,500	\$9,000	-\$2,500	-27.8%
Web Page / Computer Maintenance		Increase in web maintenance costs	\$2,000	\$2,300	-\$300	-13.0%
Contingencies		@ 5% of non-contract admin costs	\$1,487	\$1,579	-\$92	-5.9%
Subtotal - General Administration Expenditures			\$207,765	\$214,005	-\$6,240	-2.9%
Fund Balance for Admin. Reserves FYE 18/19		FYE17/18 Admin Funds Bal + FY18/19 Admin Rev's - FY18/19 Admin Exp's	\$575,100	\$500,377	\$74,723	14.9%
Expenditures: Water Resource Development Projects						
General Services Contracts		As Needed Eng. & Tech. Firms	\$75,000	\$75,000	\$0	0.0%
Local Government Grant Program		Based on Board Direction	\$130,000	\$130,000	\$0	0.0%
Phase 4 Enhanced Irrigation Audit Program		Based on Project Schedule and Billings	\$65,000	\$105,020	-\$40,020	-38.1%
Phase 5 Irrigation Audit Program		100% of Project Budget	\$145,000	\$0	\$145,000	NA
Regional Water Supply Plan Update SWFWMD		Projected Project Expenditures	\$212,490	\$300,000	-\$87,510	NA
Subtotal - Water Resource Development Projects			\$627,490	\$610,020	\$17,470	2.9%
Fund Balance for Water Resource Development Reserves FYE 18/19		FYE17/18 WRD Funds Bal + FY18/19 WRD Rev's - FY18/19 WRD Exp's	\$755,656	\$708,194	\$47,462	6.7%
Total Administration and WRD Expenses			\$835,255	\$824,025	\$11,230	1.4%
Total Administration and WRD Fund Balances at FYE 18/19			\$1,330,756	\$1,208,571	\$122,185	10.1%
Combined FYE 18/19 Expenditures and Fund Balances			\$2,166,010	\$2,032,596	\$133,414	6.6%

ATTACHMENT 1

CALCULATION OF REVENUE FOR 2018-19 AND CALCULATION OF AMOUNT OF FUNDS NEEDED FROM RESERVES As of April 26, 2018

Revenue	4/1/2017 Population	Annual Amount	Sub-Totals
LOCAL ASSESSMENTS @ 19¢ PER CAPITA			
Citrus	143,801	\$27,322	
Hernando	181,882	\$34,558	
Marion	349,267	\$66,361	
Sumter	120,700	\$22,933	
Subtotal	795,650		\$151,174
CHARLES A. BLACK WATER SUPPLY FACILITY			
Minimum Production Charge		\$224,000	
Subtotal			\$224,000
MATCHING CONTRIBUTIONS FOR STUDIES			
SWFWMD Match for Phase 4 Irrigation Audit Program		\$31,835	
Cooperator Match for Phase 4 Irrigation Audit Program		\$15,917	
SWFWMD Match for Phase 5 Irrigation Audit Program		\$72,500	
SWFWMD Match for RWSP Update		\$106,245	
Subtotal			\$226,497
TOTAL REVENUE FOR FY 2018-19			\$601,671
Less: 2018-19 Administration Expense			-\$207,765
Less: 2018-19 WRD Cost			-\$627,490
Funds Required from WRWSA Reserves			-\$233,584

ATTACHMENT 2

ANALYSIS OF BEGINNING FUND BALANCES

FY 2018 - 2019

As of April 26, 2018

ESTIMATE OF WATER RESOURCES DEVELOPMENT FUND BALANCE AT END OF FY 2017-18

04/17/18 WRDF Balance (SBA2)	\$1,014,487
FY 2017-18 Remaining WRD Fund Revenues	
6 Citrus Co. Payments 4/18 - 9/19 @ \$1,866.67/month minus administrative component below	\$94,330.02
Phase 4 Irrigation Audit Revenue	\$101,948
Regional Water Supply Plan Update	\$43,755
Revenues Subtotal	\$1,254,520
Less: FY 2017-18 Remaining Contract Balances:	
2017-18 Citrus Water Conservation Program	\$42,628
2017-18 Hernando Water Conservation Program	\$48,350
2017-18 Marion Water Conservation Program	\$35,245
Irrigation Audit Phase 4	\$135,931
2017-18 General Services Contract	\$17,500
Regional Water Supply Plan Update	\$21,878
Expenditures Subtotal	\$301,531
Total WRD Funds at end of FY 2017-18	\$952,989

ESTIMATE OF ADMINISTRATIVE FUND BALANCE AT END OF FY 2017-18

04/17/18 Admin Bal (SBA1)	\$575,100
Admin Revenue from CAB WSF	\$17,670
Admin Revenue from Per Capita Contributions	\$62,295
Less remaining FY Admin costs for 5 months	-\$79,965
Total Administrative Funds at end of FY 2017-18	\$575,100

ESTIMATE OF TOTAL FUND BALANCE AT END OF FY 2017-18

Total WRD Funds at end of FY 2017-18				\$952,989
Total Administrative Funds at end of FY 2017-18				\$575,100
Total Fund Balance at end of FY 2017-18				\$1,528,089

PROJECTED FUND BALANCES AT END OF FY 2018-19

Total Fund Balances beginning of FY 2018-19:	\$1,528,089
Add: 2018-19 Revenues	\$601,671
Deduct 2018-19 Expenses:	-\$835,255
Projected Fund Balances at end of FY 2018-19:	\$1,294,506

Withlacoochee Regional Water Supply Authority

Fiscal Year 2018-19 Work Program

1. Joint Funding of Water Conservation Projects with Member Local Governments

The Authority will continue its grant program to assist local governments in improving water conservation within the region in order to extend the use of groundwater as long as possible. Fresh groundwater is the least expensive source available to meet growing demands, however there is a limit to this source due to environmental impacts and impacts on other existing legal users caused by withdrawals. As the limit to fresh groundwater resources is reached, alternative, more expensive water sources will need to be developed. At the present time, water conservation programs are the most appropriate way for the Authority to help local governments extend the use of lower cost groundwater supplies. During Fiscal Year (FY) 2018-19, the proposed budget anticipates appropriating an additional \$130,000 toward local government water conservation projects. Proposals will be considered from local governments and public supply utilities in the Authority's jurisdiction. The grant program guidelines and application package may be found on the Authority's web page at www.wrwsa.org. The water conservation activities co-funded by this grant program help participating utilities meet and surpass the maximum 150 gallons per person per day that is required by the SWFWMD no later than 2019 and to meet the SJRWMD conservation requirements.

2. Regional Residential Irrigation Audit Program to Promote Water Conservation within the Region

This ongoing program provides an opportunity for residential water utility customers to obtain site-specific evaluations for optimizing the use of water through landscaping techniques and efficient irrigation systems, and to implement recommendations provided by a professionally certified contractor. Contractors used for the site-specific evaluations are professionals certified by the Florida Irrigation Society (FIS) or another recognized certifying agency in the targeted region. The initiative includes program information, water conservation education, reporting and analysis by a consultant. This continuing project targets existing inefficient landscape and irrigation water use and results in significant water savings and can lead to water quality protection through reduced leaching of fertilizers and lawn chemicals. Results from the Pilot Project and Phases 2 and 3 indicate a total water savings of 48 million gallons per year for 532 residential customers, representing an average reduction in total water use of 29%.

The current Phase 4 of the program began in FY2016-17, is scheduled to be complete in FY 2019-20 and includes an "Enhanced Program", whereby participants in certain utilities can elect to have the WRWSA's contractor assist in implementing certain recommendations. Phase 4 is planned to reach approximately 400 customers in the participating utilities. Phase 5 is planned to start in FY 2018-19 and to reach a total of 260 residential customers. This program is co-funded by the SWFWMD. Participating utilities incur only 25% of their respective portion of the project, leveraging local dollars with regional funds. This water conservation initiative helps participating utilities meet and surpass the maximum 150 gallons per person per day that is required by the SWFWMD no later than 2019.

3. Regional Water Supply Plan Update

The Authority initiated an update to its Regional Water Supply Plan in FY 2017-18 and this effort will continue throughout FY 2018-19. This work effort includes updated water demand projections, evaluation of source options and potential water supply project options. The update of the WRWSA

RWSP will include updating population projections; existing and future water demands for public supply and other water use categories; traditional and alternative water supply availability; regional groundwater modeling; estimates of the amount of future demands that could be offset through enhanced water conservation efforts; reclaimed water availability and potential offsets; and recommendations regarding the WRWSA Regional Framework. The project entails significant coordination with and input by the water supply utilities within the WRWSA's region. The Authority's RWSP was last updated in 2014. This project is cooperatively funded by the SWFWMD.

4. Legislative and Governmental Affairs Advocacy on Behalf of the Authority and Its Member Governments

The Authority conducts legislative and executive branch advocacy year-round to promote initiatives on behalf of the Authority and its member governments, and to protect the Authority's interests. Historically, the Authority has played a vital role in influencing state and regional water supply planning, permitting and funding programs including "local sources first," the Water Protection and Sustainability Program and subsequent water resource and supply funding programs. Each year prior to the Legislative Session, the Authority Board of Directors reviews and approves policy direction to guide its advocacy efforts. Progress reports are provided on a regular basis. It is anticipated that during FY 2018-19, the Florida Legislature will continue to make modifications to the state's comprehensive water policies and funding programs. The passage of comprehensive water protection legislation, springs protection and restoration funding and legislation, and the "Legacy Florida" legislation relating to the implementation of the Constitutional Land and Water Conservation Amendment in recent years will likely require continuing refinements in the upcoming session. The Authority will remain fully engaged in assisting the Legislature to implement and refine this recent legislation that significantly revamped the state's comprehensive water policies and funding programs, as well as engage as appropriate on new legislation that would affect the Authority and member governments' water supplies.

5. Continued Cooperation with Citrus County in Operation and Management of the Authority's Charles A. Black Water Supply Facilities

The Authority and Citrus County completed negotiations at the end of FY 2015-16 of the new Water Supply Contract governing the operation and maintenance of the CABWSF. The new Contract allows for the continued operation of the facilities by Citrus County in a cost-effective manner ensuring a long-term water supply for the County and its customers while also providing for long-term financial stability for the Authority. Various provisions of the new Contract call for improved coordination between the County and Authority.

6. Participation in Maintenance and Enhancement of the North-Central Florida Groundwater Model

The first phase of this project was jointly funded by the SWFWMD, St. Johns River WMD, Marion County and the Authority. The project was initiated in fiscal year 2012-13. Phase 1 of the project entailed updating and expanding the SWFWMD's Northern District Groundwater Model to encompass all of Marion County and to incorporate the most recent hydrologic data. Phase 1 of the project was successfully completed. The intent is for both water management districts to utilize this common model for determining the availability of groundwater in the region, particularly in Marion County which is split by the districts' boundaries. The SJRWMD and SWFWMD continue to improve upon the model and seek the engagement of various stakeholders. The model has significant implications for groundwater availability in the region and the Authority's continued participation and coordination with member

governments is essential to ensure water supply implications are considered as the model is updated. The Authority also engages with both Districts to ensure continued use and support of the model.

7. Springs Protection and Restoration

The Authority continues to work with the SWFWMD on its springs coast initiative. The SWFWMD recently completed Surface Water Improvement and Management (SWIM) Plans for the five first magnitude springs in the northern District. These SWIM plans call for action by not only the District but local governments and other stakeholders in the region to protect and restore these first magnitude springs. The Authority staff continue to actively participate in the Springs Coast Management Committee and monitor activities of the District and the Steering Committee for implications on water supply in the region.

8. Program Development and Technical Assistance

- a) Support efforts to further define the hydrogeology of the region. Continue cooperation with the water management districts on the collection of hydrologic data to further refine the Districts' planning and regulatory models. Coordinate on efforts to better define the lower Floridan aquifer and the extent of fresh and brackish groundwater within the aquifer.
- b) Promote the WRWSA Regional Framework through coordination with WRWSA member governments to facilitate regional and sub-regional cooperation on water supply development and reclaimed water projects. Work with the WMDs in defining strategic priorities for the region and how these priorities may influence the ranking criteria for the Districts' Cooperative Funding Initiatives, including potential District funding for regional and sub-regional traditional and non-traditional water supply development that is consistent with the WRWSA Regional Framework.
- c) Participate in the SWFWMD and SJRWMD minimum flows and levels (MFLs) programs representing the interests of member governments. Provide technical assistance to WRWSA member governments in determining the potential impact to both the environment and potential water supply development based on proposed MFLs.
- d) Coordinate with FDEP, SJRWMD, SWFWMD and the Florida Department of Agriculture and Consumer Services on policy and rule development. Provide assistance to WRWSA member governments on FDEP and District rule development that may include Water Use Permitting, Environmental Resource Permitting, water conservation and future water supply development, including the statewide consistency initiatives. Monitor water management programs and rule development in other parts of the state, including the Central Florida Water Initiative, for implications to the WRWSA and its member governments.
- e) Monitor and coordinate with the water supply planning and development activities in adjacent communities and regions, including but not limited to Tampa Bay Water, the Central Florida Water Initiative, the Polk Water Cooperative, and Lake and Levy counties for possible implications on water resource availability within the WRWSA region. Provide input to such activities when appropriate.
- f) Monitor applications for significant water use permits and permit modifications within the region for potential impacts on WRWSA and member government existing and planned water supply facilities and engage in the permitting process where appropriate.

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY						
Amended Fiscal Year 2018-19 Budget						
Approved May 16, 2018 / Ratified October 17, 2018 / Amended February 20, 2019 (Changes Highlighted in Green)						
	4/1/2017 Population Estimate	Comments	Fiscal Year 2018-19	Fiscal Year 2017-18	\$ Change	% Change
Revenues: Administrative						
Assessments:	Official BEBR Population Estimates					
Citrus	143,801	747 person increase	\$27,322	\$27,180	\$142	0.5%
Hernando	181,882	2,379 person increase	\$34,558	\$34,106	\$452	1.3%
Marion	349,267	3,518 person increase	\$66,361	\$65,692	\$669	1.0%
Sumter	120,700	2,123 person increase	\$22,933	\$22,530	\$403	1.8%
Total Population/Assessments @ 19¢/Capita	795,650		\$151,174	\$149,508	\$1,666	1.1%
Administrative Revenue from Citrus Contract		Based on Citrus County contract and Board direction	\$75,105	\$60,000	\$15,105	25.2%
Subtotal			\$226,278	\$209,508	\$16,770	8.0%
Carryover Administration Reserve Funds (FYE 17/18 Estimate) (SBA1)		See Attachment 2	\$575,100	\$500,377	\$74,723	14.9%
Total Administrative Revenue Available			\$801,378	\$709,885	\$91,493	12.9%
Revenues: Water Resource Development (WRD) Projects						
Phase 4 Irrigation Audit Program SWFWMD Matching Funds		Based on project schedule and billings	\$31,835	\$52,510	-\$20,675	-39.4%
Phase 4 Irrigation Audit Program Cooperator Matching Funds		Based on project schedule and billings	\$15,917	\$26,255	-\$10,338	-39.4%
Phase 5 Irrigation Audit Program SWFWMD Matching Funds		50% of Total Project Budget	\$72,500	\$0	\$72,500	NA
Phase 5 Irrigation Audit Program Cooperator Matching Funds		25% of Total Project Budget	\$36,250	\$0	\$36,250	NA
Regional Water Supply Plan Update SWFWMD Matching Funds		50% of Projected FY 2018-19 Expenses based on C&B weintraub contract minimum production charge of \$224,000 minus funds allocated to administrative revenue above	\$106,245	\$150,000	-\$43,755	NA
Annual Citrus WRD Payments (SBA2)			\$148,896	\$161,169	-\$12,273	-7.6%
Subtotal			\$411,643	\$389,934	\$21,709	5.6%
Carryover WRD Reserve Funds (FYE 17/18 Estimate) (SBA2)		See Attachment 2	\$952,989	\$928,280	\$24,709	2.7%
Total Water Resource Development Revenue Available			\$1,364,632	\$1,318,214	\$68,127	5.2%
Total Revenues Available			\$2,166,010	\$2,028,099	\$159,620	7.9%
Expenditures: General Administration						
Executive Director		Based on annual contract	\$80,000	\$80,000	\$0	0.0%
Administrative Assistant		Based on annual contract	\$37,500	\$37,500	\$0	0.0%
Legal Services		Based on annual contract:				
Monthly Meetings @ \$500/meeting		6 meetings per year	\$3,000	\$5,000	-\$2,000	-40.0%
Other Services @ \$150/hr.		80 hours	\$10,000	\$12,000	-\$2,000	-16.7%
Special Counsel			\$20,000	\$0	\$20,000	-
Legislative Consultant		Based on annual contract	\$42,000	\$42,000	\$0	0.0%
Advertising		Based on FY 2017-18 Actual	\$1,000	\$1,000	\$0	0.0%
Audit		FY 2017 Actual plus 3% COLA	\$10,325	\$9,978	\$347	3.5%
Bookkeeping Services		\$500/quarter per Engagement Letter	\$2,000	\$2,000	\$0	0.0%
Liability Insurance		Based on FY 17-18 plus 5% rounded up	\$2,530	\$2,625	-\$95	-3.6%
Office Supplies		Based on FY 2017-18 Actual	\$1,400	\$800	\$600	75.0%
Postage		Based on FY 2017-18 Actual	\$800	\$800	\$0	0.0%
Printing and Reproduction		Based on FY 2017-18 Actual	\$1,500	\$2,000	-\$500	-25.0%
Publications/Software		Based on FY 2017-18 Actual	\$200	\$200	\$0	0.0%
Rent (Lecanto Gov't Bldg)		Based on lease agreement	\$2,048	\$2,048	\$0	0.0%
Registrations/Dues		Based on inventory	\$1,900	\$1,900	\$0	0.0%
State Fees/Assessments		Based on FY 2017-18 Actual	\$175	\$175	\$0	0.0%
Telephone		Based on FY 2017-18 Actual	\$1,400	\$1,100	\$300	27.3%
Travel (Board Members & Staff)		Based on FY 2017-18 Actual	\$6,500	\$9,000	-\$2,500	-27.8%
Web Page / Computer Maintenance		Increase in web maintenance costs	\$2,000	\$2,300	-\$300	-13.0%
Contingencies		@ 5% of non-contract admin costs	\$0	\$1,579	-\$1,579	-100.0%
Subtotal - General Administration Expenditures			\$226,278	\$214,005	\$12,273	5.7%
Fund Balance for Admin. Reserves FYE 18/19		FYE17/18 Admin Funds Bal + FY18/19 Admin Rev's - FY18/19 Admin Exp's	\$555,100	\$500,377	\$54,723	10.9%
Expenditures: Water Resource Development Projects						
General Services Contracts		As Needed Eng. & Tech. Firms	\$75,000	\$75,000	\$0	0.0%
Local Government Grant Program		Based on Board Direction	\$130,000	\$130,000	\$0	0.0%
Phase 4 Enhanced Irrigation Audit Program		Based on Project Schedule and Billings	\$65,000	\$105,020	-\$40,020	-38.1%
Phase 5 Irrigation Audit Program		100% of Project Budget	\$145,000	\$0	\$145,000	NA
Regional Water Supply Plan Update SWFWMD		Projected Project Expenditures	\$212,490	\$300,000	-\$87,510	NA
Subtotal - Water Resource Development Projects			\$627,490	\$610,020	\$17,470	2.9%
Fund Balance for Water Resource Development Reserves FYE 18/19		FYE17/18 WRD Funds Bal + FY18/19 WRD Rev's - FY18/19 WRD Exp's	\$737,142	\$708,194	\$28,948	4.1%
Total Administration and WRD Expenses			\$853,768	\$824,025	\$29,743	3.6%
Total Administration and WRD Fund Balances at FYE 18/19			\$1,292,242	\$1,208,571	\$83,671	6.9%
Combined FYE 18/19 Expenditures and Fund Balances			\$2,166,010	\$2,032,596	\$133,414	6.6%

FY 2019-20 Budget Approval

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

The purpose of this item is for the Board to approve the FY2019-20 budget. The following describes key elements in preparing the proposed budget.

a. Withdrawal of SWFWMD Cooperative Funding Initiative Application for Phase 6 of the Irrigation Audit Program

At its September 19, 2018 meeting the Board authorized the submittal of an application to the Southwest Florida Water Management District's (SWFWMD) Fiscal Year (FY) 2019-20 Cooperative Funding Initiative. The application was for Phase 6 of the Authority's Irrigation System Audit Program. At the time of preparing the application, it was anticipated the irrigation system audits being conducted in the ongoing Phase 5 of the Program would be completed during the 2019 calendar year, well before the project timeline requirements. This was based on the knowledge that the mailing of invitations was to be completed in late 2018 early 2019, as well as the fact that the Authority's contractor had increased its staff resources for this phase of the program.

The Phase 5 Cooperative Funding Agreement timeline authorizes audits to be conducted from December 1, 2018 through May 31, 2020. Unfortunately, audits have not progressed as quickly as intended, primarily due to lower than expected response rates and difficulties identifying participants.

In order to avoid overlap of audit work with Phase 6, staff has discussed with the SWFWMD the withdrawal of this FY 2019-20 Cooperative Funding Initiative application with resubmittal anticipated in the following fiscal year.

b. Establishment of the FY 2019-20 Per Capita Rate

Each year the Authority Board must approve a per capita rate for each of the member counties. The current rate of \$0.19 per capita has been in effect for ten years, since the 2009-10 fiscal year. The per capita rate is applied to the latest county population estimates prepared by the Bureau of Economic and Business Research, which prepare the State's official population estimates.

In the coming fiscal year a per capita rate of \$0.19 will generate a total revenue of \$153,930.02, up approximately 1.8% from the current fiscal year. Staff is recommending continuation of the existing \$0.19 per capita rate.

c. Establishment of the FY 2019-20 Annual Grants Program Funding Amount and Guidelines

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. In the recent past, the Board has established a total amount of \$130,000 and limited funding to water conservation projects. This amount would continue to be a significant contribution toward implementing conservation in the region. Staff is recommending continuation of this funding amount.

d. FY 2019-20 Budget Approval

Included as Exhibit A to this item is the proposed Fiscal Year (FY) 2019-20 budget for the Board's review and approval. The budget has been prepared in a conservative manner to keep costs in check and enhance efficiencies for member governments.

Included as Exhibit B is a description of the Authority's FY 2019-20 work program that is supported by the proposed budget.

See Exhibits

Staff Recommendations:

- a) Board authorization for staff to withdraw the Authority's Cooperative Funding Initiative application to the SWFWMD for Phase 6 of the Irrigation System Audit Program and not include the matching funds in the Authority's FY 2019-20 budget;
- b) Board approval of a per capita rate of \$0.19;
- c) Establishment of the annual grants program at an amount of \$130,000 and limit the program to water conservation projects; and
- d) Approval of the FY 2019-20 budget by adoption of Resolution 2019-04, as shown in the Exhibit, said budget including budgeted expenditures in the amount of \$520,216, budgeted reserves in the amount of \$1,262,843, and a combined total amount of \$1,783,059, as presented in Exhibit A.

WITHLACOCOCHEE REGIONAL WATER SUPPLY AUTHORITY						
Proposed Fiscal Year 2019-20 Budget						
As of March 27, 2019						
	4/1/2018 Population Estimate	Comments	Fiscal Year 2019-20	Fiscal Year 2018-19	\$ Change	% Change
Revenues: Administrative						
Assessments:		Official BEBR Population Estimates				
Citrus	145,721	1,920 person increase	\$27,687	\$27,322	\$365	1.3%
Hernando	185,604	3,722 person increase	\$35,265	\$34,558	\$707	2.0%
Marion	353,898	4,631 person increase	\$67,241	\$66,361	\$880	1.3%
Sumter	124,935	4,235 person increase	\$23,738	\$22,933	\$805	3.5%
Total Population/Assessments @ 19¢/Capita	810,158		\$153,930	\$151,174	\$2,757	1.8%
Administrative Revenue from Citrus Contract		Based on Citrus County contract and Board direction	\$74,286	\$56,591	\$17,695	31.3%
Subtotal			\$228,216	\$207,765	\$20,452	9.8%
Carryover Administration Reserve Funds (FYE 18/19 Estimate) (SBA1)		See Attachment 2	\$553,358	\$575,100	-\$21,742	-3.8%
Total Administrative Revenue Available			\$781,574	\$782,865	-\$1,291	-0.2%
Revenues: Water Resource Development (WRD) Projects						
Phase 4 Irrigation Audit Program SWFWMD Matching Funds		Billings will be completed this FY	\$0	\$31,835	-\$31,835	-100.0%
Phase 4 Irrigation Audit Program Cooperator Matching Funds		Billings will be completed this FY	\$0	\$15,917	-\$15,917	-100.0%
Phase 5 Irrigation Audit Program SWFWMD Matching Funds		Based on Project Schedule	\$29,000	\$72,500	-\$43,500	NA
Phase 5 Irrigation Audit Program Cooperator Matching Funds		Based on Project Schedule	\$14,500	\$36,250	-\$21,750	NA
Regional Water Supply Plan Update SWFWMD Matching Funds		Billings will be completed this FY	\$0	\$106,245	-\$106,245	NA
Annual Citrus WRD Payments (SBA2)		Based on CAB wellfield contract minimum production charge of \$224,000 minus funds allocated to administrative revenue above	\$149,714	\$167,409	-\$17,695	-10.6%
Subtotal			\$193,214	\$430,156	-\$236,942	-55.1%
Carryover WRD Reserve Funds (FYE 18/19 Estimate) (SBA2)		See Attachment 2	\$808,271	\$952,989	-\$144,719	-15.2%
Total Water Resource Development Revenue Available			\$1,001,485	\$1,383,146	-\$618,603	-44.7%
Total Revenues Available			\$1,783,059	\$2,166,010	-\$619,893	-28.6%
Expenditures: General Administration						
Executive Director		Based on annual contract	\$80,000	\$80,000	\$0	0.0%
Administrative Assistant		Based on annual contract	\$37,500	\$37,500	\$0	0.0%
Legal Services		Based on annual contract:				
Monthly Meetings @ \$500/meeting		6 meetings per year	\$3,000	\$3,000	\$0	0.0%
Other Services @ \$150/hr.		80 hours	\$10,000	\$10,000	\$0	0.0%
Special Counsel		Renewal of contract	\$20,000	\$20,000	\$0	0.0%
Legislative Consultant		Based on contract	\$42,000	\$42,000	\$0	0.0%
Advertising		Based on FY 2017-18 actual	\$1,000	\$1,000	\$0	0.0%
Audit		FY 2018 Actual plus 3% COLA	\$10,635	\$10,325	\$310	3.0%
Bookkeeping Services		\$500/quarter per Engagement Letter	\$2,000	\$2,000	\$0	0.0%
Liability Insurance		FY 18-19 actual plus 5% rounded up	\$2,650	\$2,530	\$120	4.7%
Office Supplies		Based on FY 2018-19 actual	\$1,400	\$1,400	\$0	0.0%
Postage		Based on FY 2018-19 actual	\$800	\$800	\$0	0.0%
Printing and Reproduction		Based on FY 2018-19 actual	\$1,500	\$1,500	\$0	0.0%
Publications/Software		Based on FY 2018-19 actual	\$200	\$200	\$0	0.0%
Rent (Lecanto Gov't Bldg)		Based on Lease Agreement	\$2,048	\$2,048	\$0	0.0%
Registrations/Dues		Based on inventory	\$1,900	\$1,900	\$0	0.0%
State Fees/Assessments		Based on FY 2018-19 actual	\$175	\$175	\$0	0.0%
Telephone		Based on FY 2018-19 actual	\$1,400	\$1,400	\$0	0.0%
Travel (Board Members & Staff)		Based on FY 2018-19 actual	\$6,500	\$6,500	\$0	0.0%
Web Page / Computer Maintenance		Based on contract and actual	\$2,000	\$2,000	\$0	0.0%
Contingencies		@ 5% of non-contract admin costs	\$1,508	\$1,487	\$22	1.4%
Subtotal - General Administration Expenditures			\$228,216	\$227,765	\$452	0.2%
Fund Balance for Admin. Reserves FYE 19/20		FYE18/19 Admin Funds Bal + FY19/20 Admin Rev's - FY19/20 Admin Exp's	\$553,358	\$575,100	-\$21,742	-3.8%
Expenditures: Water Resource Development Projects						
General Services Contracts		As Needed Eng. & Tech. Firms	\$75,000	\$75,000	\$0	0.0%
Local Government Grant Program		Based on Board Direction	\$130,000	\$130,000	\$0	0.0%
Phase 4 Enhanced Irrigation Audit Program		Contractor work completed FY 2018/19	\$0	\$65,000	-\$65,000	-100.0%
Phase 5 Irrigation Audit Program		40% of Project Budget	\$58,000	\$145,000	-\$87,000	NA
Regional Water Supply Plan Update SWFWMD		Projected Project Expenditures	\$29,000	\$212,490	-\$183,490	NA
Subtotal - Water Resource Development Projects			\$292,000	\$627,490	-\$335,490	-53.5%
Fund Balance for Water Resource Development Reserves FYE 19/20		FYE18/19 WRD Funds Bal + FY19/20 WRD Rev's - FY19/20 WRD Exp's	\$709,485	\$755,656	-\$46,171	-6.1%
Total Administration and WRD Expenses			\$520,216	\$855,255	-\$335,039	-39.2%
Total Administration and WRD Fund Balances at FYE 19/20			\$1,262,843	\$1,330,756	-\$67,913	-5.1%
Combined FYE 19/20 Expenditures and Fund Balances			\$1,783,059	\$2,186,010	-\$402,951	-18.4%

ATTACHMENT 1

CALCULATION OF REVENUE FOR 2019-20 AND CALCULATION OF AMOUNT OF FUNDS NEEDED FROM RESERVES As of March 27, 2019

Revenue	4/1/2018 Population	Annual Amount	Sub-Totals
LOCAL ASSESSMENTS @ 19¢ PER CAPITA			
Citrus	145,721	\$27,687	
Hernando	185,604	\$35,265	
Marion	353,898	\$67,241	
Sumter	124,935	\$23,738	
Subtotal	810,158		\$153,930
CHARLES A. BLACK WATER SUPPLY FACILITY			
Minimum Production Charge		\$224,000	
Subtotal			\$224,000
MATCHING CONTRIBUTIONS FOR STUDIES			
SWFWMD Match for Phase 4 Irrigation Audit Program		\$0	
Cooperator Match for Phase 4 Irrigation Audit Program		\$0	
SWFWMD Match for Phase 5 Irrigation Audit Program		\$29,000	
Local Cooperator Match for Phase 5 Irrigation Audit Program		\$14,500	
Subtotal			\$43,500
TOTAL REVENUE FOR FY 2019-20			\$421,430
Less: 2019-20 Administration Expense			-\$228,216
Less: 2019-20 WRD Cost			-\$292,000
Funds Required from WRWSA Reserves			-\$98,786

ATTACHMENT 2

ANALYSIS OF BEGINNING FUND BALANCES FY 2018 - 2019 As of March 27, 2019

ESTIMATE OF WATER RESOURCES DEVELOPMENT FUND BALANCE AT END OF FY 2018-19

04/17/18 WRDF Balance (SBA2)	\$929,878
FY 2018-19 Remaining WRD Fund Revenues	
6 Citrus Co. Payments @ \$1,866.67/month minus administrative component below	\$86,168.56
Phase 4 Irrigation Audit Local Cooperators Revenue	\$22,848.00
Phase 4 Irrigation Audit SWFWMD Revenue	\$45,696.00
Phase 5 Irrigation Audit Local Cooperator Revenue	\$16,000
Phase 5 Irrigation Audit SWFWMD Revenue	\$32,000.00
RWSP SWFWMD Revenue	\$112,500
Revenues Subtotal	\$1,245,091
Less: FY 2018-19 Remaining Contract Expenditures:	
2018-19 Citrus Water Conservation Program	\$36,875
2018-19 Hernando Water Conservation Program	\$48,350
2018-19 Marion Water Conservation Program	\$42,595
2018-19 General Services Contracts	\$8,100
Phase 4 Irrigation Audit Program	\$5,700
Phase 5 Irrigation Audit Program	\$70,200
Regional Water Supply Plan Update	\$225,000
Expenditures Subtotal	\$436,820
Total WRD Funds at end of FY 2017-18	\$808,271

ESTIMATE OF ADMINISTRATIVE FUND BALANCE AT END OF FY 2018-19

03/27/19 Admin Bal (SBA1)	\$553,358
Admin Revenue from CAB WSF	\$25,831
Admin Revenue from Per Capita Contributions	\$88,185
Less remaining FY Admin costs for 7 months	-\$114,016
Total Administrative Funds at end of FY 2018-19	\$553,358

ESTIMATE OF TOTAL FUND BALANCE AT END OF FY 2018-19

Total WRD Funds at end of FY 2018-19				\$808,271
Total Administrative Funds at end of FY 2018-19				\$553,358
Total Fund Balance at end of FY 2018-19				\$1,361,629

PROJECTED FUND BALANCES AT END OF FY 2019-20

Total Fund Balances beginning of FY 2019-20:	\$1,361,629
Add: 2019-20 Revenues	\$421,430
Deduct 2019-20 Expenses:	-\$520,216
Projected Fund Balances at end of FY 2019-20:	\$1,262,843

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY

Fiscal Year 2019-20 Work Program

1. Joint Funding of Water Conservation Projects with Member Local Governments

The Authority will continue its grant program to assist local governments in improving water conservation within the region in order to extend the use of groundwater as long as possible. Fresh groundwater is the least expensive source available to meet growing demands, however there is a limit to this source due to environmental impacts and impacts on other existing legal users caused by withdrawals. As the limit to fresh groundwater resources is reached, alternative, more expensive water sources will need to be developed. At the present time, water conservation programs are the most appropriate way for the Authority to help local governments extend the use of lower cost groundwater supplies. During Fiscal Year (FY) 2019-20, the proposed budget anticipates appropriating \$130,000 toward local government water conservation projects. Proposals will be considered from local governments and public supply utilities in the Authority's jurisdiction. The grant program guidelines and application package may be found on the Authority's web page at www.wrwsa.org. The water conservation activities co-funded by this grant program help participating utilities meet and surpass the maximum 150 gallons per person per day that is required by the SWFWMD and to meet the SJRWMD conservation requirements.

2. Regional Residential Irrigation Audit Program to Promote Water Conservation within the Region

This ongoing program provides an opportunity for residential water utility customers to obtain site-specific evaluations for optimizing the use of water through landscaping techniques and efficient irrigation systems, and to implement recommendations provided by a professionally certified contractor. Contractors used for the site-specific evaluations are professionals certified by the Florida Irrigation Society (FIS) or another recognized certifying agency in the targeted region. The initiative includes program information, water conservation education, reporting and analysis by a consultant. This continuing project targets existing inefficient landscape and irrigation water use and results in significant water savings and can lead to water quality protection through reduced leaching of fertilizers and lawn chemicals. Results from the Pilot Project and Phases 2 and 3 indicate a total water savings of 48 million gallons per year for 532 residential customers, representing an average reduction in total water use of 29 percent.

The ongoing Phase 5 of the program began in FY2018-19, is scheduled to be complete in FY 2020-21 and includes an "Enhanced Program," whereby participants in certain utilities can elect to have the WRWSA's contractor assist in implementing certain recommendations. Phase 5 is planned to reach a total of 260 residential customers. This program is co-funded by the SWFWMD. Participating utilities incur only 25 percent of their respective portion of the project, leveraging local dollars with regional funds. This water conservation initiative helps participating utilities meet and surpass the maximum 150 gallons per person per day that is required by the SWFWMD.

3. Regional Water Supply Plan Update

The Authority initiated an update to its Regional Water Supply Plan in FY 2017-18 and this effort will extend into the first half of FY 2019-20. This work effort includes updated water demand projections, evaluation of source options and potential water supply project options. The update of the WRWSA RWSP will include updating population projections; existing and future water demands for public supply

and other water use categories; traditional and alternative water supply availability; regional groundwater modeling; estimates of the amount of future demands that could be offset through enhanced water conservation efforts; reclaimed water availability and potential offsets; and recommendations regarding the WRWSA Regional Framework. The project entails significant coordination with and input by the water supply utilities within the WRWSA's region. The Authority's RWSP was last updated in 2014. This project is cooperatively funded by the SWFWMD.

4. Legislative and Governmental Affairs Advocacy on Behalf of the Authority and Its Member Governments

The Authority conducts legislative and executive branch advocacy year-round to promote initiatives on behalf of the Authority and its member governments, and to protect the Authority's interests. Historically, the Authority has played a vital role in influencing state and regional water supply planning, permitting and funding programs including "local sources first," the Water Protection and Sustainability Program, springs protection and restoration, and water resource and supply funding initiatives. Each year prior to the Legislative Session, the Authority Board of Directors reviews and approves policy direction to guide its advocacy efforts. Progress reports are provided on a regular basis. It is anticipated that the Florida Legislature will continue to make modifications to the state's comprehensive water policies and funding initiatives. The passage of comprehensive water protection legislation, springs protection and restoration funding and legislation, and the "Legacy Florida" legislation relating to the implementation of the Constitutional Land and Water Conservation Amendment in recent years will likely require continuing refinements in upcoming sessions. The Authority will remain fully engaged in assisting the Legislature to implement and refine this recent legislation that significantly revamped the state's comprehensive water policies and funding initiatives, as well as engage as appropriate on new legislation that would affect the Authority and member governments' water supplies.

5. Continued Cooperation with Citrus County in Operation and Management of the Authority's Charles A. Black Water Supply Facilities

The Authority and Citrus County completed negotiations at the end of FY 2015-16 of the new Water Supply Contract governing the operation and maintenance of the CABWSF. The new Contract allows for the continued operation of the facilities by Citrus County in a cost-effective manner ensuring a long-term water supply for the County and its customers while also providing for long-term financial stability for the Authority. Various provisions of the new Contract call for improved coordination between the County and Authority.

6. Participation in Maintenance and Enhancement of the North-Central Florida Groundwater Model

The first phase of this project was jointly funded by the SWFWMD, St. Johns River WMD, Marion County and the Authority. The project was initiated in fiscal year 2012-13. Phase 1 of the project entailed updating and expanding the SWFWMD's Northern District Groundwater Model to encompass all of Marion County and to incorporate the most recent hydrologic data. Phase 1 of the project was successfully completed. The intent is for both water management districts to utilize this common model for determining the availability of groundwater in the region, particularly in Marion County which is split by the districts' boundaries. The SJRWMD and SWFWMD continue to improve upon the model and seek the engagement of various stakeholders. The model has significant implications for groundwater availability in the region and the Authority's continued participation and coordination with member governments is essential to ensure water supply implications are considered as the model is updated. The Authority also engages with both Districts to ensure continued use and support of the model.

7. Springs Protection and Restoration

The Authority continues to work with the SWFWMD on its springs coast initiative. The SWFWMD has completed Surface Water Improvement and Management (SWIM) Plans for the five first magnitude springs in the northern District. These SWIM plans call for action by not only the District but local governments and other stakeholders in the region to protect and restore these first magnitude springs. The Authority staff continue to actively participate in the Springs Coast Management Committee and monitor activities of the District and the Steering Committee for implications on water supply in the region.

8. Program Development and Technical Assistance

- a) Support efforts to further define the hydrogeology of the region. Continue cooperation with the water management districts on the collection of hydrologic data to further refine the Districts' planning and regulatory models. Coordinate on efforts to better define the lower Floridan aquifer and the extent of fresh and brackish groundwater within the aquifer.
- b) Promote the WRWSA Regional Framework through coordination with WRWSA member governments to facilitate regional and sub-regional cooperation on water supply development and reclaimed water projects. Work with the WMDs in defining strategic priorities for the region and how these priorities may influence the ranking criteria for the Districts' Cooperative Funding Initiatives, including potential District funding for regional and sub-regional traditional and non-traditional water supply development that is consistent with the WRWSA Regional Framework.
- c) Participate in the SWFWMD and SJRWMD minimum flows and levels (MFLs) programs representing the interests of member governments. Provide technical assistance to WRWSA member governments in determining the potential impact to both the environment and potential water supply development based on proposed MFLs.
- d) Coordinate with FDEP, SJRWMD, SWFWMD and the Florida Department of Agriculture and Consumer Services on policy and rule development. Provide assistance to WRWSA member governments on FDEP and District rule development that may include Water Use Permitting, Environmental Resource Permitting, water conservation and future water supply development, including statewide consistency initiatives. Monitor water management programs and rule development in other parts of the state, including the Central Florida Water Initiative, for implications to the WRWSA and its member governments.
- e) Monitor and coordinate with the water supply planning and development activities in adjacent communities and regions, including but not limited to Tampa Bay Water, the Central Florida Water Initiative, the Polk Water Cooperative, and Lake and Levy counties for possible implications on water resource availability within the WRWSA region. Provide input to such activities when appropriate.
- f) Monitor applications for significant water use permits and permit modifications within the region for potential impacts on WRWSA and member government existing and planned water supply facilities and engage in the permitting process where appropriate.

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY

RESOLUTION 2019-04

**ADOPTION OF FINAL BUDGET
FOR FISCAL YEAR 2019-20**

WHEREAS, pursuant to the requirements of Section 189.016(4), Florida Statutes, the Board of Directors of the Withlacoochee Regional Water Supply Authority held a public meeting on April 17, 2019, on the final budget and assessment rate for general administrative, operating and project expenses for the fiscal year beginning October 1, 2019 and ending September 30, 2020; and

WHEREAS, the Board has complied with all requirements of said section and desires to adopt its final budget.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY:

Section 1. The Board of the Withlacoochee Regional Water Supply Authority hereby adopts its final budget, for general administrative, operating and project expenses for the Fiscal Year beginning October 1, 2019 and ending September 30, 2020, as shown on the attached Exhibit, attached hereto and made a part hereof as Exhibit A.

Section 2. This Resolution and a copy of the final budget as adopted shall be forwarded to the Board of County Commissioners of each member County.

Section 3. This Resolution shall become effective immediately upon its adoption.

ADOPTED in regular session this seventeenth day of April 2019.

**WITHLACOOCHEE REGIONAL WATER
SUPPLY AUTHORITY**

BY: Michelle Stone, Chair

Attest:

Richard S. Owen, Executive Director

Item 13.a.

Executive Director's Report

Correspondence



**Marion County
Board of County Commissioners**

Office of the County Administrator

601 SE 25th Ave.
Ocala, FL 34471
Phone: 352-438-2300
Fax: 352-438-2324

District 1 – David Moore, Vice Chair
District 2 – Kathy Bryant, Commissioner
District 3 – Jeff Gold, Commissioner
District 4 – Carl Zalak III, Commissioner
District 5 – Michelle Stone, Chairman

February 6, 2019

RECEIVED FEB 11 2019

Withlacoochee Regional Water Supply Authority
c/o Richard S. Owen, AICP
3600 W. Sovereign Path
Suite 228
Lecanto, FL 34461

Dear Mr. Owen,

It is my pleasure to introduce Marion County's new director of environmental services, Jody Kirkman, P.E., who began his position with the Marion County Board of County Commissioners on Jan. 28.

Jody comes to us from the City of Miramar in Florida, where he rose through the ranks from assistant director to the utilities director, which is where he has served for the past two years. I believe his extensive knowledge in water and wastewater utilities and treatment as well as his prolific historical partnerships with Florida-based water management agencies will be an asset to the WRWSA.

Jody replaces Thomas McCormick, as the alternate appointee to the WRWSA. Marion County looks forward to maintaining our long and collaborative partnership with WRWSA through Jody's appointment.

Kindest Regards,

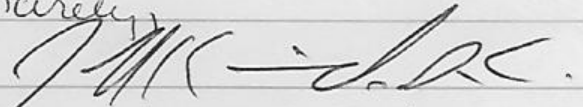
Mounir Bouyounes, P.E.
County Administrator

2/20/19

To Whom it may Concern:

Please be advised that Randy Oliver, County Administrator, is hereby appointed as an alternate for Commissioner Carashen for attendance at the February 20, 2019 Special Meeting of the WRWSA.

Sincerely,



Jeff Kennard, D.C.

Chairman, Citrus County

Board of County Commissioners

Fwd: WRWSA Meeting Minutes and Voice Recording

richardowen wrwsa.org

Fri 2/22/2019 5:57 PM

To: lstout wrwsa.org <lstout@wrwsa.org>;

From: Frank DiGiovanni <fDiGiovanni@Inverness-FL.Gov>
Date: February 22, 2019 at 4:19:33 PM EST
To: Richard Owen <richardowen@wrwsa.org>
Cc: Susan Jackson <sjackson@Inverness-FL.Gov>, Eric Williams <ewilliams@Inverness-FL.Gov>
Subject: WRWSA Meeting Minutes and Voice Recording

Richard;

Please accept this as a public information request for a voice recording of the WRWSA Special Meeting, held February 20, 2019.

The City of Inverness will pay any/all fees associated to produce and provide a recording of the referenced meeting. We can accept this information in any form you are able to provide: CD-ROM, Flash Drive (alternatively referred to: USB flash drive, data stick, pen drive, memory unit, keychain drive, thumb drive, jump drive), or tape, by email, etc. We will provide the Flash Drive and/or CD-ROM as necessary.

We request to receive this information when available or March 1st, 2019, or later if necessary.

Thanking you for your attention to this matter. If we need to discuss the scope of the request, please contact me at your convenience.

Frank DiGiovanni
Frank DiGiovanni
212 W. Main Street
Inverness, FL 34450
(352) 726-2611 X1001 fdigiovanni@Inverness-FL.gov

Please note: Florida has a very broad public records law. Most written communications to City officials regarding City business are public records available to the public and media upon request. Your e-mail communications may be subject to public disclosure. Chapter 119, Florida Statutes.

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Southwest Florida Water Management District

2379 Broad Street, Brooksville, Florida 34604-6899

(352) 796-7211 or 1-800-423-1476 (FL only)

WaterMatters.org

Bartow Office

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

Sarasota Office

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

Tampa Office

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

Jeffrey M. Adams
Chair, Pinellas

Ed Armstrong
Vice Chair, Pinellas

Bryan K. Beswick
Secretary, DeSoto, Hardee,
Highlands

Michelle Williamson
Treasurer, Hillsborough

H. Paul Senft, Jr.
Former Chair, Polk

Michael A. Babb
Former Chair, Hillsborough

Randall S. Maggard
Former Chair, Pasco

John Henslick
Manatee

James G. Murphy
Polk

Kelly S. Rice
Citrus, Lake, Levy, Sumter

Joel Schleicher
Charlotte, Sarasota

Rebecca Smith
Hillsborough, Pinellas

Mark Taylor
Hernando, Marion

Brian J. Armstrong, P.G.
Executive Director

February 28, 2019

RECEIVED MAR 12 2019

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

Subject: Request for Project Line Item Adjustment for the Withlacoochee Regional Water Supply Authority Enhanced Regional Irrigation System Evaluations and Conservation Incentive Program (N822); Agreement No. 17CF0000424

Dear Mr. Owen:

The Withlacoochee Regional Water Supply Authority (WRWSA) entered into an agreement with the Southwest Florida Water Management District (District) with an effective date of October 1, 2016.

The District received a request from the WRWSA on July 23, 2018, to revise project budget line items. This adjustment is needed to redistribute line item funding between core evaluations and enhanced evaluations in the amount of \$20,000. The modification is to move funding to enhanced evaluations, which had greater than anticipated participation. The transfers between line items does not change the total cost of the project, nor the District's share.

Table 1 – Existing Project Budget

Description	District	Cooperator	Total
Core Evaluations	\$44,000	\$44,000	\$88,000
Enhanced Evaluations	\$36,720	\$36,720	\$73,440
Follow-up Evaluations	\$5,200	\$5,200	\$10,400
Education Material and Program Promotion	\$3,680	\$3,680	\$7,360
Program Administration	\$10,400	\$10,400	\$20,800
Total	\$100,000	\$100,000	\$200,000

Mr. Richard Owen

Subject: Request for Project Line Item Adjustment for the Withlacoochee River Water Supply Authority Enhanced Regional Irrigation System Evaluations and Conservation Incentive Program (N822); Agreement No. 17CF0000424

Page 2

February 28, 2019

Table 2 – Revised Project Budget

Description	District	Cooperator	Total
Core Evaluations	\$34,000	\$34,000	\$68,000
Enhanced Evaluations	\$46,720	\$46,720	\$93,440
Follow-up Evaluations	\$5,200	\$5,200	\$10,400
Education Material and Program Promotion	\$3,680	\$3,680	\$7,360
Program Administration	\$10,400	\$10,400	\$20,800
Total	\$100,000	\$100,000	\$200,000

In accordance with Paragraph 1.2 of the agreement, as the District's Project Manager, I approve the request from the WRWSA to revise the project budget line items.

If you have any questions, please contact me at (800) 423-1476, extension 4197

Sincerely,



Josh Madden
Staff, Environmental Scientist
Water Supply Section
Water Resources Bureau

JCM:abp

Approved by: _____

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



March 21, 2019

RECEIVED MAR 26 2019

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

Dear Mr. Owen:

Thank you for renewing your Water Supplier membership of \$500.00 with the Alliance for Water Efficiency.

Your membership means you belong to an international network of leading thinkers, decision-makers, and pioneers in water stewardship. Together, we're carving a path towards a sustainable water future. We encourage you to stay involved and work with us to get there:

- Our weekly member emails include important research findings, educational opportunities, legislative updates, and new resources and tools available to you. Make sure your team receives our communications by sending their names and email addresses to us at membership@a4we.org!
- Get involved in one of our committees on Education and Outreach, Water Efficiency Research, and WaterSense and Water-Efficient Products to guide our work.
- Come to a training workshop or attend a webinar. Or, work with us to organize an event in your city!
- Try out our state-of-the-art technical tools, including our Water Conservation Tracking Tool to evaluate efficiency programs or our Sales Forecasting and Rate Model.
- Check out resources to talk to consumers about water efficiency, like our Home Water Works website at www.Home-Water-Works.org, videos on water service and water rates, and Never Waste campaign.
- Follow our Legislative Watch page on www.a4we.org to keep track of congressional action pertaining to water efficiency.
- Call or email us with your questions about water efficiency and get one-on-one assistance.

Visit the "About Us" page on www.a4we.org to view our annual reports and to learn more about the work you're contributing to. Our agenda is ambitious. We envision a world where outdoor water use has become as efficient as indoor use, where water resources are considered alongside energy, nature, health, development, industry, and food; where utility systems are managed optimally; and where citizens understand the value of sustainable water management. Let us know how you would like to be a part of it. To ensure that you receive all our email updates and alerts, please add the Alliance domain (@a4we.org) to your email *Safe Sender* list.

Thank you for your continued commitment to us. We deeply appreciate your support. Our program and membership staff are here to help you get the most of out your investment in AWE. Give us a call at 773-360-5100 or email us at membership@a4we.org to talk about our partnership. You are important to us.

Sincerely,

MaryAnn

Mary Ann Dickinson
President and CEO

Thanks for
renewing!

33 N LaSalle Street
Suite 2275
Chicago, IL 60602

OFFICE (773) 360-5100
TOLL-FREE (866) 730-A4WE
FAX (773) 345-3636

allianceforwaterefficiency.org
home-water-works.org



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ANGELA VICK

CLERK OF THE CIRCUIT COURT AND COMPTROLLER
CITRUS COUNTY, FLORIDA

RECEIVED APR 01 2019

Clerk of the County Court
Recorder of Deeds
Clerk and Accountant of the Board of County Commissioners
Custodian of County Funds
County Auditor

110 North Apopka Avenue
Inverness, Florida 34450
Telephone: (352) 341-6449
www.clerk.citrus.fl.us
ssullivan@clerk.citrus.fl.us

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
3600 W SOVEREIGN PATH STE 228
LECANTO, FL 34461

March 26, 2019

To Whom It May Concern:

This letter serves to notify you that the Citrus County Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2018, is now available on the Clerk's website. The web address is www.citrusclerk.org and the CAFR can be found under the Finance Services tab.

If you require a hard copy, please contact Senior Financial Analyst, Susan Sullivan, either by e-mail at ssullivan@citrusclerk.org or by phone at 352-341-6464.

Sincerely,

Angela Vick,
Clerk of the Circuit Court and Comptroller



BOARD OF COUNTY COMMISSIONERS

20 NORTH MAIN STREET • ROOM 263 • BROOKSVILLE, FLORIDA 34601
P 352.754.4002 • F 352.754.4477 • W www.HernandoCounty.us

RECEIVED APR 04 2019

March 28, 2019

Richard S. Owen, Executive Director
Withlacoochee Regional Water Supply Authority
Lecanto Government Building
3600 W. Sovereign Path, Suite 228
Lecanto, FL 34461

RE: Hernando County Appointed Representatives to Withlacoochee Regional Water Supply Authority (WRWSA) Board

Dear Mr. Owen:

Please be advised that at its regular meeting held on March 26, 2019, the Hernando County Board of County Commissioners appointed Commissioner Steve Champion and Commissioner Jeff Holcomb as member representatives on the Withlacoochee Regional Water Supply Authority Board. In addition, the alternate staff member representatives shall continue to be Gordon Onderdonk, Utilities Department Director, and Alys Brockway, Water Resource Manager.

Please forward all meeting notices and agenda information to Commissioners Steve Champion and Jeff Holcomb to: Hernando County Board of County Commissioners, 20 North Main Street, Room 263, Brooksville, FL 34601, email SChampion@hernandocounty.us, and JHolcomb@hernandocounty.us. Additionally, please continue to include Donna Holdrege, Administrative Assistant III, on meeting notices and information in order to assist the Commissioners with calendars. Ms. Holdrege's contact information is email DHoldrege@hernandocounty.us, telephone number (352) 540-6249.

Should you have any questions, please contact my office.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Rogers", is written over the typed name.

Jeffrey Rogers
Acting County Administrator

pc: Gordon Onderdonk, Utilities Department Director

Item 13.b.

Executive Director's Report

News Articles

90.7 WMFE Central Florida News

St. Johns Shakeup Makes Way For New Era At Florida Water Management Districts

By Amy Green • March 1, 2019

Gov. Ron DeSantis' shakeup of the St. Johns River Water Management District is part of sweeping change at the state agencies overseeing Florida's water resources.

DeSantis revoked the appointment of John Miklos as board chairman at the district. Two other board appointments also were revoked.

Miklos' appointment had been criticized because of his connections with the same development companies the district sought to regulate. Here's Charles Lee of Audubon Florida.

"This isn't a zero-sum game in which growth has to stop, and the economy has to slow down in order to protect the environment. It really is not that at all. We can have growth and economic development aplenty as we had in the past and still protect our environment, and I think that's where these changes are designed to take us."

The shakeup followed DeSantis's call for resignations from the entire South Florida Water Management District board because of similar connections.

Florida's legislators expected to focus heavily on water this session

By Ali Schmitz • Feb 27, 2019

Florida water advocates have hoped for several years that lawmakers will address water quality issues plaguing the state. For years, environmentalists deemed each annual legislative session to be "the year of water."

Lawmakers promised to clean Florida's polluted waters by securing funding, finishing restoration projects and addressing pollution sources. Yet — aside from the EAA reservoir in 2017 — each session has ended with few major changes.

2018 saw one of the worst environmental catastrophes ever — dueling toxic red tide and toxic blue-green algae on both coasts and in Indian River County's Blue Cypress Lake.

Now environmentalists across the state wonder if this will be the year that the Legislature heavily focuses on improving the state's water quality.

Legislators in both chambers and on both sides of the aisle are proposing wide-ranging bills that focus on funding water quality and treatment projects, but few bills have been filed that address pollution or nutrient runoff.

Legislators will also have to compete for funding for water quality projects in their districts, as more municipalities and counties are seeking the state's help in responding to algal blooms.

Gov. Ron DeSantis has touted environmental funding on a statewide level, but Treasure Coast clean-water advocates are particularly worried that no environmental leaders have emerged in the Legislature in the wake of Sen. Joe Negron's retirement.

Sen. Gayle Harrell said she can be that person, and she campaigned heavily on her environmental record during her 2018 bid to win Negron's seat. Her office did not reply to an interview request for this story.

Sen. Debbie Mayfield, who represents Indian River County, chairs the Appropriations Subcommittee on Agriculture, Environment, and General Government, which funds water projects statewide. Her office also did not reply to an interview request.

Everglades Foundation CEO Eric Eikenberg said he expects there to be more coalitions around environmental projects than leading members, but did point to Senate Appropriations Chair Rob Bradley as a leader on environmental issues.

Eikenberg said he's very optimistic about this year's session because more people are on the same page when it comes to environmental priorities, especially with an emphasis on environmental issues from the governor's office.

"The fact is, we have a chief executive officer of the state of Florida who has clearly outlined that the environment is attached to the economy and to the economic future of the state," Eikenberg said. "The general is in place and now the cavalry is going to follow. You better believe the optimism is high because he's leading in what he said he'll do."

Statewide initiatives

DeSantis and the Department of Environmental Protection are seeking increased funding for environmental protection including:

- \$360 million: Everglades restoration projects, including funding for Lake Okeechobee, the EAA reservoir south of the lake, and the C-43 and C-44 reservoirs. All aim to reduce discharges from the lake.
- \$100 million: Water projects across the state that reduce nutrient pollution, including septic-to-sewer conversions and stormwater treatment improvements.
- \$50 million: Springs restoration projects.
- \$50 million: Projects to reduce total maximum daily loads. The governor's office said that could include "green infrastructure investments" or land conservation projects.
- \$25 million: Projects to combat algal blooms and improve quality. \$10 million of the funding would go toward short-term treatment projects and technologies, while another \$10.8 million would go toward water quality monitors, creating an information portal for people to report blooms and funding for a blue-green algae task force established by the governor's office. More than \$4 million would go to red tide research, including creating a center under the Florida Fish and Wildlife Conservation Commission to research the blooms.

Senate President Bill Galvano, R-Bradenton, said the Senate also supports an increase in funding, but said legislators will determine funding levels during session.

Galvano, whose district suffered from red tide last year, said the Legislature will focus heavily on finding science-based solutions to algal blooms. One of his local priorities this year is to establish an initiative to research and develop technologies that combat red tide, and would like to see it based out of Sarasota's Mote Marine Laboratory.

Several projects to reduce blue-green algal blooms are only coming online, Galvano said. He said legislators need to review all projects, and see what's working.

"Sometimes in this legislative process, we just keep adding and adding when we haven't found what we're supposed to be doing in the first place," Galvano said.

Galvano succeeds Negron, whose Treasure Coast district regularly has recurring blue-green algal blooms. Both have supported increased environmental funding and worked with environmentalists in their districts to fund water quality projects.

Galvano said he expects legislators from throughout the state to step up and support water projects, and hopes his experiences with the blooms can help legislators understand their impact. He said people from other areas or from outside the state might not understand the "practicalities" of dealing with red tide.

"It's just another way I may be able to communicate our experiences here on the West Coast of Florida," Galvano said.

Water bills

Legislators statewide are supporting several bills aimed at improving the state's water quality.

Harrell wants the state to spend \$50 million annually on projects to restore the Indian River Lagoon. The bill would create grants for projects such as connecting septic tanks to sewer systems and projects that manage groundwater, freshwater and agricultural discharges.

Sen. Joe Gruters, R-Sarasota, wants the state to inspect septic tanks at least once every five years and to map out all the tanks in the state. SB 214 would also require the Department of Health to develop minimum standards and requirements for repairing or pumping out any failing septic systems.

Gruters also filed a bill that would impose a \$1 per-gallon fine for wastewater treatment facilities that spill raw or partially treated sewage into any waterway or aquifer.

HB 157 would require every Florida county and municipal government to adopt the state's fertilizer law, which requires residents to use only fertilizers containing 50-percent slow-release nitrogen on their lawns. Nutrients in fertilizer feed toxic blue-green algae blooms caused by Lake Okeechobee discharges.

SB 1022 would transfer oversight of septic system programs from the Department of Health to the Department of Environmental Protection.

Local Plans

Rep. Toby Overdorf, a freshman Republican from Palm City, is shepherding several bills for local water projects in the House, including septic to sewer projects in Martin County and dredging of Taylor Creek in St. Lucie County.

Overdorf, who said he's the only member of the House with a background in ecology, said other members have reached out to him about environmental issues.

"It's been a very great experience to work with the other legislators because they are very strong in Florida's environment is healthy during our term," Overdorf said.

Overdorf is also looking to speed up delays in Everglades restoration projects, filing a resolution calling for the EPA and the Army Corps of Engineers to transfer all dredge and fill permitting to the state DEP.

While state lawmakers approved a plan to do so last year, little progress has been made to transfer the permitting. Overdorf said under state control, the process would not be less stringent and still would have to follow all federal guidelines.

"So many of these restoration projects are so far behind because of permitting," Overdorf said. "The state has traditionally been a little more accountable in their time frames and they typically have additional personnel to actually allow these projects to start moving ahead on a more realistic time frame."

Rep. Erin Grall filed a bill to ban biosolids in the upper St. Johns River watershed, which includes Blue Cypress Lake and Indian River County. Biosolids likely are to blame for increased phosphorus levels and algal blooms in the lake, a TCPalm investigation found.

But some local environmentalists are worried that without a prominent voice for water issues in the Legislature, the Treasure Coast could suffer.

Bullsugar Policy Director Alex Gillen said while the organization is excited about the work DeSantis is doing, there are gaps in the Legislature.

"We'd sure like to think this is the year for water in Florida, but we've got a long way to go. Gov. DeSantis is off to a promising start and Rep. Mast is leading in the Congress, but we need more champions to emerge," Gillen said.

He pointed to Harrell, a former state representative, as an example. Gillen said he rarely hears Harrell speaking up on issues his organization supports, including reducing agriculture's involvement in policy decisions and banning biosolids.

He said state legislators need to be more consistent on water issues.

"One of the tricks that many elected officials use is being splashy on one aspect of the problem and silent on the hard parts. We need leaders that are consistently good on environmental issues and willing to engage in the tough fights with monied special interests."

Same leader, but new optimism at Department of Environmental Protection

By Capitol News Services • March 1, 2019

TALLAHASSEE, Fla. (WCTV) – The governor and Cabinet have voted to reappoint the Secretary of the Department of Environmental Protection.

Governor Ron DeSantis hit the ground running with his promise to improve the environment soon after taking office.

“We are recommending, over four years, \$2.5 billion for water resources and Everglades projects,” said DeSantis.

In an Executive Order, he tasked the Department of Environmental Protection with researching ways to prevent toxic algae blooms and clean Florida’s waterways.

On Tuesday morning, the governor and Cabinet approved the reappointment of Noah Valenstein to lead the agency. The agency head wants to focus on clean water and air, and is also putting an emphasis on addressing climate change.

The move had support from environmental groups like Audubon Florida.

“He really was a breath of fresh air when he took that position and I’m really optimistic about what he’ll be able to accomplish with an administration like this one that’s so focused on improving our wetlands and water quality,” said Executive Director of Audubon Florida Julie Wraithmell.

Originally chosen by Governor Rick Scott in 2017, Valenstein says there have been some notable changes under DeSantis.

“I’ll just say this, it’s been a busy month,” said Valenstein.

He’s also putting an emphasis on climate change, a phrase seldom used by state agencies under Rick Scott.

“Climate change is certainly a large issue that Florida faces and it’s something we’ve got some really talented staff working on,” said Valenstein.

Florida’s only Democratic Cabinet member, Commissioner of Agriculture Nikki Fried, says she is encouraged by Valenstein’s focus on climate change and plans to create a stronger partnership between the two agencies.

Aliki Moncrief with the Florida Conservation Voters says the new tone is encouraging, but hopes DEP also focuses on preventing climate change.

“That’s the side of the conversation that isn’t happening within the current administration and that we’re not hearing yet from Noah Valenstein,” said Moncrief.

However, Moncrief says there’s still time for that to change.

Peace River Manasota Regional Water Supply Authority Receives First-Ever 50-year Water Use Permit to Serve the Public

SARASOTA, Fla., March 1, 2019 /PRNewswire -- The next time the Peace River Authority will need to apply for a new water use permit will be February 26, 2068. That's one year before their 50-year permit to use water from the Peace River to supplement water supplies for Charlotte, Desoto, Sarasota and Manatee Counties.

Florida will be a very different place 50 years from now, but one thing will be exactly the same: the Peace River Manasota Regional Water Supply Authority will harvest water ever-mindful of protecting the river and flows to Charlotte Harbor downstream, just as they always have. When water flows are high, the Authority can take water, treat it and store it for when they are not.

"This is a major step to ensure water security, well into the future, for the Authority and member governments," said Alan Maio, Authority Chair and Sarasota County Commissioner. "This 50-year permit demonstrates the confidence the Southwest Florida Water Management District has in us and our ability to be good stewards, to protect the resource, while we make use of it for the region."

The permitted withdrawal will increase from 120 million gallons per day (MGD) to 258 MGD by 2069. Intake, treatment and storage facilities will be expanded, over time, to ensure a steady supply of water is available for member governments. The member governments will continue to promote conservation as they do now.

"This was a monumental undertaking," said Patrick Lehman, Executive Director, Peace River Authority. "Years of planning and investment, years of reliability in facility and resources management, and years of collaboration among our members have made this possible. We look to the future with confidence knowing there is still much work to be done."

"The District supports the PRMRWSA and their efforts to ensure a long-term sustainable water supply for the southern region," said Brian Armstrong, Executive Director of the Southwest Florida Water Management District. "This forward planning will also provide a significant benefit to the water resource by reducing reliance on traditional groundwater sources."

"While this is the first of its kind in Florida, 50-year permits are not uncommon for major infrastructure investments," said Doug Manson, Authority General Counsel, of Manson Bolves Donaldson and Varn. "We've been good stewards and worked diligently to ensure that our application met or exceeded criteria. We continue to work with the District so that our mission to provide water and theirs to protect it, are both attained."

SOURCE: Peace River Manasota Regional Water Supply Authority

SpringsFest draws thousands to Silver Springs State Park

By Andy Fillmore / Correspondent

Posted Mar 3, 2019 at 6:35 PM / Updated Mar 4, 2019 at 11:54 AM

Event combines entertainment and education

SILVER SPRINGS — The Sievers family traveled from Orlando to Silver Springs State Park on Sunday to enjoy the second and final day of the 2019 Florida SpringsFest.

“We’d rather be in natural surroundings,” James Sievers said, commenting on his family’s decision to drive away from the area of the state best known for its theme parks.

Sievers sat at a table under a huge oak near the main springhead with his wife, Nekiya, and their son, Sullivan, age 2 1/2 months. Also with them was their pug, Tater Tot.

The festival was organized by the nonprofit Florida SpringsFest Committee to help raise awareness of all Florida’s springs and to educate visitors about water quality and conservation.

Lisa Saupp, president of the Florida SpringsFest Committee since 2004, lived near the Silver Springs attraction as a child and grew up around the Silver River. She said her father was a water treatment contractor and she worked as an environmental chemist locally with Aqua Pure.

“You can only talk about water quality so much and it gets boring,” she said. Hence the attraction of the festival, which mixes education and entertainment. She said she would like every visitor to come away intent on making a “minor behavior modification” that will have a positive effect on water quality.

“Can you imagine if all 6,000 (visitors to the festival) conserve (water)?” Saupp asked.

Saupp said water conservation isn’t the only important issue; so is recognizing the impact of pesticides and fertilizers.

“People have to understand (that) what you do to the ground, you do to the water,” said Saupp, who has served on the county’s Aquifer and Springs Protection Task Force.

Visitors to the festival had plenty to see as they walked the park or rode on a glass-bottom boat.

Eric Hutchenson of Ocala displayed some of his art and photography, including detailed maps of underwater areas. He said he began as a “thrill seeker” and cave explorer and, since the 1980s, has come to embrace advocacy for Florida’s ecology.

Mermaids and mermen from Florida Merfolk of Tampa waved from inside a portable water tank with glass sides, much to the delight of children and adults. The tank was large enough to accommodate at least two of the legendary creatures.

Anisley Gurrieri, 12, accompanied by her parents, John and Johna Gurrieri, and sister, Hayden, 8, was wowed by seeing and talking to mermaid Marla Lawrenz. Anisley nodded

as her father said “she loves mermaids and unicorns.” Lawrenz said she likes to “bring happiness” to people and raise awareness by performing as a mermaid.

Chris Chandler, owner of Florida Merfolk, said he has mermaids from ages 25 to 66. He said some mermaid outfits are fabric and some are silicone and can cost up to \$7,000.

The festival included divers re-enacting underwater scenes from the 1950s television series “Sea Hunt” in the main spring. Saupp said the divers came from 16 states and are called “Sea Hunt Forever”

An estimated 3,000 people visited the park Saturday to enjoy kayaking and canoeing, live blues and rock music, food, displays about Florida ecology and springs, water conservation, and art.

Silver Springs State Park Manager Sally Lieb said park visitation has grown to about 1,000 daily on weekends. Visitors tend to like natural activities like hiking and bird watching. Many vehicles in the nearly full parking lot had kayaks and canoe racks on their roofs.

Nicky Aken, the assistant park manager, said the park welcomes visitors to see the resources that they “want them to love and protect.”

The festival included booths from agencies including Florida State Parks, St. Johns River Water Management District, Marion County Extension Service, Florida Department of Agriculture and Consumer Services and Florida Health Department in Marion County.

Vanguard High School students staffed a booth and described an extensive school project at Silver Springs that has involved at least 37 students. Findings will be presented later this year.

A City of Ocala booth had a sign that stated “your toilet is not a trash can,” and warned about flushing items like latex gloves, dental floss and cat litter.

Charles Cichra with the University of Florida Institute of Food and Agricultural Sciences/ Fisheries and Aquatic Services gave visitors a chance to get hands on a tadpole, grass shrimp and more at a display called “Fishing for Success.”

Brittany and Matt Maio of Ocala enjoyed the display with their son Tyler, 4, while David Foster and his wife, Kate Sampson, and their daughter, Alexandra, 8, of Tampa, also looked at the IFAS display.

Sampson said Alexandra had listened to the messages from the ecology-related groups Sunday.

Ocala native Chris Spontak offered information about the Silver Springs Alliance (www.silverspringsalliance.org), which is aimed at protecting, preserving and restoring the Silver Springs ecosystem.

Spontak remembered swimming in the springs in the early 1960s.

“I recall swimming here as a youth, the bottom was clean and (looked) silvery. That’s why they called it Silver Springs. Now, the bottom is green and brown, Really more brown,” he said.

DeSantis environmental projects get House support

By Jim Turner, The News Service of Florida

Posted: 3:10 PM, March 19, 2019 / Updated: 3:10 PM, March 19, 2019

TALLAHASSEE, Fla. - Gov. Ron DeSantis would get nearly all the money he's requested for environmental projects in an initial House budget proposal for next year.

A \$3.97 billion proposal for the Department of Agriculture and Consumer Services, the Department of Environmental Protection and the Fish and Wildlife Conservation Commission includes \$607.4 million for Everglades restoration and water-improvement projects such as combating future outbreaks of toxic algae and red tide.

DeSantis asked for \$625 million as the first part of an ambitious \$2.5 billion in funding over the next four years.

House Agriculture & Natural Resources Appropriations Chairwoman Holly Raschein, R-Key Largo, praised work of the state agencies.

"Our agencies have faced significant challenges over the past couple of years responding to hurricanes, harmful algae blooms and red tide, to a great extent using existing trust funds, (which) limits our funding abilities," Raschein said.

Senate President Bill Galvano, R-Bradenton, has said the governor's environmental-funding request may be "pushing" the limits of a budget expected to be stretched because of the response to Hurricane Michael.

An initial Senate environmental-budget proposal will be released Wednesday, said Sen. Debbie Mayfield, a Rockledge Republican who chairs the Agriculture & Natural Resources Appropriations Subcommittee.

The full House and Senate in the coming weeks will approve overall budgets and then enter negotiations on a final spending plan for the 2019-2020 fiscal year, which starts July 1.

The House proposal includes \$327.4 million for Everglades restoration, \$50 million for targeted grants for wastewater and stormwater improvements, \$50 million for the state's natural springs and \$40 million in the state Department of Transportation work plan to complete raising a section of the Tamiami Trail. That project is intended to improve southern flow of water through the Everglades.

The springs funding would remain unchanged from the current year.

The proposal floats \$10.8 million to increase water-quality monitoring and the establishment of a Blue Green Algae Task Force within the Department of Environmental Protection and \$4.2 million for the creation of the Center for Red Tide Research within the Fish and Wildlife Conservation Commission.

Outside the governor's request, the House proposal would provide \$307 million for hazardous waste cleanup, \$48 million for state park repairs, \$50 million for beach repairs, \$38.6 million for debris removal from Hurricane Irma and \$20 million for the Florida Forever land preservation program.

A bill (SB 944) that has started moving in the Senate would provide \$100 million for the Florida Forever program.

The House is also offering \$58.1 million for citrus-canker payments to residents in Lee and Orange counties.

Legislators agreed to pay the money to compensate residents who lost orange, grapefruit and other citrus trees as part of a Florida Department of Agriculture program to stop the spread of deadly citrus-canker disease. Attorneys for the homeowners raised property-rights arguments in challenging the department's actions, and a judgment was entered in 2008.

Another \$14.6 million in the House proposal would go toward citrus greening research.

Before Raschein released the spending plan, her subcommittee introduced a proposal (PCB ANR 19-01) that would send 19 Fish and Wildlife Conservation Commission law-enforcement officers to the Department of Environmental Protection, a change sought by DeSantis.

The number of officers represents a fraction of the more than 800 sworn officers in the Fish and Wildlife Conservation Commission.

Asked by Rep. Rick Roth, R-Loxahatchee, about what has "broken" to justify the move, Raschein pointed to a Jan. 10 executive order in which DeSantis outlined his environmental proposals. The executive order included a shift of environmental crimes law enforcement.

"This is an area where FWC has agreed that they would be willing to relinquish. FDEP is happy to take this on," Raschein said.

News Service of Florida

DEP Press Office

DEP Celebrates April as Springs Protection Awareness Month

DEP Press Office: 850.245.2112, DEPNews@dep.state.fl.us
April 1, 2019

TALLAHASSEE, Fla. – Recognizing springs as a natural resource unique to Florida, Governor Ron DeSantis has proclaimed April as Springs Protection Awareness Month. The Florida Department of Environmental Protection is proud to celebrate this month in recognition of the environmental, recreational and economic importance of Florida's 900 iconic freshwater springs.

Per the Governor's proclamation, the Bold Vision for a Brighter Future budget recommends \$50 million in funding to restore Florida's world-renowned springs and safeguard these natural resources through nationally recognized water quality assessment and restoration programs.

"Florida's water and natural resources are the foundation of our state's communities, economy and way of life," said DEP Secretary Noah Valenstein. "Partnership is the key to their protection and restoration. I look forward to continuing to work with Governor DeSantis and the Florida Legislature, the water management districts, and partners in the environmental, agricultural and local communities to protect Florida together for future generations."

"We are pleased to partner with Secretary Valenstein, Governor DeSantis and the Legislature to protect and restore Florida's springs," said St. Johns River Water Management District Executive Director Dr. Ann Shortelle. "Since 2014, the District has partnered on 114 springs protection cost-share projects that are reducing total nitrogen loading to our spring systems by more than 1 million pounds per year and resulting in more than 79 million gallons per day of groundwater withdrawal offsets and alternative water supply. We are making great progress."

"Thanks to Governor DeSantis and Secretary Valenstein, northwest Florida is making real transformative progress with springs restoration and water quality improvement," said Executive Director of the Northwest Florida Water Management District Brett Cyphers.

"Florida is entering a remarkable era for environmental protection under the leadership of Governor DeSantis and Secretary Valenstein," said Executive Director of the Suwannee River Water Management District Hugh Thomas. "The challenges our springs and water resources face need solutions and we stand ready to work alongside the Governor and DEP to bring much-needed relief to the water resources of the Suwannee Valley."

"Springs are vital to the environment, economy, citizens and visitors of the state," said Executive Director of the Southwest Florida Water Management District Brian Armstrong. "The District, in partnership with DEP, the Governor and the Legislature, is committed to implementing projects to conserve and restore the ecological balance of our spring systems, supporting the regional economies and quality of life."

In celebration of Springs Protection Awareness Month, DEP is partnering with Florida's water management districts to continue the statewide public education initiative "My Home. My Springs." The initiative highlights the uniqueness and importance of Florida's springs, as well as the state's restoration efforts and the expertise behind them.

By visiting www.MyHomeMySprings.org, residents can access informative resources, such as fact sheets, videos, educator resources, a springs locator tool and more.

