



**WITHLACOOCHEE REGIONAL
WATER SUPPLY AUTHORITY**

Board Meeting Package

October 17, 2018
3:30 p.m.

Meeting Location:

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

Withlacoochee Regional Water Supply Authority

Board of Directors

Effective August 2018

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

Jurisdiction	Board Members
Citrus County	The Honorable Scott Carnahan
	The Honorable Jeff Kinnard
Hernando County	The Honorable Steve Champion
	The Honorable Wayne Dukes
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 15, 2019
March 20, 2019
May 15, 2019
July 17, 2019
September 18, 2019



October 8, 2018

MEMORANDUM

To: Water Supply Authority Board of Directors and Interested Parties

From: Richard S. Owen, Executive Director

Subject: Special Budget Meeting of the Withlacoochee Regional Water Supply Authority

A special meeting of the Withlacoochee Regional Water Supply Authority will be on **Wednesday, October 17, 2018, 3:30 p.m., at the Lecanto Government Center Building, Room 166, 3600 Sovereign Path, Lecanto, FL 34461.**

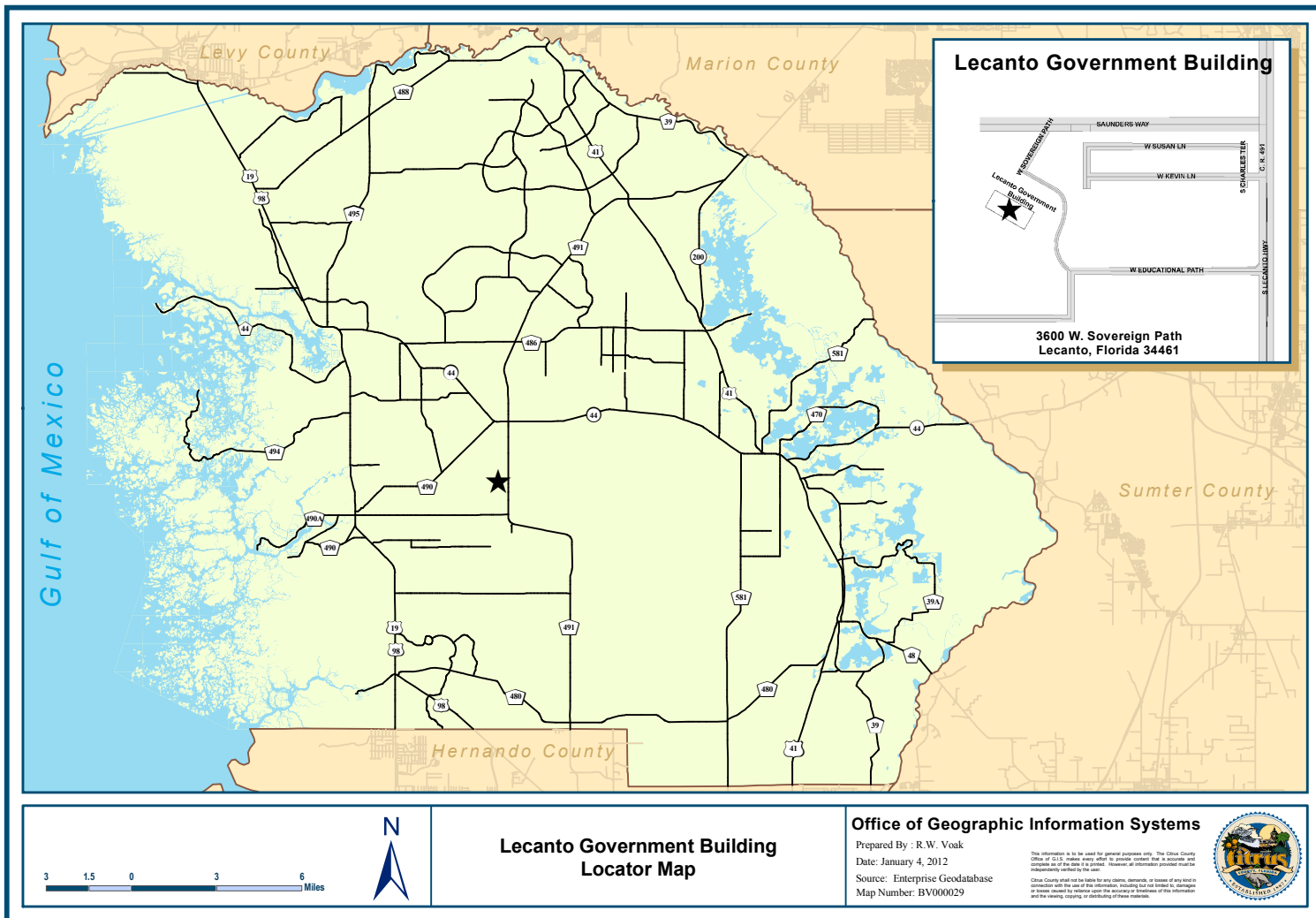
Enclosed for your review are the following items:

- Agenda
- Minutes of the September 19, 2018 meeting
- Board Package*

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

Enclosures

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



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

From Brooksville:

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

From Ocala

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

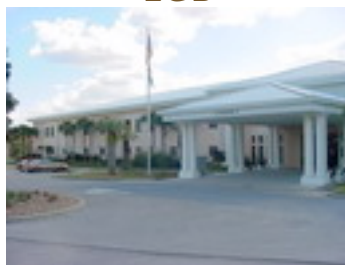
From Bushnell

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

From Wildwood

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

LGB



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

A G E N D A

**October 17, 2018 -- 3:30 p.m.
LECANTO GOVERNMENT BUILDING -- ROOM 166
3600 W. Sovereign Path, Lecanto, Florida 34461**

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

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** 9
 - b. **October Bills to be Paid** 17
7. **Fiscal Year 2018-19 Budget Approval Ratification** . . . Richard Owen, WRWSA 19
8. **Other Business**
9. **Next Meeting** . . . November 14, 2018; 3:30 p.m.; Lecanto Government Building, Room 166
10. **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 September 19, 2018

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

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

1. Call to Order

Chair Stone called the Withlacoochee Regional Water Supply Authority (WRWSA) Board of Directors meeting to order at 3:33 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
Kathy Bryant, Marion County Commissioner
Gary Ernst, Belleview City Commissioner
William Kemerer, Brooksville City Councilor
Dale Swain, Bushnell City Councilor

BOARD MEMBERS ABSENT

Jeff Kinnard, *Treasurer*, Citrus County
Commissioner
Ken Brown, Crystal River City Councilor
Al Butler, Sumter County Commissioner
Scott Carnahan, Citrus County Commissioner
Steve Champion, Hernando Co Commissioner
Wayne Dukes, Hernando Co Commissioner
Carl Zalak, Marion County Commissioner

ALTERNATE(S) PRESIDING

Alys Brockway, Hernando County Water Res Mgr

3. Introductions and Announcements

WRWSA STAFF PRESENT

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

OTHERS PRESENT

Debra Burden, Citrus Co Water Conservation
Ken Cheek, Citrus County Water Resources Director
Michon Fabio, Marion County Water Res Liaison
Tom Frick, Division Director, FDEP
Ken Hinkle, City of Inverness Council
Gregg Jones, PhD, PG
Jack Overdorff, Eco Land Design, LLC
Joe Quinn, SWFWMD Water Supply Project Mgr
Richard Radacky, City of Brooksville Public Works Dir

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 one speaker card was submitted. Mr. Ken Hinkle, City of Inverness Council, introduced himself as the City's representative to the Board. Chair Stone closed public comment.

6. Consent Agenda

- a. **Approval of Minutes** – The July 18, 2018 minutes was provided in the Board's meeting materials.
- b. **Bills to be Paid** – Staff recommended ratification of the August 2018 bills in the total amount of \$24,750.52 and approval of the September 2018 bills in the total amount of \$66,701.26.

- c. **Third Quarter Financial Report** – Staff recommended acceptance of the report as presented in the Board’s meeting materials.
- d. **Public Officials Liability Insurance Policy** – Staff recommended renewal of the insurance policy in the amount of \$2,517.15.
- e. **Fiscal Year 2018-19 Meeting Calendar** – Staff recommended the following dates for coming fiscal year: November 14, 2018; January 16, 2019; March 20, 2019; May 15, 2019; July 17, 2019; and September 18, 2019. The meetings begin at 3:30 p.m. at the Lecanto Government Building Room 166. Mr. Owen noted that the November 14 meeting is the second Wednesday of the month since the third Wednesday was the day before the Thanksgiving holiday.

Mr. Swain moved, seconded by Mr. Printz, to approve Consent Agenda Items 6.a., 6.b., 6.c., 6.d. and 6.e. The motion carried unanimously.

7. Basin Management Action Plan (BMAP) Update

Mr. Owen introduced Mr. Tom Frick, Director, Division of Environmental Assessment and Restoration, Florida Department of Environmental Protection (FDEP).

Mr. Frick briefed the Board on the FDEP BMAPs for impaired Outstanding Florida Springs, including Crystal River/Kings Bay, Homosassa River, Chassahowitzka River, Weeki Wachee River, the Rainbow River and Silver Springs. The 2016 Florida Springs and Aquifer Protection Act required that BMAPs be completed for all impaired Outstanding Florida Springs by July 1, 2018.

Mr. Frick noted there is no one single solution for addressing restoration of springs. He said a combination of projects will be needed that include both nitrogen treatment projects along with a focused effort to inform and involve local residents in the process. He said keys to success are creative thinking and innovation, as well as funding.

Mr. Frick replied to questions by the Board regarding agriculture nitrogen reduction, drip irrigation, septic system reductions and incentive program, and springs funding. Chair Stone requested the graph for the Rainbow Springs nitrogen inventory be provided for the Board’s information.

This item was presented for the Board’s information and no action was required.

8. Fiscal Year 2018-19 Budget Approval Ratification

Mr. Richard Owen, Executive Director, said the Fiscal Year (FY) 2018-19 Proposed Budget was scheduled for approval at the Board’s May 16, 2018 meeting. The Board was provided a copy of the approved and signed Resolution 2018-04 adopting the FY 2018-19 proposed budget.

Mr. Owen said 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 was not met at the May meeting. However, the Interlocal Agreement also requires the Authority to provide its annual budget to each of the counties by June 1st of each year. In response to this situation and at staff’s recommendation, the Board members present at the May meeting, which otherwise met the quorum requirements for purposes of convening an Authority Board meeting, approved the proposed FY 2018-19 budget contingent upon ratification by the Board at a meeting at which the budget approval quorum requirements have been met.

Mr. Owen said that a quorum has not been present at meetings due to the absence of Citrus County’s representatives which makes the Authority unable to approve its budget. He said the Authority’s staff have heard from several sources this is due to the County’s interest in acquiring the Charles A. Black Wellfield through dissolution of the Authority.

Mr. Haag stated a memorandum has been distributed to the Board containing his recommendations on how to move forward with the budget. Mr. Haag noted that he served as the Citrus County attorney for years, including when the wellfield contracts were entered into, and did not take his position lightly when drafting this memorandum of recommendations for the Board's consideration. He read into the record his recommendations for the Board's consideration. The recommendations are (1) approve as the final budget the budget previously approved by the Board on May 16, 2018; (2) should Citrus County attempt to challenge the adopted budget in court or other tribunal that the Executive Director be authorized to hire special counsel to represent the interests of the Authority; (3) the Board should consider informing the Governor and any other appropriate agencies of the State of the actions of Citrus County and the failure of its representatives to perform their official duties with respect to the Authority which is an independent special district of the State of Florida; and (4) if Citrus County continues to refuse to participate in and performing its duties as a member of the Authority, that the remaining counties consider entering into a new interlocal agreement without Citrus County.

Discussion ensued regarding whether formal communication had occurred with the Citrus County representatives to understand their absences and whether they are aware of the importance of attendance, use of Robert's Rules of Order for facilitating meetings, the potential for Authority staff to attend a Citrus County Commission meeting to relay information, and the Authority's budget availability to continue into the new budget year.

Mr. Owen noted he received a request from the Citrus County Administrator to postpone Item 9, Charles A. Black Wellfield – Citrus County Negotiations, until further notice. He noted that, at his own initiative, he met with the Citrus County administrator to discuss whether a compromise about the wellfield is possible.

Mr. Owen noted that at a recent Hernando County Commission meeting it was requested of Hernando County staff to come back with a report as to what it would take to withdraw from the Authority. This topic was placed on a subsequent County Commission meeting agenda, and the Commission heard a report from its staff. Mr. Owen attended the meeting and provided information about the Authority's purpose and benefits to membership. The Commission decided to take no action, thereby remaining a member of the Authority.

Discussion ensued regarding dialogue about county and authority positions, it being premature to take formal action on all of Mr. Haag's recommendations at this time, the need to have an appraisal of the wellfield, and holding a special budget meeting in October and the importance of member attendance.

Chair Stone called for a motion.

Mr. Kemerer moved, seconded by Mr. Printz, to approve utilization of the FY 2018-19 budget that was tentatively approved at the May 16, 2018 Board meeting with three counties represented (Hernando, Marion and Sumter) until such time as all four counties are in attendance. Mr. Kemerer moved, seconded by Mr. Swain, to amend the motion to include "or until such time as further action is taken by the Board." The motion carried unanimously.

Mr. Owen requested a motion to direct the Executive Director to communicate with Citrus County the necessity of attendance for budget approval. Mr. Haag noted his memorandum provides direction for the Board's consideration should member participation not occur.

Ms. Bryant moved, seconded by Mr. Kemerer, to schedule a special meeting for budget approval; that the Executive Director execute a letter, with approval of the Chair, to the Citrus County Board members to emphasize the necessity and importance of attendance; and, if the County does not attend, the Authority Board will take that as a sign that they do not want to participate and will move forward with formal approval of the FY2018-19 budget without them.

Discussion ensued that the tone of the communication is respectful and not offensive, and any correspondence be sent to all Authority members. Mr. Owen said he will reach out to the Citrus County representatives and any correspondence will be approved by the Authority Chair.

The special budget meeting was tentatively set for October 17, 2018, the third Wednesday of the month which is the Authority's normal meeting date.

Chair Stone called for action on the motion and it carried unanimously.

9. Charles A. Black Wellfield – Citrus County Negotiations

At Citrus County's request, this item is indefinitely postponed.

Mr. Owen stated he recommends the Authority have an appraisal of the wellfield facilities conducted to better prepare for future discussions. He asked for Board concurrence before soliciting a proposal from one of the Authority's as-needed consultants that would then come back to the November meeting for approval. He stated an appraisal would likely cost approximately \$50,000.

Following discussion, the Board was in agreement not to pursue any action at this time.

10. Phase 5 Irrigation System Audit Program

- a. **Contractor(s) Selection** – At its July 2018 meeting, the Board authorized staff to issue a Request for Quotes (RFQ) for Phase 5, Irrigation System Evaluation Program. One quote was received in response to the RFQ. The submitted quote, by Eco Land Designs, LLC, meets the RFQ requirements.

Staff recommended (1) the Authority Board approve the selection of Eco Land Design, LLC, as contractor to perform the irrigation system evaluations for Phase 5, Irrigation System Evaluation program (Q040); (2) the Authority Board approve the contract between WRWSA and Eco Land Design, LLC, in an amount not to exceed \$125,000; and authorize the Chairman to sign the contract; and (3) the Authority Board authorize the Chairman to sign the CFI agreement for Phase 5, Irrigation System Evaluation program, between the SWFWMD and the WRWSA, following review and approval by the Authority Attorney.

- b. **Agreements with Hernando County Utilities, and The Villages VCCDD and NSCUDD** – Five utilities have tentatively agreed to participate in Phase 5 of the Irrigation System Audit program including Citrus, Hernando and Marion counties, the North Sumter County Utility Dependent District (NSCUDD), and the Village Center Community Development District (VCCDD). Three of the five utilities, including Hernando County, the NSCUDD and the VCCDD require an agreement with the Authority to effectuate their participation.

Staff recommended the Authority Board approve the Agreements between the WRWSA and Hernando County, the Village Center Community Development District and the North Sumter County Utility Dependent District; and authorize the Chairman to sign the Agreements.

Following consideration, **Ms. Bryant moved, seconded by Mr. Printz, to approve the staff recommendations for Items 10.a. (contractor selection and contract); and 10.b. (contracts with Hernando County, and The Village Center Community Development District and the North Sumter County Utility Dependent District), as presented. The motion carried unanimously.**

At this time, Mr. Owen requested that action items be considered while a quorum was present.

11. Regional Water Supply Plan Update

Mr. Owen noted that, at the July 18, 2018 Board meeting, staff reported that Mr. Gregg Jones, the consultant's project manager for this project, was leaving Cardno and the Board authorized staff to approve a subcontract between Cardno and Mr. Jones to facilitate his continuation on the project. Mr. Jones has subsequently accepted a position with Brown and Caldwell. The Authority has been informed by Cardno that they cannot subcontract directly with Mr. Jones, but rather must subcontract with Brown and Caldwell to facilitate Mr. Jones' continuation on the project. Therefore, new Board action is necessary to approve Cardno retaining Brown and Caldwell as a subcontractor to facilitate Mr. Jones continuation on the project.

Following consideration, **Ms. Bryant moved, seconded by Mr. Kemerer, to approve Cardno subcontracting with Brown and Caldwell to facilitate the continuation of Mr. Gregg Jones on the project. The motion carried unanimously.**

12. SWFWMD Fiscal Year 2019-20 Cooperative Funding Program

Mr. Richard Owen, Executive Director, said the Southwest Florida Water Management District (SWFWMD) has opened the application period for the Fiscal Year (FY) 2019-20 Cooperative Funding Initiative and applications are due by October 5, 2018. The purpose of this item is to request Board authorization to submit a cooperative funding request to the SWFWMD, for continuation of the Regional Irrigation System Audit Program.

The Phase 6 total project budget is recommended at \$136,000, with the Authority committing to fund 50 percent at \$68,000 and the SWFWMD requested to fund a like amount. Utilities potentially participating in the proposed Phase 6 program and their approximate local match include Citrus County (\$8,000), Hernando County (\$9,000), Marion County (\$11,000) and The Villages Village Center Community Development District (\$2,000) and the North Sumter County Utility Dependent District (\$4,000), for a total local contribution of \$34,000.

As part of the application submittals, the Authority must provide a commitment to include its 50 percent of the project's cost in its FY 2019-20 budget as well as a ranking letter.

Following consideration, **Ms. Bryant moved, seconded by Mr. Ernst, for Board approval of the FY 2019-20 Cooperative Funding Initiative application for Phase 6 of the Regional Irrigation System Audit Program in the total project amount of \$136,000, ranked as the Authority's number one application, including authorization for the Executive Director to sign the funding commitment and ranking letters. The motion carried unanimously.**

(Mr. Printz left the meeting.)

11. Regional Water Supply Plan Update

Mr. Gregg Jones, Brown and Caldwell, provided a status report to the Board. He noted the key elements of the Water Supply Plan include population and water demand projections for all use categories through 2040; assessment of the potential for water conservation and reclaimed water to reduce public supply demand; evaluation of the availability of groundwater and alternative sources to meet projected demands; identification of water supply project options to meet the future public water supply needs; engineering feasibility study (infrastructure, permitting, cost); and proposed terms of governance, funding sources and mechanisms, cost sharing and participant structure for projects that involve multiple entities. Mr. Joe Quinn, SWFWMD Water Supply Project Manager, provided clarifying information about this project as it relates to SWFWMD updating its plan.

This item was presented for the Board's information and no action was required.

13. Executive Director's Report

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

14. **Legislative Report** – Ms. Salz, WRWSA Governmental Affairs, provided a brief update on upcoming activities such as attending the Florida Water Forum. She noted that this is a useful event for meeting with experts and policy makers on current water topics. She said the Board will receive the proposed 2019 legislative matrix at the November meeting.

15. **Attorney's Report** – Mr. Haag, WRWSA Attorney, said he had nothing further to report.

16. **Other Business** – None

17. Next Meeting Time and Location

- Special Budget Meeting - October 17, 2018 at 3:30 p.m. at the Lecanto Government Building, Room 166 (tentative date).
- Next Regular Board Meeting - November 14, 2018 at 3:30 p.m. at the Lecanto Government Building, Room 166.

18. **Adjournment** – Chair Stone adjourned the meeting at 5:27 p.m.

Michelle Stone, Chair

Richard S. Owen, Executive Director

Item 6.b.

Consent Agenda

October Bills to be Paid

to be provided at meeting

Fiscal Year 2018-19 Budget Approval Ratification

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

The Fiscal Year 2018-19 Proposed Budget was scheduled for approval at the Board's May 16, 2018 meeting. 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 was not met at the May meeting. However, the Interlocal Agreement also requires the Authority to provide its annual budget to each of the counties by June 1st of each year. In response to this situation and at staff's recommendation, the Board members present at the May meeting, which otherwise met the quorum requirements for purposes of convening an Authority Board meeting, approved the proposed Fiscal Year 2018-19 budget contingent upon ratification by the Board at a meeting at which the budget approval quorum requirements have been met.

The following information and associated exhibits for the Fiscal Year 2018-19 Budget are the same as was provided for the May Board meeting.

Included as Exhibit A to this item is the proposed Fiscal Year (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

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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.

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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.
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

Staff Recommendation:

Board ratify the action taken by the Board at its May 16, 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 CABS weintraud 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)			\$167,409	\$161,169	\$6,240	3.9%
Subtotal			\$430,156	\$389,934	\$40,222	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

Exhibit B to Item 7

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 (RWSP) 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

Exhibit B to Item 7

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 (CABWSF)

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 WMDs to utilize this common model for determining the availability of groundwater in the region, particularly in Marion County which is split by the WMDs' 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 WMDs to ensure continued use and support of the model.

Exhibit B to Item 7

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 SWFWMD. These SWIM plans call for action by not only the SWFWMD but local governments and other stakeholders in the region to protect and restore these first magnitude springs. The Authority staff continues to actively participate in the Springs Coast Management Committee and monitor activities of the SWFWMD 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 (WMDs) on the collection of hydrologic data to further refine the WMDs' 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 WMDs' Cooperative Funding Initiatives, including potential WMD 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 WMD 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.

