

D R A F T

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

**Minutes of the Meeting
March 21, 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 Michelle Stone called the Withlacoochee Regional Water Supply Authority (WRWSA) Board of Directors meeting to order at 3:30 p.m. and requested a roll call.

2. Roll Call

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

BOARD MEMBERS PRESIDING

Michelle Stone, *Chair*, Marion County Commissioner
Stephen Printz, *Vice-Chair*, Sumter County
Commissioner
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
William Kemerer, Brooksville City Councilor
Dale Swain, Bushnell City Councilor
Carl Zalak, Marion County Commissioner

BOARD MEMBERS ABSENT

Kathy Bryant, Marion County Commissioner
Gary Ernst, Belleview City Commissioner

ALTERNATE(S) PRESIDING – None

3. Introductions and Announcements

- *Introductions.* Mr. Owen recognized Authority staff present for this meeting. Audience members introduced themselves for the Board's information.
- *Announcements* – None

WRWSA STAFF PRESENT

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

OTHERS PRESENT

Brian Armstrong, SWFWMD Executive Dir
Alys Brockway, Hernando County Water Res
Debra Burden, Citrus Co Water Conservation
Ken Cheek, Citrus Co Water Resources Director
Kim Dinkins, Marion County Water Resources
Rich Doty, Water Resource Associates
Kathryn Eno, Purvis Gray & Company
Michon Fabio, Marion Co Water Res Liaison

OTHERS PRESENT (continued)

Melissa Gulvin, SWFWMD Gov't Affairs Program
Ed Helfin, Reiss Engineering
Peter G. Hubbell, Water Resource Associates
Erin Hunt, Jones Edmunds
Greg Jones, Cardno
Mary Kassabaum, SWFWMD Gov't Affairs Reg Mgr
Terri Lowery, Jones Edmunds
Denise Diamond Lynn, Citrus County Attorney
Roy Mazur, Water Resource Associates
Earvin Myers, Reiss Engineering
Richard Radacky, City of Brooksville
Joe Quinn, SWFWMD Water Supply Project Mgr
Mark White, Purvis Gray & Company

4. Approval of Minutes

A copy of the January 17, 2017 minutes was provided in the Board's meeting materials. Following consideration, **Mr. Brown moved to approve the minutes for the January 17, 2017 meeting as presented. The motion was seconded by Mr. Printz and carried unanimously.**

5. Public Comment – No speaker cards were submitted.

6. Regional Water Supply Plan Update – SWFWMD Cooperative Funding Agreement and Budget Amendment Resolution

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

Following consideration, **Mr. Carnahan moved to approve the Cooperative Funding Agreement for the WRWSA Regional Water Supply Plan Update project (N945) and for the Executive Director to sign the Agreement. Mr. Printz seconded the motion and it carried unanimously.**

7. Regional Water Supply Plan Update – Consultant Selection

Mr. Richard Owen, WRWSA Executive Director, provided introductory remarks. At the November 2017 meeting the Board approved issuance of an Request for Qualifications (RFQ) for the project. Three firms responded to the RFQ, including (listed alphabetically) Cardno, Inc., Reiss Engineering, Inc. and Water Resource Associates, LLC. The purpose of this item is for the Board to rank the firms and authorize the Executive Director to enter into negotiations with the firms in ranked order and, upon successful negotiations, to enter into a contract with the successful firm.

A committee comprised of staff representatives of the Authority's four county member governments and the Authority's Executive Director was convened to review and rank these SOQ's. Only three of the four county representatives were present for the meeting, with Marion County being absent. The results of this review and ranking was for Cardno to be ranked first and Reiss and Water Resource Associates tied for second. Subsequent to the meeting, Marion County, who was absent at the review committee meeting, submitted a scoring sheet. Inclusion of the Marion County ranking results in Cardno still being ranked first, but with Water Resource Associates ranked second and Reiss ranked third.

Each of the firms made presentations to the Board. After these presentations, the Board members completed scoring sheets for the three firms.

The Board meeting recessed for a five-minute break while Messrs. Owen and Haag tallied the rankings.

Mr. Owen announced Cardno, Inc as the top ranked firm; WRA, LLC as the second ranked firm; and Reiss Engineering, Inc. as the third ranked firm.

Following consideration **Mr. Carnahan moved to authorize the Executive Director to enter into negotiations with the firms in ranked order and for the Executive Director to enter into an agreement for professional services for the Regional Water Supply Plan Update project for an amount not to exceed \$300,000 with the successful firm. Mr. Kinnard seconded the motion and it carried unanimously.**

8. Fiscal Year 2016-17 Financial Audit

Mr. Mark White, Partner with Purvis Gray & Company, LLP, presented this item. Purvis Gray and Company prepared the annual audit of the Authority's financial statements for the Fiscal Year ending September 30, 2017. Exhibits provided for the Board included the March 2, 2018 letter from Purvis Gray and Company; and Financial Statements and Independent Auditors' Report, March 2, 2018.

Following consideration, **Mr. Printz moved to approve the Financial Statements and Independent Auditors' Report for Fiscal Year 2016-17, as revised March 20, 2018 and presented at the meeting; and submittal of this report to the Auditor General and to the Florida Department of Financial Services. Mr. Butler seconded the motion and it carried unanimously.**

Mr. Owen requested approval for QuickBooks training to be provided by Purvis Gray & Company in an amount not to exceed \$1,000 and to enter in a letter of engagement for training purposes.

Mr. Brown moved, seconded by Mr. Kemerer, to approve the Executive Director entering into a Letter of Engagement with Purvis Gray & Company to provide QuickBooks training for staff and to assist in the development of end of period closing routines in an amount not to exceed \$1,000. The motion carried with Messrs. Carnahan and Champion voting against.

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

Mr. Owen noted that, since 2005, the Authority has funded an annual grants program that provides matching funds for water conservation and water supply development projects. Member governments and other utilities in the region have applied for and received cooperative grants for projects of mutual benefit. The 2018-2019 grants cycle will begin with an announcement to be sent to utility directors and water conservation coordinators regarding the Authority's Local Government Grant Program.

In order to provide for this continuing program in the upcoming 2018-2019 fiscal year and to allow staff to prepare the 2018-2019 budget, staff requested the Board establish the total amount available in the fiscal year for the Program. In the recent past, the Board has established a total amount of \$130,000 and limited funding to water conservation projects.

Following consideration, **Mr. Swain moved for the Board set the total allocation of funds in fiscal year 2018/19 for the Local Government Grant Program at \$130,000 and limit such grants to water conservation projects. Mr. Kinnard seconded the motion and it carried unanimously.**

10. Charles A. Black Wellfield – Citrus County Negotiations

Mr. Owen said that, at the January 17, 2018 meeting, the Board had a discussion regarding a request by Citrus County to resolve concerns the County has with the Water Supply Contract between the County and the Authority. The result of those discussions was to direct staff to meet with Citrus County to see if a solution could be arrived at that would solve the County's concerns. Mr. Owen reported that he and Mr. Haag met with Citrus County Commissioner Kinnard and County Attorney Denise Diamond Lynn on February 22, 2018 staff. At the meeting the County continued to maintain the only options agreeable to the County must include transfer of the CAB facilities to the County and for the WUP to be in the County's name only. Mr. Owen reported that Authority staff did not agree to these demands. No other options acceptable to the County were discussed. Mr. Owen then provided an overview of the history of the wellfield.

Mr. Kinnard provided a presentation regarding the County's position and request. Board discussion ensued regarding Citrus County's requests and potential options to address the issues.

Mr. Kinnard moved, seconded by Mr. Carnahan, to transfer ownership of the CAB Facilities to Citrus County after all remaining SWFWMD grant funds have been recouped, with no additional payments by the County, plus interest.

Following continued discussion, **Chair Stone called the motion. Motion to transfer ownership of the CAB wellfields to Citrus County failed with Ms. Stone and Messrs. Butler, Kemerer, Printz, Swain and Zalak voting against; and Messrs. Brown, Carnahan, Champion and Kinnard voting in favor.**

11. Charles A. Black Wellfield – Replacement of Backup Generators

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

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

Mr. Owen stated the recap for this item contains additional items the County has identified for which they would like to seek reimbursement from the R & R fund in this fiscal year. These include \$55,000 for pressure washing, painting, and sealing the ground storage tanks and an additional \$10,000 for asphalt paving and/or sealing of the entrance drive and parking area at CAB I for a total of \$65,000. Although these items were included in the staff recommendation included in the Board packet, Mr. Owen informed the Board that upon further review these items will likely not qualify for reimbursement pursuant to the Water Supply Contract and recommended these be deleted from the Board's action.

Following consideration, **Mr. Printz moved, seconded by Mr. Champion, to approve Citrus County's utilization of the Authority's R & R Funds for replacement of the back-up generators and related facilities at CAB 1 and 2 at a not-to-exceed amount of \$906,419. Motion carried unanimously.**

12. Executive Director's Report

- a. **Irrigation Audit Phase 4 – Letter of Engagement for Supplemental Administrative Support Services** – Mr. Owen noted that, due to the absence of the Authority's Administrative Support staff during much of February 2018, the Authority's Executive Director, in consultation with the Authority Chair, entered into a Letter of Engagement with Ms. Karen Gerber to assist with the ongoing Irrigation System Audit Phase 4 project. The letter of engagement was reviewed and approved by the Authority's attorney and included as an exhibit in the Board's meeting materials. The work entailed printing, stuffing and mailing invitation letters to utility customers for potential participation in the program. This work needed to be completed in this time frame for the project to stay on track with the project schedule. As of March 5, 2018, all work was completed consistent with the letter of engagement.

Following consideration, **Mr. Printz moved, seconded by Mr. Brown, for Board concurrence with the letter of engagement with Ms. Karen Gerber. Motion carried unanimously.**

- b. **Bills to be Paid** – Mr. Owen presented the February 2018 bills and requested Board concurrence. **Mr. Printz moved to ratify payment of the February 2018 bills in the total amount of \$16,994.77. The motion was seconded by Mr. Kemerer and carried unanimously.**

Mr. Owen presented the March 2018 bills and requested Board approval. Following consideration, **Mr. Swain moved for payment of the March 2018 bills in the amount of \$30,601.83, as presented. The motion was seconded by Mr. Printz and carried unanimously.**

- c. **First Quarter Financial Report**

Following consideration, **Mr. Brown moved, seconded by Mr. Printz, to accept the First Quarter Financial Report presented by Purvis Gray & Company. The motion carried unanimously.**

- d. **Water Conservation Month**

Mr. Owen said the purpose of this item is to request the Board execute a resolution declaring April 2018 as “Water Conservation Month.” This 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.

Following consideration, **Mr. Printz moved, seconded by Mr. Swain, to approve and execute Resolution 2018-02 declaring April 2018 as “Water Conservation Month.” The motion carried unanimously.**

This resolution was made a part of these minutes as if set forth in full but, for convenience, was filed in the permanent resolution files of the WRWSA.

- e. **Springs Protection Awareness Month**

Mr. Owen said the purpose of this item is to request the Board execute a resolution declaring April 2018 as “Springs Protection Awareness Month.” This shows the Authority is committed to helping to conserve and restore the ecological balance of spring systems, thereby supporting regional economies and quality of life.

Following consideration, **Mr. Swain moved, seconded by Mr. Carnahan, to approve and execute Resolution 2018-03 declaring April 2018 as “Springs Protection Awareness Month.” The motion carried unanimously.**

This resolution was made a part of these minutes as if set forth in full but, for convenience, was filed in the permanent resolution files of the WRWSA.

- f. **Correspondence** – No items were included in the Board’s meeting materials.

- g. **News Articles** – Articles of interest were included in the Board’s meeting materials.

- h. **Other** – At its next meeting, Mr. Owen said the Board will be asked to consider revising the Election of Officers policy to include both county and city representatives may be elected to an office. He noted this is being brought to the Board’s consideration at the request of a Board member.

13. Legislative Report – Ms. Diane Salz, WRWSA Governmental Affairs, provided an update on the 2018 Legislative Session which began January 9, 2018 and concluded on March 11, 2018. She reviewed budget items which included: Springs Protection and Restoration - \$50 million, Florida Forever - \$100.8 million, Best Management Practices - \$34 million, Citrus County Cambridge Greens Septic to Sewer - \$349,000, King’s Bay Restoration - \$2 million, Old Homosassa West Septic to Sewer - \$235,600, and Three Sisters Springs Infrastructure - \$400,000. Senate Confirmations included Department of Environmental Protection Secretary Noah Valenstein; Southwest Florida Water Management District Governing Board Members: Michele Williamson (Hillsborough); Mark Taylor (Hernando/Marion); Bryan Beswick (DeSoto, Hardee, Highlands); John Henslick (Manatee); James “Jim” Murphy (Polk); Joel Schleicher (Charlotte/Sarasota); Rebecca Smith (Hillsborough/Pinellas); and St. Johns River Water Management District: Janet Price (Area 1—1-year term); Susan Dolan (At-Large); Douglas Burnett (At-Large); Douglas Bournique (Area 5).

Ms. Salz also noted passed legislation which included SJRWMD Rule Ratification to establish minimum flows and levels on Silver Springs; Reclaimed Water Coordination; WMD Surplus Lands; Assumption of Federal Dredge and Fill Permitting; and Springs Protection Awareness Month (April 2018) SB1936. Failed legislation included Natural Resources (omnibus bill) HB7063; Water Management SB1506; Governmental Accountability SB192; and Local Government Fiscal Transparency SB1426.

Ms. Salz provided an overview on the status of a number of activities and ongoing issues. She noted that Board members may contact her at any time.

14. Attorney’s Report – Mr. Haag, WRWSA Attorney, said he had no report to provide.

15. Other Business – None

16. Next Meeting Time and Location – May 16, 2018 at 3:30 p.m. at the Lecanto Government Building, Room 166.

17. Adjournment – Chair Stone adjourned the meeting at 6:32 p.m.

Michelle Stone, Chair

Richard S. Owen, Executive Director