

# APPROVED

## WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY BOARD OF DIRECTORS

### Minutes of the Meeting May 15, 2019

**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 3:31 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  
Jeff Holcomb, *Treasurer*, Hernando Co Commissioner  
Kathy Bryant, Marion County Commissioner  
Al Butler, Sumter County Commissioner  
Scott Carnahan, Citrus County Commissioner  
Gary Ernst, Belleview City Commissioner  
Jeff Kinnard, Citrus County Commissioner  
Dale Swain, Bushnell City Councilor  
Carl Zalak, Marion County Commissioner

##### **BOARD MEMBERS ABSENT**

Ken Brown, Crystal River City Councilor  
Steve Champion, Hernando Co  
Commissioner  
William Kemerer, Brooksville City  
Councilor  
Stephen Printz, *Vice-Chair*, Sumter County  
Commissioner

##### **ALTERNATE(S) PRESIDING**

Don Burgess, Sumter County Commissioner  
Ken Frink, Crystal River City Manager  
Richard Radacky, City of Brooksville  
Public Works

#### 3. Introductions and Announcements

- Mr. Owen welcomed Commissioner Don Burgess who is attending as an Alternate for Mr. Printz. He noted that Mr. Ken Frink is the new Crystal River City Manager and serving as the Alternate for Mr. Brown.
- Mr. Owen noted an agenda order change to hear Item 11 prior to Item 8.

##### **WRWSA STAFF PRESENT**

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

##### **OTHERS PRESENT** *(continued)*

Debra Burden, Citrus Co Water Conservation  
Kim Dinkins, Marion County Water Resources  
Gregg Jones, Brown and Caldwell  
Jody Kirkman, Marion Co Environmental Services  
Cara Martin, SWFWMD Government &  
Community Affairs Office Chief  
Joe Quinn, SWFWMD Water Supply Project Mgr  
Michael J. Saxe, Marion County Resident

##### **OTHERS PRESENT**

Brian Armstrong, SWFWMD Executive Director  
Alys Brockway, Hernando County Water Res Mgr

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

5. **Public Comment** – Chair Stone opened public comment. No audience members requested to address the Board.

## 6. Consent Agenda

- a. **Approval of Minutes** – The April 17, 2019 draft minutes were provided in the Board's meeting materials and recommended for approval.
- b. **Bills to be Paid** – Staff recommended approval of May 2019 bills payment (\$42,921.02).
- c. **Second Quarter Financial Report** – Staff recommended acceptance of the FY 2018-19 Second Quarter Financial Report.

**Mr. Carnahan moved, seconded by Mr. Swain, to approve Consent Agenda Items 6.a., 6.b. and 6.c., as presented. Motion carried unanimously.**

## 7. Retention of General Counsel Services

Mr. Owen noted that, at the Board's April 17, 2019 meeting, Mr. Larry Haag, General Counsel, announced to the Board his intent to terminate his contract for General Counsel services. Mr. Haag subsequently provided his written notice to terminate the contract which was included in the Board's meeting materials as an exhibit to this item.

Mr. Owen said the purpose of this item is to initiate the process of selecting and contracting with a new law firm for General Counsel services. Mr. Owen said his recommendation is for the Board authorize staff to issue the Request for Qualifications, staff will return to the Board's July 17, 2019 meeting with a recommended firm or firms seeking Board approval to enter into contract negotiations with the firms in ranked order. Mr. Owen noted that included as an exhibit to this item is a draft Request for Qualifications (RFQs) and associated draft Agreement for General Counsel Services. He informed the Board that Mr. Haag's is reviewing the RFQs and will provide approval of documents before release.

Discussion ensued regarding number of years to be considered qualified (five years government experience and five years as a member of The Florida Bar), qualified private firms in this region, accepting firms outside the area and availability at Board meetings, possible use of county legal staff, and forming a committee to evaluate the RFQs.

**Ms. Bryant moved, seconded by Mr. Zalak, to approve issuance of a Request for Qualifications (RFQs) for General Counsel services, subject to review and any changes recommended by General Counsel; and the RFQs to be evaluated by a committee composed of the Chair, Vice Chair and Executive Director for selection of two firms to interview before the Board. Motion carried unanimously.**

Mr. Haag noted that, since two Board members will meet together with staff, public notice will need to be provided.

Following further consideration, **Ms. Bryant amended the motion for selection of three firms to interview before the Board instead of two. Mr. Zalak amended his second to the motion and it carried unanimously.**

## 8. The WRWSA – Past, Present and Future

Mr. Owen said that, at the Board's April 17, 2019 meeting, Board members expressed a desire to discuss the future of the WRWSA and each county's intent as to whether they desire to remain a member of the Authority. Board members requested staff to provide the WRWSA's history and background information in preparing for this discussion.

Mr. Owen provided introductory comments about the information provided which was included as an exhibit to this item: the Authority's Mission and Service Area; Statutory Powers; Organization, Representation and Funding; Charles A. Black Wellfield; Future Water Supply Needs; Budget & Work Program; and The WRWSA's Future Emphasis.

Chair Stone said the Board received the requested information in its meeting packet in preparation for this discussion. She noted that a presentation by Mr. Owen is not needed at this time.

Mr. Brian Armstrong, Southwest Florida Water Management District (SWFWMD) Executive Director, addressed the Board to review the District's position of the importance of the WRWSA, continued membership by the four counties, and continued ownership by the WRWSA of the Charles A. Black wellfield.

Ms. Bryant said that, following last month's meeting, she reached out to a former Board member who reiterated all the information Mr. Armstrong's presentation provided. She said she is not in favor of selling the wellfield.

Mr. Kinnard spoke to dispel some myths regarding Citrus County's position which is not to abandon the regional approach to water. He said he and others questioned why not pay off the wellfield and own it. He said this was never about breaking up the region but was trying to find middle ground for a win-win situation to move forward. Mr. Kinnard said the last proposal was the Authority own the wellfield but stop water payments until there is another customer. He said the County would own its own water sources until the other entities require facilities and have an equivalent customer base. Mr. Kinnard said the County wants to be in an equal position with the other counties.

Mr. Carnahan said he feels it is time to move forward with the amount of growth projected to be coming. He said he is not in favor of selling the wellfield.

Mr. Holcomb said the Hernando County Commission requested Mr. Armstrong speak at its meeting yesterday. He said the Commission is not in favor pulling out of the Authority, but he will be reviewing the budget to make changes regarding salaries, consultants and legal costs. He said the Authority needs to be building a reserve in moving forward. Mr. Holcomb said the Commission recommends a leadership change and letter will be forthcoming.

**All four counties indicated they will remain signatories to the interlocal agreement. Hernando County is sending a letter stating its position.**

At this time, the agenda's order of consideration was altered slightly.

11. **Legislative Report** – Ms. Salz briefed members on bills which passed or failed at the close of the Legislative Session, noting that water quality was a major focus this year. She said an item affecting this region is the proposed multi-use corridors extending the Suncoast Parkway and Florida Turnpike which will include infrastructure construction for water and sewer. She noted that interim committee meetings begin this September for the upcoming Legislative Session which starts January 14, 2020.

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

The order of consideration returned to the published agenda.

#### 9. **FY 2019-20 Budget Approval**

Mr. Owen said at the April 17, 2019 meeting, the Board postponed action on the Fiscal Year (FY) 2019-20 budget. Board members asked staff to return with options that incorporate a more conservative budget including concerns with the cost of the Governmental Affairs Liaison.

Mr. Owen said the meeting packet provided three options for consideration. A description of the Authority's FY 2019-20 Work Program associated with the Option A budget is included as an exhibit. Options B and C would require corresponding amendments to the Work Program.

- The proposed FY 2019-20 budget as originally included in the April 17, 2019 meeting materials. It should be noted that at that same meeting Mr. Haag, General Counsel, provided the Board the

required 120-day notice of cancellation of his contract for General Counsel services which necessitated changes to the Legal Counsel budget, which are reflected in the subsequent budget options.

- Option A – The proposed FY 2019-20 budget prepared with enhanced efficiencies, but still containing the current level of funding for the Authority’s Governmental Affairs Liaison. Enhanced efficiencies include reductions in the Authority’s administrative costs (advertising, office supplies, postage, publications/software, registrations/dues, telephone, travel, and contingencies) which result in a \$10,568 or 4.6% reduction in the Authority’s administrative costs compared to the April 17, 2019 proposed budget. These reductions are based upon recent year’s expenditure patterns. In addition, within the Water Resource Development Projects category, the budget for General Services Contracts was reduced from \$75,000 to \$50,000. This reduction is also based upon recent year’s expenditure patterns. This is a \$25,000 or 33% reduction in this line item and an almost 9% reduction in the overall Projects budget as compared to the April 17, 2019 budget. These reductions result in a combined \$35,568 or 6.8% reduction from the April 17, 2019 administration and water resource projects combined budget. Mr. Owen stated this option is his recommendation.
- Option B – The proposed FY 2019-20 budget incorporating all of Option A described above, plus a \$12,000 or a 29% reduction in the Governmental Affairs Liaison compared to the April 17, 2019 budget. This reduction results in a reduction in services provided by Ms. Salz, and this option would require a new contract with Ms. Salz redefining and limiting the services provided.
- Option C – The proposed FY 2019-20 budget incorporating all of Option A described above, plus eliminating the Governmental Affairs Liaison. Elimination of this position results in a \$42,000 total reduction in the budget. When combined with the other reductions from Option A, the total expenditure budget is reduced by \$77,568 or 15%. This option would require terminating the contract with Ms. Salz.

Mr. Carnahan noted the redundancy of legislative reporting when many of the Board members are in Tallahassee representing their county and are also members of the Florida Association of Counties (FAC). He said he supports Option C. Mr. Kinnard concurred with Mr. Carnahan and said that information is available through the FAC and SWFWMD. Mr. Holcomb said he is in agreement with Messrs. Carnahan and Kinnard.

Chair Stone said she has spoken with Mr. Owen regarding staff support and perhaps this provides an opportunity to strengthen communications with member governments.

**Mr. Carnahan moved, seconded by Mr. Kinnard, to approve Option C of the FY 2019-20 budget by adoption of Resolution 2019-04, Adoption of Final Budget for Fiscal Year 2019-20, said budget including budgeted expenditures in the amount of \$442,648, budgeted reserves in the amount of \$1,340,411, and a combined total amount of \$1,783,059, as presented.**

Mr. Holcomb said Hernando County will be providing a letter stating its position for a change in leadership and suggested a reduction in the Executive Director’s salary. Mr. Kinnard concurred with Mr. Holcomb and suggesting a discussion regarding sharing the cost of the Authority.

Mr. Zalak, Ms. Bryant, Mr. Ernst, Mr. Swain, Mr. Butler and Chair Stone voiced their support of current leadership and salary. Mr. Butler said he supports Mr. Owen and his invaluable experience; therefore, he will support Option C but not a reduction in the Executive Director’s salary.

Mr. Carnahan said he concurs with Messrs. Holcomb and Kinnard. Mr. Burgess suggested approving a budget for the coming year and then over the next year consider issues about reducing expenses. Mr. Haag reminded the Board that the previous Executive Director’s salary was more than \$100,000.

As elected officials, Chair Stone reminded those present that Board members come and go, and Mr. Owen is able to provide historical knowledge for this region and the Authority.

**Chair Stone called the question. Motion passed with Messrs. Ernst, Holcomb and Swain dissenting.**

**10. Regional Water Supply Plan Update**

Mr. Gregg Jones, Brown and Caldwell, provided an update for the Board's information. The Regional Water Supply Plan Update 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.

Mr. Jones reviewed 2040 Water Demand Projections All Use Categories and Water Utility Deficits. Water Supply Options Feasibility Analysis indicates no more than one site would be developed during droughts; flow analysis reveals long periods when no flow would be available so options include off-stream storage (reservoir or aquifer recharge); and conjunctive use (combine river withdrawals with groundwater wellfield).

Discussion ensued regarding surface water, local environmental changes observed by Board members, and future demand projections.

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

**12. Attorney's Report** – Mr. Haag said he had nothing more to report.

**13. Executive Director's Report** – Mr. Owen said he had nothing more to provide Board members.

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

**14. Other Business** – None

**15. Next Meeting Time and Location**

- Next Regular Board Meeting – July 17, 2019 at 3:30 p.m. at the Lecanto Government Building, Room 166.

**16. Adjournment** – Chair Stone adjourned the meeting at 5:21 p.m.

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Michelle Stone, Chair

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Richard S. Owen, Executive Director