

APPROVED

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY BOARD OF DIRECTORS

Minutes of the Meeting July 24, 2024

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

Vice Chair Estep called the Withlacoochee Regional Water Supply Authority (WRWSA) Board of Directors meeting to order at 3:32 p.m. and requested a roll call.

2. Roll Call

Ms. Suzannah Folsom, WRWSA Executive Director, called the roll and noted a quorum was not currently present for approval of Item 9 regarding the FY2024-25 budget.

BOARD MEMBER PRESENT

Craig Estep, *Vice Chair*, Sumter County Commissioner
Kathy Bryant, Marion County Commissioner
Gene Davis, Inverness City Councilor
Oren Miller, Sumter County Commissioner
Beth Narverud, Hernando Co Commissioner
Robert “Bo” Smith, Belleview City Commissioner

BOARD MEMBER(S) ABSENT

Jeff Kinnard, *Chair*, Citrus Co Commissioner
Jerry Campbell, *Treasurer*, Hernando Co
Commissioner
David Bailey, Brooksville City Councilor
Rebecca Bays, Citrus County Commissioner
Michelle Stone, Marion County Commissioner
Dale Swain, Bushnell City Councilor
Carl Zalak, Marion County Commissioner

BOARD ALTERNATE(S) PRESENT

Jody Kirkman, Marion County Utilities Director

WRWSA STAFF PRESENT

Suzannah J. Folsom, PE, PMP, Executive Dir
James Hartley, General Counsel Assistant
LuAnne Stout, Administrative Asst.

OTHERS PRESENT

Debra Burden, Citrus Co Water Conservation Mgr
Katie Eno, Purvis Gray & Company
Helen Painter, Purvis Gray & Company
Paige TaraCruz, SWFWMD

WRWSA STAFF ABSENT

Robert W. Batsel, Jr., General Counsel

3. Introductions and Announcements – None

- Ms. Folsom noted Sumter County Commissioner Oren Miller has been appointed to the Board.
- The Board unanimously approved the published agenda.

4. Pledge of Allegiance – The Board led those present in reciting the Pledge of Allegiance.

5. Public Comment – There being no members of the audience requesting to address the Board, Vice Chair Estep closed public comment.

6. Consent Agenda

- a. Approval of Minutes –** The May 15, 2024, draft minutes were provided in the Board’s meeting materials.
- b. Bills to be Paid –** June (\$16,112.96) bills paid were provided in the Board’s meeting materials for approval. July bills (\$27,994.60) were provided at the meeting.
- c. 2024-2025 Regulatory Plan** [plan provided by staff in meeting materials for publication]

Ms. Bryant moved, second Mr. Miller, to approve Consent Agenda Items 6.a. 6.b. and 6.c. as presented. Motion carried unanimously.

7. Fiscal Year 2022-23 Financial Audit

Ms. Katie Eno with Purvis Gray & Company, LLP, presented this item. Purvis Gray and Company has prepared the annual audit of the Authority's financial statements for the Fiscal Year ending September 30, 2023. Included as an exhibit in the Board's meeting materials is the Authority's financial position provided to Purvis Gray & Company.

The following exhibits were included as separate documents: June 7, 2024 letter from Purvis Gray and Company; and Financial Statements and Independent Auditors' Report for Fiscal Year 2023-24.

Ms. Bryant moved, seconded by Mr. Smith, to approve the Financial Statements and Independent Auditors' Report for Fiscal Year 2022-23, dated June 7, 2024, as presented at the meeting and submittal of this report to the Auditor General and to the Florida Department of Financial Services. Motion carried unanimously.

8. Water Supply and Conservation Grants Program – Approval of Awards

Ms. Suzy Folsom, Executive Director, presented this item. At the Authority's May 20, 2024 meeting, the Board set the total allocation of funds in Fiscal Year 2024-25 for the Local Government Grant Program at \$180,000. The Authority has received four grant applications, one each from Citrus, Hernando, Marion and Sumter counties. A summary of the applications is presented below while copies of the applications are included as exhibits to this item.

The applications received reflect continuations of member government proven effective water conservation programs. Staff analysis of the applications indicates all of the proposed water conservation programs meet the Authority's grant program requirements. Representatives of each of the applicants have been invited to attend the meeting and answer any Board questions regarding their respective water conservation grant applications.

Ms. Bryant moved, seconded by Mr. Miller, to approve the grants in the amounts of Citrus County - \$47,000.00; Hernando County - \$46,250.00; Marion County - \$13,237.50; and Sumter County - \$73,512.50; and authorized the Chair/Vice Chair to sign the Grant Agreements. Motion carried unanimously.

9. Resolution 2024-03 Adoption of Final Budget for Fiscal Year 2024-2025

Due to county member attendance requirements, this item was deferred to the September meeting.

10. Regional Water Supply Plan Update – Status Report and Presentation on Capturable Flow from the Withlacoochee River

Ms. Folsom presented this item. The Withlacoochee River capturable flow analysis that will be used as part of the 2024 Regional Water Supply Plan Update. The Authority entered into a cooperative funding agreement with the Southwest Florida Water Management District (SWFWMD) in December 2022 (23CF0004079) for Regional Water Supply Plan Update project. The Authority entered into a contract with Hazen and Sawyer in January 2023 to undertake the project.

With the assistance of the SWFWMD, St. Johns River Water Management District, and a Technical Advisory Committee comprised of representatives from member governments and public supply utilities in the four-county region, the Plan Update is being coordinated. This project is behind schedule due to some delays in the availability of the Central Springs Model in July 2024. The project budget is just over halfway expended.

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

(Ms. Narverud entered the meeting at this time.)

11. Legislative Report

Ms. Suzannah Folsom, Executive Director, presented this item. The 2024 Legislative Regular Session began January 9, 2024 and ended March 8, 2024. Staff gathered information on relevant bills that are related to conservation and water supply from SWFWMD, 1000 Friends of Florida, and the Florida Engineering Society’s Conservation and Environmental Quality Committee, and the House and Senate websites. The attached exhibit provided in the Board’s meeting materials summarizes the status of the bills as of the publishing of this agenda packet. All tracked items have now been approved by the Governor.

Ms. Folsom also provided a short presentation on SB 674 / HB 779 US Produced Steel in Public Works Projects which included new iron and steel requirements for municipal projects.

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

12. Short-Term Loan from WCRWSA to W3C – Option Summary

Ms. Suzannah Folsom, Executive Director, presented this item. W3C is an adjacent water (and wastewater) special district that was just formed within the last year. They will be constructing new water and wastewater treatment and conveyance infrastructure that will serve multiple areas within Levy County including Bronson, Otter Creek, Rosewood, and Cedar Key <https://w3cfl.org/>. The existing wellfield infrastructure in Cedar key is failing due to saltwater intrusion, and the wastewater facility has had several failures resulting in sewage spills into the Gulf of Mexico, impacting the Wildlife Refuge and the fishing, scalloping and clamming industries.

The first stage for their implementation is to complete a Facility Plan outlining the location and size of the proposed infrastructure and any property needs. The Facility Plan will be used as a basis of design and backup for future funding applications. Funding has been granted by the Suwanee River Water Management District (\$100,000 grant for administrative costs) and Florida Commerce (\$300,000 reimbursement for non-administrative costs).

W3C is struggling with cash flow problems, and needs a short term loan to cover the time period between when their payments are due to the consultant and the grant reimbursement funds are received. As a new district, they do not have assets for collateral for a line of credit, and interest rates would be at least 8.5%. Bronson and Otter Creek, and Levey County are designated as economically distressed communities by the Rural Economic Development Initiative (REDI), and Cedar Key had significant damage from Hurricane Idalia in September 2023.

WRWSA could provide a short-term loan to W3C to help their cashflow. The loan could be at the same 5.5% interest rate that we are receiving from the SBA account. The Authority has sufficient funds in our account. The motivation for WRWSA to help W3C would be to help a similar adjacent special district develop alternative water supplies in the spirit of regional cooperation and support. The improvements will help provide potable water service to underserved areas and reduce pollution in the Gulf.

Opportunity Cost:

WRWSA SBA Interest	Net Interest Option Calculations		
	Rate	W3C Interest Paid	Interest Gained
\$150,000 at SBA	0%	\$0.00	-\$8,250.00
Interest Rate of 5.5% = \$8,250.00	5.5% (break even)	\$8,250.00	\$0.00
	8.5% (Prime)	\$12,750.00	\$4,500.00
	9.5% (Prime + 1)	\$14,250.00	\$6,000.00

Following discussion and consideration, **the Board consensus was to continue to discuss the opportunity with W3C at a rate of at least 1% higher than the current SBA interest rate, and encourage W3C to continue to explore additional funding avenues and report to the Board.**

13. Attorney's Report

Mr. James Hartley, assistant to Mr. Batsel, provided a presentation on the Section 404 permits regarding dredge and fill work in the proximity of navigable waterways in Florida. This program was originally part of the Army Corps of Engineers. The program was taken over partially by Florida Department of Environmental Protection, but then returned to the Army Corps of Engineers after legal disputes regarding the regulation of endangered species. One concern with the Army Corps of Engineers being in charge of the program is the long timeframe for permit reviews and approvals. This item was provided for the Board's information and no action was required.

14. Executive Director's Report – Ms. Folsom presented the following items which required no action and highlighted items which had activity since last Board meeting.

- a. **Water Use Permit Demand Summary** - A summary was in the Board's meeting materials. Ms. Folsom noted that the City of Inverness demands has been reported incorrectly in May and March due to a database error, which has been corrected now.
- b. **Water Use Permit Activity Report (WMIS Notifications)** – A list of notifications was included in the Board's meeting materials.
- c. **Residential Irrigation Evaluation Programs Update** – Ms. Folsom noted that Phase 7 project has been extended through the end of July to get closer to the target number of evaluations. Ms. Bryant asked about areas east of I-75 and Ms. Folsom said those areas may be considered for a future phase.
- d. **Correspondence** – Several items were included in meeting materials. Ms. Folsom noted the wellfield rate increase correction letter and credit made to last bill.
- e. **News Articles** – Several articles were included in meeting materials.
- f. **Best Tasting Drinking Water Contest at National AWWA ACE** – Ms. Folsom noted that on June 5 in Anaheim, California, was the contest and Citrus County was a participant.

15. Other Business – None

16. Next Meeting Time and Location

- The next regular Board meeting is scheduled for September 18, 2024, at 3:30 p.m. at the Lecanto Government Building, Room 166.

17. Adjournment – Vice Chair Estep adjourned the meeting at 4:35 p.m.

Jeff Kinnard, Chair

Suzannah J. Folsom, Executive Director