



WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY

Charles A. Black Wellfield Contract for Water Supply

wrwsa.org

Recommended Contract Major Provisions

from September 16, 2015 Board Meeting

- Citrus County continues to be responsible for operation and maintenance of the CAB facilities. ✓
- The current amortization and administration fixed payments are replaced with a volume-based, per-thousand gallons charge. ✓
- Citrus County continues to make contributions to the R&R fund, but at a significantly reduced rate based upon experience to-date and the latest CAB Engineering Evaluation report. ✓

Recommended Contract Major Provisions (cont.)

from September 16, 2015 Board Meeting

- The R&R fund is transferred to the Authority for administration and future County R&R payments are made to the Authority for inclusion in the R&R fund. ✘
- The County would notify the Authority in advance for anticipated utilization of R&R funds and would request reimbursement of costs incurred. ✓
- Total costs to Citrus County (amortization, administration and R&R combined) are to remain relatively stable in the transition to the volume-based rate. ✓

New Contract

Major Accomplishments

- Accomplishes the major goals set forth by the WRWSA Board.
- Assures Citrus County of a continued reliable water supply at a known, reasonable cost.
- Assures WRWSA of a reliable revenue stream.
- Eliminates unnecessary provisions of the current contract that have been problematic.
- Addresses past WRWSA audit comments and comments from the Joint Legislative Auditing Committee.

New Contract Major Provisions

- Volumetric Rate - \$0.1335 per thousand gallons.
 - Intended to generate approximately the same revenue as the current contract.
 - No impact on the County's water rates.
 - Derived by dividing the current revenue of approximately \$224,000 per year by the permitted quantity of 4.597 mgd.

New Contract Major Provisions (cont.)

- COLA – establishes a Cost of Living Adjustment.
 - Tracks the County's COLA; no impact on the County's water rates.
- Minimum production charge – set at current revenues of approximately \$224,000 per year.
 - In case actual pumpage is significantly less than permitted quantity.
 - Collected annually, no later than the third month of the following Contract Year, after the previous year's total pumpage determined.

New Contract Major Provisions (cont.)

- Renewal and Replacement Fund – establishes a fixed annual contribution of \$180,000.
 - Less than the current amount of approximately \$183,000.
 - Less than the amount required by the end of the current contract of \$271,748 in 2021.
 - Saving the County money.

New Contract Major Provisions (cont.)

- Term –
 - Takes effect upon execution by all parties.
 - 10-year term with option for County to renew four additional 10-year terms.
 - Will automatically renew unless County notifies Authority six months in advance.
- Replaces all past CAB contracts/agreements to the extent possible.

Staff Recommendation

- Board approval of the Water Supply Contract between the WRWSA and Citrus County, Florida, as contained in the Exhibit, including the revised Contract Exhibits, and authorization for the Chairman to execute the Contract.