

**MINUTES – WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING, JANUARY 21, 2009**

DATE: January 21, 2009
TIME: 4:30 p.m.
PLACE: Southwest Florida Water Management District, Governing Board Room
2379 Broad Street
Brooksville, FL 34604

Agenda Item #1 Call to Order

Chairwoman Rose Rocco called the meeting to order at 4:32 p.m. and asked for a roll call.

Agenda Item #2 Roll Call

Mr. Sullivan, Executive Director, called the roll and a quorum was declared present.

MEMBERS PRESENT

Rose Rocco, Hernando County Commissioner
Dennis Damato, Citrus County Commissioner
Winn Webb, Citrus County Commissioner
Gary Bartell, Citrus County Commissioner
Richard Hoffman, Sumter County Commissioner
Randy Mask, Sumter County Commissioner
Dale Swain, Bushnell City Councilman
Stan McClain, Marion County Commissioner (Arrived at 4:46 pm)
Mike Amsden, Marion County Commissioner
Barbara Fitos, Marion County Commissioner
Christine Dobkowski, Belleview City Commissioner
John Druzbeck, Hernando County Commissioner

MEMBERS ABSENT

Phillip Price, Crystal River City Councilman
Joe Bernardini, Brooksville City Councilman
David Russell, Hernando County Commissioner
Kent Guinn, Ocala City Councilman
Daniel Owen, Ocala City Councilman

Agenda Item #3 Introductions and Announcements

Mr. Sullivan introduced others in the audience.

OTHERS PRESENT

Jack Sullivan, WRWSA Executive Director
Larry Haag, WRWSA Attorney
Diane Salz, Legislative Liaison, WRWSA

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Mark White, Partner, Purvis Gray & Company
Ryan Tucker, Purvis Gray & Company
Emory Pierce, Brooksville Public Works Department
Peter Rocco, Hernando County
Alys Brockway, Hernando County Utilities
Troy Kuphal, Marion County Water Resources Manager
Andy Neff, Marion County Utilities Director
Jimmy Brooks, SWFWMD
John Ferguson, SWFWMD
Ken Herd, SWFWMD
Miki Renner, SWFWMD
David Rathke, SWFWMD
Pete Hubbell, Water Resource Associates
Robert Knight, Citrus County Utilities
Brian Huston, R. W. Beck
Dale Jenkins, Black & Veatch
Connie Mullis, Aid to Senator Evelyn Lynn
Al Grubman, TOO FAR
Jan Grubman, TOO FAR
Barbara Sullivan, Bookkeeper
Darlene Johnson, Recording Secretary

Mr. Sullivan introduced new Board members: Marion County Commissioners Barbara Fitos and Mike Amsden; Belleview City Commissioner Christine Dobkowski; Hernando County Commissioner John Druzbeck, who has not yet been affirmed in this position but by their next meeting Hernando County will have made its appointments; Citrus County Commissioner Winn Webb.

Mr. Sullivan also announced to the five new Board members that he would present an overall orientation at the regular February 18th meeting in Ocala at the WRPC Headquarters.

He also reminded the Board that they are scheduled to hold a joint meeting with the SWFWMD Governing Board on Monday April 27, 2009 in the afternoon. It has tentatively been scheduled to be held at the Wildwood Community Center.

Agenda Item #4 Approval of Minutes of November 19, 2008 Meeting

A MOTION WAS MADE BY RICHARD HOFFMAN TO APPROVE THE MINUTES OF THE NOVEMBER 19, 2008 MEETING. THE MOTION WAS SECONDED BY GARY BARTELL AND CARRIED UNANIMOUSLY.

Agenda Item #5 Election of the 2009 Officers . . . Board of Directors, WRWSA

Chair Rocco asked for nominations for Chairman of the Authority for 2009.

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GARY BARTELL MADE A MOTION TO NOMINATE DENNIS DAMATO AS CHAIR OF THE WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY. DALE SWAIN SECONDED THE MOTION AND THE MOTION WAS CARRIED UNANIMOUSLY.

Chair Rocco thanked the Board for allowing her to serve and then passed the gavel to Dennis Damato the newly elected Chair of the Authority. Chair Damato then presented a plaque of appreciation To Ms. Rocco for her service as Chair of the Authority during the calendar year of 2008. Chair Damato thanked the Board members for their vote of confidence and said he would try to do an excellent job. The Chair then opened nominations for Vice Chair.

GARY BARTELL MADE A MOTION TO NOMINATE RICHARD HOFFMAN FOR VICE CHAIR OF THE WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY. ROSE ROCCO SECONDED THE MOTION AND THE MOTION WAS CARRIED UNANIMOUSLY.

Chair then opened nominations for Treasurer.

Richard Hoffman nominated Gary Bartell as Treasurer. Mr. Bartell declined the nomination stating that it had been our practice that two Commissioners from the same county should not serve as officers, Mr. Bartell thanked Mr. Hoffman for the nomination, but respectfully declined.

MIKE AMSDEN MADE A MOTION TO NOMINATE BARBARA FITOS AS TREASURER OF THE WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY. ROSE ROCCO SECONDED THE MOTION AND THE MOTION WAS CARRIED UNANIMOUSLY.

**Agenda Item #6 2007-08 FY Independent Auditor’s Report and Annual
Financial Report . . . Mark White, Purvis Gray & Company**

Mark White, CPA with Purvis Gray & Company, presented the 2007-08 FY audit to the Board. He introduced Ryan Tucker as the Authority’s Audit Manager and stated that the audit was conducted out of the Tallahassee Office because the books are kept and maintained in Tallahassee. Ryan has been the Audit Manager for the past few years and Mark wanted to acknowledge Ryan’s efforts for this year and the past couple years. Mark said he would just hit the highlights of the Audit. He brought the Board through the audit quickly covering the costs and assets of the Authority for the fiscal year. Mr. White said the Authority was in good financial condition. Mr. Sullivan inserted that along with the audit report, was the Annual Financial Report that was included in the Board Package. This report along with the audit needed to be approved for transmittal to the State.

GARY BARTELL MADE A MOTION TO ACCEPT THE AUDIT REPORT AND TO APPROVE BOTH THE AUDIT REPORT AND THE ANNUAL FINANCIAL

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**REPORT FOR TRANSMITTAL TO THE STATE. ROSE ROCCO SECONDED
THE MOTION AND IT CARRIED UNANIMOUSLY.**

**Agenda Item #7 Request for Time Extension – City of Brooksville Wellfield
Grant . . . Emory Pierce, P.E. Brooksville Director of Public
Works**

Mr. Sullivan explained the City of Brooksville is requesting an extension of its 2007-08 grant for the Hope Hill Wellfield to install a submersible pump and piping. The City was not able to move forward with bidding out the project because the Authority was remiss in getting the contract to them on time because they had been misplaced. Because the Authority was remiss in getting the contract to them on a timely basis, Mr. Sullivan recommended that their contract be extended until May 20, 2009.

Mr. Bartell referred to Section 8 of the contract and asked if the language saying a request for an extension must be made prior to the project completion date would keep the Board from approving the extension. Mr. Haag advised that as a contractual matter, if both parties agreed to the extension, then the change would be a contract amendment as to the date of completion.

**RICHARD HOFFMAN MADE A MOTION TO EXTEND THE CITY OF
BROOKSVILLE WELLFIELD GRANT UNTIL MAY 20, 2009. THE MOTION
WAS SECONDED BY ROSE ROCCO, AND THE MOTION WAS
CARRIED UNANIMOUSLY.**

Agenda Item #8 Executive Director's Report . . . Jack Sullivan, WRWSA

a. Bills to be Paid

Mr. Sullivan stated because there was no meeting in December and the bills were paid, the Board should ratify the payment of the December bills. The bills for December were \$20,011.20.

**A MOTION WAS MADE BY GARY BARTELL TO PAY THE
DECEMBER BILLS IN THE AMOUNT OF \$20,011.20. THE MOTION
WAS SECONDED BY RICHARD HOFFMAN AND CARRIED
UNANIMOUSLY.**

Mr. Sullivan then presented the bills for payment for January in the amount of \$22,236.49.

**A MOTION WAS MADE BY ROSE ROCCO TO APPROVE THE
JANUARY BILLS FOR PAYMENT IN THE AMOUNT OF \$22,236.49.
THE MOTION WAS SECONDED BY RANDY MASK AND CARRIED
UNANIMOUSLY.**

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**b. Report on Water Resources Development Account and Status of
Local Government Investment Pool (LGIP)**

Mr. Sullivan provided in the Board Packet the annual Fund B transfers to Fund A as well as the November and December statements for both of the Authority's Local Government Investment Pool accounts. Mr. Sullivan said that it appears that the Authority is in pretty good shape under the circumstances. He mentioned that out of the \$202,997.10 that the State Board of Administration diverted to a Fund B, only \$59,355.16 remains unpaid. Almost 71% of the unrestricted funds had been transferred from Fund B to Fund A. Mr. Sullivan referred to the Water Resources Development Fund and stated that it contains \$1,174,880.35 as of December 31, 2008.

c. Hydrologic Report

Mr. Sullivan summarized the December 2008 hydrologic report from SWFWMD's Water Resources Monthly Update found on the District's web page for the northern part of the District.

- i. Aquifer levels** in the Florida Aquifer have just moved into the below normal range.
- ii. Rainfall** for December has been below the historic level for the month. Through November of this year rainfall was about 2.5 inches below the historic January through November average.
- iii. Lake levels** have continued to decline from last month and are still below normal.
- iv. Streamflow** in the Withlacoochee River is just barely within the normal range.

d. Correspondence

Mr. Sullivan received two pieces of correspondence that he included in the Board Package. First is an annual report sent by Citrus County on the status of the renewal and replacement fund for the Charles A. Black Water Supply Facility, which the Water Supply Authority owns. The report shows how much was deposited in the account and how much was spent on renewal and replacement. Mr. Sullivan said that generally this balance is right on target as projected. Mr. Sullivan said that the second correspondence was a Certificate of Liability Insurance that our consultants are required to carry and to verify to us.

e. News Articles

Mr. Sullivan provided news articles on water issues from around the region and State that the Board can read at its leisure.

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Agenda Item #9 Legislative Report . . . Diane Salz, Legislative Consultant

Ms. Salz gave a brief summary of the impacts of the Special Session, and also described certain Federal activities.

American Recovery & Reinvestment Act of 2009: The House draft contains \$2 billion dollars for drinking water; \$3.8 billion for rural water & wastewater; and \$6 billion for wastewater projects. Ms. Salz suggested that the Board might wish to write members of the Florida State Senate to support at least \$10 billion for drinking water.

Private Activity Bonds (PABs): Efforts are underway to make PABs more attractive by exempting interest from alternative minimum tax (AMT); allow governments to issue additional PABs; and exempt other types of bonds from AMT and allow banks to deduct more costs from purchasing and carrying tax exempt bonds than they may currently write-off.

Ms. Salz said a lot happened in the State Legislature's Special Session in the way of budget cuts. Florida Forever Acquisition Program has been put on hold. The Water Management Trust Funds have been cut. The Water Protection and Sustainability Trust Fund program, which was to provide money for alternative water supply development, was also reduced.

Ms. Salz will continue monitoring and reporting on these developments as further details unfold.

Ms. Salz then introduced David Rathke, SWFWMD Community & Legislative Affairs Director to provide a brief description of how certain Special Session budget cuts will impact the District and in-turn affect the Withlacoochee Regional Water Supply Authority. Mr. Rathke said that staff was doing the fiscal analysis to see what projects may be impacted or not impacted and of course SWFWMD's Governing Board is going to have to make some decisions based on that evaluation. In a nutshell districts depend essentially on three pieces of state funding: The Florida Forever Program, the Water Management Lands Trust Fund Program and the Water Protection & Sustainability Program. All of these programs were severely reduced.

In addition to that the District had significant ad valorem reductions. From fiscal year 08 to 09 Southwest Florida Water Management District had a reduction of approximately \$21.4 million dollars in ad valorem revenue, which was about nine percent of the overall ad valorem revenue. In total, SWFWMD will lose close to \$70 million, when you look at two years of ad valorem reductions plus the state reductions. These reductions will affect the District's ability to fund certain programs of importance to local governments and the Authority.

Gary Bartell asked if most of the money that the legislature cut was in trust funds, which are where both the District and the Authority's program funds are. Mr. Rathke said it was across the board cuts. With regard to the Southwest district, the cuts were mostly in

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programmatic trust fund dollars. The actual operation of the district is paid through ad valorem taxes.

Mr. Bartell asked if the cuts would affect basin board projects.

Mr. Rathke said that it possibly could, because of every one of the trust funds that he has mentioned, the revenue stream is from documentary stamps. He relayed that it is a natural cycle if the economy is not doing well you will have a reduction in doc stamps, so the state just does not have revenue to fund the trust funds.

Ms. Salz stated that what they have been hearing in Tallahassee at the budget cutting sessions is just a prelude to what is expected during the regular session. As long as doc stamp revenues remain low and growth remains low this is what we have to work with.

Mr. Bartell asked about the Federal Stimulus money and what Ms Salz was hearing out of the Federal Government on water quality projects and water projects in general and is that something the Board should be looking to?

Ms. Salz said generally she has been listening to the State Chapter of the American Water Works Association. Generally, the AWWA is very disappointed in the House draft that was released to the public last week. The House was talking generally about an \$825 billion stimulus package and water and wastewater got a mere \$11 billion. There is a strong effort afoot to lobby Senators and bring the Senate around to understanding how great the need is for water infrastructure and to kick the number up higher to more accurately reflect what the need in the nation. There have been enormous estimates in dollar value in shovel ready projects and water projects that have already been planned and designed and permitted and they are just waiting for some stimulus money to get them started.

Ms. Salz suggested applying pressure on Senators that the Board may have a relationship with to increase the total dollars provided for water projects. Another aspect to this is to look at existing state revolving funds, which have enormous backlogs; she said that Florida SRF has a \$300 million backlog, which might even be more than that right now. These projects have been sitting on that list for years.

Mr. Bartell asked if it wouldn't be prudent that the Authority Board initiate something representing the counties to at least lobby Senators on increasing water funding in the stimulus package. He said Citrus County initiated a letter back in December listing the projects that were already designed, engineered and waiting on money. He thought it might be prudent for the Board to initiate a letter to at least the Senators to put them on notice and then have Board members take the issue back individually to their local governments.

Ms. Rocco said that would be her suggestion also because they have been working very hard to put a lot of projects together and without knowing how much revenue they are

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going to get coming in to do any of these they have no direction. She thinks water is a very important economic factor. She also feels it would be prudent for the Board to pen a letter from the WRWSA and then bring it back to our individual Boards.

Mr. Hoffman voiced a minority opinion. He said if we are talking about pressure on our State Government to better prioritize where money goes that is fine. He said he would not support a letter to the Federal Government asking for money. He feels that this is a terrible mistake that they would be making and he will not support it. At this time, Chair Damato called for a motion.

A MOTION WAS MADE BY GARY BARTELL TO HAVE THE EXECUTIVE DIRECTOR PREPARE A LETTER TO THE UNITED STATES SENATORS AND REPRESENTATIVES THAT ARE IN THE BOARD'S DISTRICT, TO THE STATE SENATORS AND REPRESENTATIVES IN THE DISTRICT AND TO DEP SECRETARY MIKE SOLE, SWFWMD AND SJRWMD EXECUTIVE DIRECTORS URGING THEM TO ALLOCATE AT LEAST \$10 BILLION FOR DRINKING WATER INFRASTRUCTURE IN THE ECONOMIC STIMULUS LEGISLATION. THE MOTION WAS SECONDED BY DALE SWAINE. THERE WAS SOME DISCUSSION. THE MOTION WAS CARRIED WITH RICHARD HOFFMAN IN OPPOSITION.

Agenda Item #10 Attorney's Report . . . Larry Haag, WRWSA Attorney

Mr. Haag had nothing to report at this time.

Agenda Item #11 Other Business

Mr. Sullivan related that Commissioner Wynn Webb had joined the meeting previously, but had not been introduced. Mr. Sullivan stated that Commissioner Webb is a newly elected Commissioner from Citrus County.

Agenda Item #12 Public Comments

Al Grubman, President of TOO FAR from Citrus County, objected to use of Federal or State dollars to take water from the Withlacoochee River that should be allowed to replenish lakes.

Alys Brockway invited Board members to a seminar on “Living on KARST” caves, springs, and sinkholes. The seminar will be at the Weekiwachee State Park on May 14 from 9:00 a.m. to 3:00 p.m.

Agenda Item #13 Next Meeting and Location

Chairman Damato stated that the next meeting will take place on February 18, 2009, 4:30 p.m., at the Withlacoochee Regional Planning Council Headquarters Conference room, 1241 SW 10th Street, (SR 200), Ocala, FL 34474-0323.

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Agenda Item #14 Adjournment

With no further business to come before the Board, the meeting was adjourned at 5:37 p.m.

Dennis Damato, Chairman

Jackson E. Sullivan, Executive Director