

**MINUTES – WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING, FEBRUARY 21, 2007**

DATE: February 21, 2007
TIME: 4:30 p.m.
PLACE: Citrus County Courthouse
Commission Chamber, First Floor
110 N. Apopka Ave., Inverness, FL 34450

MEMBERS PRESENT

Joyce Valentino, Citrus County Commissioner
Dennis Damato, Citrus County Commissioner
Richard Hoffman, Sumter County Commissioner
Joe Bernardini, Brooksville City Councilman
Mike Francis, Sumter County Commissioner
Dale Swain, Bushnell City Councilman
Sophia Diaz-Fonseca, Inverness City Councilwoman

MEMBERS ABSENT

Gary Bartell, Citrus County Commissioner
Rose Rocco, Hernando County Commissioner
Diane Rowden, Hernando County Commissioner
David Russell, Hernando County Commissioner
Christopher Kingsley, Hernando County Commissioner
Jeff Stabins, Hernando County Commissioner
Kent Guinn, Ocala City Councilman
Daniel Owen, Ocala City Councilman

OTHERS PRESENT

Jack Sullivan, Executive Director
Larry Haag, WRWSA Attorney
Barbara Sullivan, Recording Secretary
Alys Brockway, Hernando County Water Conservation Coordinator
Robert Knight, Citrus County Utilities
Mikel Renner, SWFWMD
Jimmy Brooks, SWFWMD
Jack Bratton, Sumter County
Gus Thayer, Citrus County Council
Al Grubman, TOO FAR, Citrus County
Jan Grubman, TOO FAR, Citrus County
W. Duane Brooks, TOO FAR, Citrus County
Ellen Hoffman, Sumter County
Pat Francis, Sumter County

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Agenda Item #1 Call to Order

Chair Joyce Valentino called the meeting to order at 4:32 p.m.

Agenda Item #2 Roll Call

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

Agenda Item #3 Introductions and Announcements

Mr. Sullivan introduced members of the public and welcomed them to the meeting. Mr. Sullivan announced that there would be a Water Conservation Summit held in Ocala at the Hilton Hotel on March 23rd from 9 am to 4 pm. Mr. Sullivan said that he had been asked to sit on the first panel of the day and make a presentation on the results of our regional water supply plan update. Mr. Sullivan recommended that the Board authorize travel expenses for himself, Diane Salz, Larry Haag and any Board member who wishes to attend.

A MOTION WAS MADE BY SOPHIA DIAZ-FONSECA TO AUTHORIZE TRAVEL EXPENSES FOR THE EXECUTIVE DIRECTOR, DIANE SALZ, LARRY HAAG AND BOARD MEMBERS TO ATTEND THE WATER CONSERVATION SUMMIT IN OCALA ON MARCH 23, 2006. THE MOTION WAS SECONDED BY JOE BERNARDINI AND CARRIED UNANIMOUSLY.

Mr. Sullivan also announced a February 20, 2007 workshop on the Central Florida Coordination Area that is being worked on by SWFWMD and SJRWMD. The workshop is to try to identify and select alternative water supply projects in the central Florida area.

Agenda Item #4 Approval of Minutes of December 13, 2006 Meeting

A MOTION WAS MADE BY DENNIS DAMATO TO APPROVE THE MINUTES OF THE JANUARY 17, 2006 MEETING. THE MOTION WAS SECONDED BY SOPHIA DIAZ-FONSECA AND CARRIED UNANIMOUSLY.

Agenda Item #5 Presentation of 2006 FYE Audit ... Mark White, Purvis Gray and Company

Mr. White reviewed the results of the 2006 audit with the Board. A copy of the audit is available from the Authority or by contacting the Department of Financial Services, Bureau of Local Government, 200 E. Gaines Street, Tallahassee, Florida 32399-0354. Mr. White indicated that the only reportable condition was a deficiency in the separation of duties in financial management. He said this condition was a continuing one resulting from the small staff available

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to the Authority making it impossible to adequately separate the financial administration functions of the Authority. He indicated that the condition had been mitigated to some extent by requiring dual signatures on Authority checks, quarterly financial reports to the Board by an independent accounting firm, and an annual independent audit.

Upon completion of Mr. White's report, Mr. Sullivan stated that the Local Government Annual Financial Report had been prepared by Purvis Gray from the audit findings and that both the audit report and the Annual Financial Report had to be submitted to the Florida Department of Financial Services, Bureau of Local Government. He recommended that the Board approve and adopt both reports so that they could be officially transmitted to the State.

A MOTION WAS MADE BY DALE SWAIN TO APPROVE THE 2006 FYE AUDIT REPORT AND THE ANNUAL LOCAL GOVERNMENT FINANCIAL REPORT FOR SIGNATURE BY THE CHAIRMAN AND EXECUTIVE DIRECTOR FOR TRANSMITTAL TO THE STATE DEPARTMENT OF FINANCIAL SERVICES. THE MOTION WAS SECONDED BY SOPHIA DIAZ-FONSECA AND CARRIED UNANIMOUSLY.

Agenda Item #6 Designation of Water Use Caution Area in Marion and Sumter Counties ... Mikel Renner, SWFWMD

Mr. Sullivan introduced Mikel Renner, Planning Manager from the Southwest Florida Water Management District. Mr. Sullivan said that Ms. Renner was here at his request to explain to the Board the circumstances surrounding the possible designation of areas within the Withlacoochee region as Water Use Caution Areas (WUCA).

Ms. Renner provided a Power Point presentation to the Board. She stated that although the northern part of the SWFWMD area was more rural and had less water demand than the southern portion of the District, we had been receiving significant growth in more recent years. Although overall water levels are generally good region-wide, there are pockets of concern where growth had created substantial water demands. The District is looking to focus on those areas in order to prevent harm to water resources.

She indicated that the largest growth in water demand over the next 25 years would be in public water supply. Of the total increase of 69 mgd over the next 25 years, 56 mgd or 82% of the increase would be in public water supply and 95% of the water supply is from the Upper Florida Aquifer. Ms. Renner discussed some of the patterns of growth that are water intensive, such as a proliferation of golf courses and suburban development that builds in large areas of lawn turf to be irrigated. She mentioned a number of strategies that will be undertaken to assist in protecting the resource. They include trying to reduce per capita consumption. Other strategies include working cooperatively with the SJRWMD in the northeast Sumter, northwest Lake and southern Marion County area to solve water supply problems regionally. The District is looking at establishing a water use caution area to cover the tri-county area and working jointly with SJRWMD to solve water problems in this area. The SJRWMD has already declared the Lake and Marion areas as a WUCA. In addition to this, the District is looking at designating Hernando and

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Citrus Counties as “areas of special concern” in order to focus more attention on preventing harm to the water resources in those areas.

A question and answer session followed Ms. Renner’s presentation. Sophia Diaz-Fonseca requested a copy of the Power Point presentation be given to Mr. Sullivan and that he post the presentation on the Authority’s web page. The Board thanked Ms. Renner for her presentation.

Agenda Item #7 Discussion of WRWSA Membership ... Jack Sullivan, Executive Director

Mr. Sullivan stated that he had provided to the Board a memorandum explaining the background of the withdrawal of Marion County from the Authority in 1991. Marion County just finished its Water Resources Assessment and Management Study (WRAMS) and one of the recommendations is that the County should re-consider its membership in the Authority. Mr. Sullivan said that historically, the Authority has tried on numerous occasions to bring Marion County back into the Authority. Mr. Sullivan said he wants to discuss this again since almost all of the Board members now on the Authority are new and have not considered this issue before. He needs to know how to respond to any overtures either he or Marion County makes toward Marion rejoining the Authority. If the prospect of Marion County coming back in looks good, Mr. Sullivan said he would need to work with Marion County staff to determine how we would deal with certain issues. The two main issues for which he needs Board guidance are: back dues and representation.

Mr. Sullivan referred the Board to his memorandum outlining those two issues. The first issue of back dues was the most troublesome because he had several points at which back dues could be assessed depending on when the Board considered Marion County withdrawn. Mr. Sullivan said he thought a case could be made for a back dues assessment ranging from \$0 to \$230,876. If the attorney’s interpretation that the Interlocal agreement is a contract, then the cost could be a continuing one running in hundreds of thousands of dollars. If the Board decided not to assess back dues, then the Authority’s rules would have to be modified to exempt them from back dues.

The Board discussed this at some length and the consensus of the Board was that Marion County should pay some amount of money to bring them fully into the Authority and to update the Authority’s studies to include Marion County in the Authority’s plans. The Board felt that this was something they could not place a dollar figure on and felt that the Executive Director should be allowed to negotiate the amount and conditions to update the Authority’s studies and the cost to manage the additional responsibility of having Marion as a member of the Authority.

A MOTION WAS MADE BY DENNIS DAMATO TO GIVE AUTHORITY TO THE EXECUTIVE DIRECTOR TO NEGOTIATE WITH MARION COUNTY TO REJOIN THE AUTHORITY SHOULD THAT OPPORTUNITY PRESENT ITSELF AND TO NEGOTIATE THE COST OF INCORPORATING MARION COUNTY INTO ALL OF THE AUTHORITY’S STUDIES AND THE EXTRA COST OF ADMINISTERING THE AUTHORITY’S PROGRAMS CAUSED BY MARION COUNTY MEMBERSHIP. THE MOTION WAS SECONDED BY MIKE FRANCIS AND CARRIED UNANIMOUSLY.

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The discussion continued to the issue of representation. Mr. Sullivan outlined the current rules regarding representation on the Board for Marion County. Mr. Sullivan stated that his memo set forth the current maximum of six representatives from any individual County, inclusive of all City membership as well. This arrangement would allow Marion County three County Commissioner representatives, two Ocala representatives and one small cities representative. Mr. Sullivan also raised the issue of changing the current formula of one representative per 50,000 population to one representative per 75,000 population. Mr. Sullivan indicated that any changes to the current formula would require changes in the Authority's rules. The Authority Board discussed the issue of representation and felt that no change was necessary.

A MOTION WAS MADE BY SOPHIA DIAZ-FONSECA TO RETAIN THE CURRENT RULES ON THE REPRESENTATIONAL FORMULA AS THEY CURRENTLY EXIST. THE MOTION WAS SECONDED BY DENNIS DAMATO AND CARRIED UNANIMOUSLY.

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

a. Bills to be Paid

Mr. Sullivan stated that the bills for February had been handed out separately. They total \$13,403.24.

A MOTION WAS MADE BY MIKE FRANCIS AND SECONDED BY JOE BERNARDINI TO PAY THE FEBRUARY 21, 2007 BILLS IN THE AMOUNT OF \$13,403.24. THE MOTION CARRIED UNANIMOUSLY.

b. Report on Water Resources Development Account

Mr. Sullivan reported that the Water Resources Development Fund earned \$5,249.12 in interest during January. The fund balance on January 31, 2007 was \$1,158,819.69.

c. Legislative Issues

Mr. Sullivan stated that Diane Salz is tied up in committee meetings and could not make it to the meeting. She provided information in the Board Package on a bill being prepared by Nancy Argenziano on springs protection. Mr. Sullivan said that Ms. Salz prepared a written report on everything that she is aware of up to this point which he handed out to everyone and they could review it at their leisure.

d. Information Handbook and Updates

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Mr. Sullivan said that for those Board members who did not get the complete inserts to their updated Information Handbook, he has copies available. For those who did receive the updates at the last meeting, Mr. Sullivan said he has a new insert for the Board Members list. Previously, he did not have all of the Hernando County appointments. He handed out the new insert for the Board members.

e. Hydrologic Report

Mr. Sullivan said he downloaded the hydrologic report from SWFWMD's web page. Mr. Sullivan provided the Board with the hydrologic report for February through February 7th. The records show that aquifer levels have gotten marginally better. However, they are still below the normal range. It appears that rainfall levels for the northern portion of the District are a little better than the rainfall levels in the central and southern parts of the District.

f. Signature Cards for Check Signing Purposes

Mr. Sullivan said that he had secured bank signature cards for all of the recently elected officers. He requested that the officers please stay around after the meeting and sign these cards so he can get them back in to the bank.

g. Correspondence

Mr. Sullivan said that the only correspondence he received is a letter from Hernando County with its new appointments to the Board.

i. News Articles

Mr. Sullivan said he included a number of news articles that the Board can read at its leisure.

Agenda Item #9 Attorney's Report ... Larry Haag, WRWSA Attorney

Mr. Haag reported that he had two contracts for Board action.

a. Extension of 2005 Water Supply Plan Update Contract to March 31, 2007

The first contract was to extend the completion date for the Authority's update to the Regional Water Supply Plan from December 31, 2006 to March 31, 2007. No other changes to the contract were contemplated.

A MOTION WAS MADE BY DENNIS DAMATO TO APPROVE THE CONTRACT EXTENSION FOR THE UPDATE TO THE REGIONAL WATER SUPPLY PLAN FROM DECEMBER 31, 2006 TO MARCH 31, 2007 AND AUTHORIZE THE CHAIRMAN TO SIGN. THE MOTION WAS SECONDED BY JOE BARNARDINI AND CARRIED UNANIMOUSLY.

b. SWFWMD Contract for Phases II and VII Cooperative Funding Agreement

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The second contract was to approve the Authority's contract with SWFWMD to jointly fund the Phase II and Phase VII work program. The contract amount for the two planning programs is \$450,000 of which the Authority is responsible for \$225,000 or ½ of the contract.

A MOTION WAS MADE BY JOE BERNARDINI TO APPROVE THE CONTRACT WITH SWFWMD TO FUND THE PHASE II AND PHASE VII WORK PROGRAMS FOR A TOTAL CONTRACT AMOUNT OF \$450,000 WITH ONE-HALF OR \$225,000 PAID BY THE AUTHORITY AND ONE-HALF PAID BY THE SWFWMD AND AUTHORIZE THE CHAIRMAN TO SIGN. THE MOTION WAS SECONDED BY DENNIS DAMATO AND CARRIED UNANIMOUSLY.

Agenda Item #8 Other Business

No Board member had any additional business to bring up at the meeting.

Agenda Item #9 Public Comments

At this time, Chair Valentino asked if there were any comments from the public. Alys Brockway, Hernando County Water Conservation Coordinator, informed the Board that Hernando County was sponsoring a Groundwater Guardian Workshop on May 10, 2007. She invited all Board members to attend.

Al Grubman, President of the TOO FAR organization stated that he was concerned that his organization did not receive any information or invitation from SWFWMD regarding the upcoming public input on establishing water use caution areas. Ms. Renner from SWFWMD said she would make sure TOO FAR received invitations to all venues of discussion. Mr. Grubman also stated that he thought SWFWMD should look into including more water in Lake Tsala Apopka. He also stated that with regard to Marion County rejoining the Authority that Marion County may actually need water and it may not be a good idea to include them in the Authority.

Bob Knight, Citrus County Utilities discussed the appropriateness of the 150 gcpd in Citrus County and gave a number of reasons why the 150 gcpd was a reasonable number versus conditions in the southern part of the District.

With no further comment from the public, the public comment portion of the meeting was closed.

Agenda Item #10 Next Meeting Time and Location

Chair Valentino stated that the next meeting would take place on March 21, 2007, 4:30 p.m., City Commission Chambers, City Hall, 151 SE Osceola Ave., 2nd Floor, Ocala, Florida 34471

Agenda Item #11 Adjournment

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With no further business to come before the Board, a motion was made by Joe Bernardini and seconded by Dennis Damato to adjourn the meeting. The meeting was adjourned at 6:47 p.m.

Joyce Valentino, Chair

Jackson E. Sullivan, Executive Director