

**MINUTES – WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING, MARCH 19, 2008**

DATE: March 19, 2008
TIME: 4:30 p.m.
PLACE: City of Inverness Government Center
Council Chambers
212 W. Main Street
Inverness, FL 34450

MEMBERS PRESENT

Joyce Valentino, Citrus County Commissioner
Dennis Damato, Citrus County Commissioner
Gary Bartell, Citrus County Commissioner
Rose Rocco, Hernando County Commissioner
Richard Hoffman, Sumter County Commissioner
Phillip Price, Crystal River City Councilman
Diane Rowden, Hernando County Commissioner
Randy Mask, Sumter County Commissioner

MEMBERS ABSENT

Dale Swain, Bushnell City Councilman
Joe Bernardini, Brooksville City Councilman
Kent Guinn, Ocala City Councilman
Daniel Owen, Ocala City Councilman
David Russell, Hernando County Commissioner
Christopher Kingsley, Hernando County Commissioner

OTHERS PRESENT

Jack Sullivan, Executive Director
Larry Haag, WRWSA Attorney
Barbara Sullivan, Recording Secretary
Joseph Stapf, Hernando County Utilities Director
David Hamilton, Hernando County Administrator
Peter Rocco, Hernando County
Brian Armstrong, SWFWMD
Miki Renner, SWFWMD
Jimmy Brooks, SWFWMD
Troy Kuphal, Marion County Water Manager
Rolly Sauls, Marion County Water Resources Project Manager
Andy Neff, Marion County Utilities Director
Stan McClain, Marion County Commissioner
Al Grubman, TOO FAR
Pete Hubbell, Water Resources Associates
Bill Spivey, Client Services Manager, Florida Safe
Glenn Scott, Portfolio Manager, Florida Safe
Jay Rowden, Hernando County
Barbara Berhrendt, St. Petersburg Times

**MINUTES – WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING, MARCH 19, 2008**

Jim Hunter, Citrus County Chronicle
David Houlton
Marti Consuega, Inverness City Council
Frank DiGiovanni, Inverness City Manager
Tom Dick, Inverness Assistant City Manager

Agenda Item #1 Call to Order

Chairwoman Rose Rocco called the meeting to order at 4:33 p.m. and asked for a roll call.

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 the public members in attendance and Chairwoman Rocco welcomed them to the meeting. Mr. Sullivan then made the announcement that the Authority Board was scheduled to meet with the SWFWMD Governing Board on Monday, March 24, 2008 at the Ocala Hilton at 2:00 p.m.

Agenda Item #4 Approval of Minutes of February 20, 2008 Meeting

A MOTION WAS MADE BY GARY BARTELL TO APPROVE THE MINUTES OF THE FEBRUARY 20, 2008 MEETING. THE MOTION WAS SECONDED BY DENNIS DAMATO AND CARRIED UNANIMOUSLY.

Agenda Item #5 Continuation of Discussion of Transition of WRWSA to Permanent Staff/Location ... Jack Sullivan, Executive Director

a. Discussion of Marion County Rejoining Authority

Mr. Sullivan said there were three issues under this agenda item for discussion. He requested that the third item regarding Marion County rejoining the Authority be taken up first since Commissioner McClain had another meeting he had to attend at 6:00 p.m. Chairman Rocco asked Mr. McClain if he would like to address the Board.

Commissioner McClain addressed the Board and said that he had served as the Chairman of the Board last year and became intimately familiar with the issue of water supply. He said it had become apparent that although Marion County had prepared some detailed reports, to provide for long-term water supply needs he felt it necessary to rejoin the Authority. He asked for and

**MINUTES – WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING, MARCH 19, 2008**

received information from Mr. Sullivan on what it would take for Marion to rejoin the Authority. His staff had looked at the issues and felt that none were insurmountable for Marion County to comply with. Therefore, with acquiescence from his Board, Marion County would request that it be allowed to rejoin the Authority as a full member. Mr. McClain then asked if there were any questions.

Mr. Bartell said that these were welcomed words to hear.

MR. BARTELL THEN MADE A MOTION TO APPROVE MARION COUNTY REJOINING THE WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY SUBJECT TO THE REQUIREMENTS PREVIOUSLY APPROVED BY THE BOARD. THE MOTION WAS SECONDED BY DIANE ROWDEN AND CARRIED UNANIMOUSLY.

Mr. McClain said that Marion County would like to work on those issues necessary to resolve Marion County's re-entry into the Authority as soon as possible. Mr. Sullivan said that he had set those issues out in his memo to the County staff and had worked with Troy Kuphal to make sure we both understood those issues. Mr. Sullivan felt that over the next couple of months that those issues could be resolved through separate working meetings. However, it may take longer to actually finish the technical work to incorporate Marion County's planning efforts into the Regional Water Supply Master Plan.

Mr. Sullivan then said that there was another issue that needed to be resolved. This issue dealt with the Authority's current rules. Mr. Sullivan called upon Larry Haag, the Authority's attorney to elaborate. Mr. Haag stated that the Authority's current rule – Section 49C- 1.013 FAC, requires that a member government pay all of its back dues before it can regain active membership in the Authority. Mr. Haag said that since the Board wanted to deviate from that position based on its vote, that the rule would have to be revised and advertised for a public hearing. This process may take 90 to 120 days to accomplish. Mr. Haag said he would begin immediately to revise the rules and bring the proposed revised rule to the next Board meeting for approval of the Board.

Mr. Bartell said that to bring Marion County into the loop on what the Authority is involved in, he felt that the Board should extend an invitation to have County representatives attend the Board meetings beginning in April while we are working out the other issues. In addition, he felt they should be extended an invitation to attend the joint meeting between the Authority and the SWFWMD Governing Board. Chair Rocco asked if there was a motion from the Board.

MR. BARTELL MADE A MOTION OT INVITE MARION COUNTY TO ATTEND THE AUTHORITY BOARD MEETINGS BEGINNING WITH THE APRIL 16, 2008 MEETING. THE MOTION WAS SECONDED BY JOYCE VALENTINO AND CARRIED UNANIMOUSLY.

b. Approval of Concept and Recommendations from February 20, 2008 Meeting

Mr. Sullivan said that at the last Board meeting, the decision was made to have Board members go back to their local government Boards and determine if their Boards supported the transition

**MINUTES – WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING, MARCH 19, 2008**

of the Authority to a permanent staff and headquarters. Mr. Sullivan asked if there were any reports back from Board members.

Chair Rocco asked if there were any Board members that wanted to make a report. Phillip Price asked a question as to whether the Board could move forward to decide on a permanent office headquarters for the Authority. Mr. Sullivan said he was not asking for a decision, but if the Board wanted to decide, it could.

Joyce Valentino stated that the Citrus County Board of Commissioners did discuss the proposed transition plan and was in agreement to move forward with the transition of the Authority to a regional water supplier. This was based on the understanding that the Southwest Florida Water Management District would be supportive of the Authority with assistance in making the transition. Ms. Valentino felt that it would be better to wait until the meeting on March 24 with the District Governing Board before the Authority Board voted to move forward with the transition concept. Chair Rocco said that her Board had met the previous day on this issue and there was some concern raised by Commissioners at the cost involved with the per capita rate. She said the County's administrative staff was looking at the issue and would come back to the Commission with a recommendation. She felt that the support for a regional water board was very strong, but the County Commissioners want to know the specifics before committing. She also felt that it might be better to wait on a decision until the Board hears from the District as to its support of the Authority.

Richard Hoffman said that the Sumter County Commission was in full support of the transition of the Authority. Their support was extended to even offering office space to the Authority. Diane Rowden asked if the space was being offered at no charge. Randy Mask indicated that there would be a charge, but slightly less than being offered by Inverness. Gary Bartell stated that he felt what Mr. Sullivan was asking for was "conceptual" approval of the transition of the Authority to a full-time staff and permanent office location. He felt that it was time for the Board to either "fish or cut bait" regarding their support of the concept of making this change to the way the Authority does business. He said that the per capita rate is misunderstood by some of the County Commissioners in the region and should be explained further to them. In addition, it is plain that the Authority is dependent on the Water Management District's support to be successful in this transition. Therefore, he felt that when the Board goes into the meeting with the District Board, the Authority should have made a commitment to this transition. He said further postponement would just continue to make the eventual problem of water supply worse and leave us further behind in what we need to do. Mr. Bartell urged the Board to move forward with conceptual approval of the transition and to work out the details as the situation develops further.

Randy Mask said he was concerned with when and how the 5¢ per capita was going to be raised. He felt that the decision could be put off by a month. Diane Rowden said that her concern was that the people who were opposed were not here at the Board meeting to voice their concerns. Chair Rocco said that her only concern with conceptual approval was making a decision without the support of their individual Boards. Diane Rowden said that the decision being made was a decision by this Board to move forward, not by individual Boards. Mr. Sullivan said the only issue regarding that was the fact that the local assessments had to be approved by the local

**MINUTES – WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING, MARCH 19, 2008**

member governments. Ms. Rowden asked when would this decision be made and Mr. Sullivan said it would be part of the budget process in which we ask the local governments for per capita assessments. This would occur in June or July with the budget process. Mr. Sullivan stated that he felt the Authority would need to raise the per capita rate to 25¢ per capita in order to run the Authority after the 5-year period of subsidy by the District. He felt this could be accomplished with less budgetary pain by raising the rate 1¢ each year for 5 years rather than raise the rate 5¢ in one year. However, he said he had no problem with whatever method the Board felt was necessary. Joyce Valentino said that she was under the impression that the per capita rate would not be increased for 5 years and had left the wrong impression with her Board, which she needed to correct. Diane Rowden asked what would happen if after the 5-year subsidy by the District a new Board did not raise the rate by 5¢. Mr. Sullivan said that the Board would have to re-evaluate where they were and determine how to deal with it. Mr. Sullivan said the concerns about funding from the District are valid, but the reality is if the District does not fund the transition, then it won't happen, the issue will be moot. In addition to the District Governing Board, Mr. Sullivan said the Withlacoochee River and Coastal River Basin Boards would have to agree. He is slated to make presentations to them on April 10. Diane Rowden said a conceptual approval would send a message to the District Governing Board that we are serious, even though the situation may change over time. Chair Rocco agreed and said perhaps it might be a good idea to make a decision on conceptual approval. Dennis Damato said that this Board should do the will of their counties. He also said that he felt it was important for the Board to speak with one voice. Mr. Haag said that all of the budget numbers as well as the District's budgets are subject to change every year and nothing is set in stone. Chair Rocco asked if the Board was ready for a motion on this issue.

A MOTION WAS MADE BY GARY BARTELL FOR CONCEPTUAL APPROVAL OF THE TRANSITION OF THE AUTHORITY TO A FULL TIME STAFF AND PERMANENT LOCATION IN ORDER TO FACILITATE THE DEVELOPMENT OF WATER SUPPLY FACILITIES ON A REGIONAL BASIS FOR ITSMEMBER GOVERNMENTS. THE MOTION WAS SECONDED BY DIANE ROWDEN AND CARRIED UNANIMOUSLY.

c. Consideration of Location of Permanent Headquarters

Mr. Sullivan presented information on possible lease space in the Inverness City Hall and also on the Sumter County Government Center in Bushnell. The first location was Inverness City Hall. The major points included:

- The finished space cost would be \$22/s.f. which would include all utilities and maintenance
- The space would be designed for the Authority's needs
- The lease would include use of conference rooms and the Council Chambers for Board meetings
- Security would be provided by electronic card passes
- There would be parking for staff and for visitors
- Other services include: receptionist, IT services from the City, break rooms for staff
- The SWFWMD Northern District Coordinator's office could possibly be co-located with the Authority with joint use of staff and equipment.

**MINUTES – WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING, MARCH 19, 2008**

Mr. Sullivan then covered the following points about the Bushnell office in the Sumter County Government Center:

- The offices are located in a redesigned shopping strip mall
- The finished space would cost \$17.50/s.f. which would include all utilities and office maintenance
- The total space that could be currently provided would be three offices of 144 s.f. each or a total of 432 s.f. There would be the possibility of additional space after 2010 when some of the County offices are scheduled to move to The Villages.
- Office security would be through keyed entry
- Parking is adequate for staff and visitors
- There would be signage outside the building and internally to direct the public to the Authority offices.
- Access to Authority offices would be through a general public area that also provides access to the Fire, Building and Planning Department offices.
- There would be access to the County's computer system and the Internet
- Several small conference rooms could be scheduled for use along with a large meeting room that could be used for the Authority's monthly meeting
- File space and copier use would be jointly shared with the County

After his summary, Mr. Sullivan recommended the Inverness City Hall space for the following reasons:

- The Inverness location could accommodate the needs of the public and Authority better
- Bushnell space is limited to 432 s.f. which is insufficient for the Authority's needs
- Security and access are better at the Inverness location
- There is a possibility of co-location with the SWFWMD District Coordinator which could save money for both agencies
- If the Authority paid for the construction of the finished space, the lease rate in Inverness could be reduced to \$12 s.f.
- The Inverness office is closer to the utilities in both Hernando and Citrus Counties, both of whom will have more long term needs than Sumter.

Mr. Sullivan said that the Board did not need to make a decision at this meeting and that it would probably be better if the Board waited until we knew the overall decisions of the District. Mr. Mask said that his motivation in offering Sumter's facility was to offer an alternative. Mr. Hoffman said it was apparent that the Inverness facility was nicer than that in Bushnell and that it would not hurt either Mr. Mask's or his feelings if the Authority located in Inverness.

Ms. Rowden asked if the co-location with SWFWMD would result in SWFWMD paying half the cost. Mr. Sullivan said that any plans for relocation of the SWFWMD office were not firm and would have to be worked out.

**MINUTES – WITHLACOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING, MARCH 19, 2008**

Mr. Price asked if Mr. Sullivan had worked on the payback if the Authority built its own space and leased the space for \$12 s.f. instead of \$22 s.f. Mr. Sullivan said he had not done that yet and would need to get with the architect and a builder to determine the cost of finishing the office space and then see if the payback was reasonable.

Agenda Item #6 Florida Surplus Asset Fund Trust – FLSAFE, a Chapter 163 Local Govt. Investment Pool ... Bill Spivey, Client Services Manager

Mr. Sullivan said that the Board asked him at the January meeting to investigate alternatives to the Local Government Investment Pool. Mr. Sullivan said that he had received inquiries from Florida Safe – a private investment pool currently operating in Colorado. He said he subsequently talked with Bill Spivey, Client Manager for the firm and asked him to come to this Board meeting to present his proposal. Mr. Sullivan said he did not expect the Board to make any decision tonight, but to just listen and ask questions.

Mr. Spivey explained his organization – the Florida Surplus Asset Fund Trust. He said that what his company is trying to do is provide another investment option in the State other than the Florida Local Government Investment Pool. To do this, they have teamed with Davidson Fixed Income Management, Inc. out of Colorado. The goals of the fund are to provide safety and preservation of principal, daily liquidity, transparency and competitive rates. Mr. Spivey introduced Glenn Scott, Portfolio Manager with Davidson, who provided an overview of the investment vehicles and philosophy as well as some of the local government agencies that are currently invested with his firm.

The Board asked a number of questions of Mr. Spivey and Mr. Scott. After some discussion, Chair Rocco thanked Mr. Spivey and Mr. Scott for their presentation.

Agenda Item #7 Executive Director's Report ... Jack Sullivan, WRWSA

a. Bills to be Paid

Mr. Sullivan presented the March 19, 2008 bills to be paid in the amount of \$13,990.20. He requested that these bills be approved for payment.

A MOTION WAS MADE BY JOYCE VALENTINO AND SECONDED BY DIANE ROWDEN TO APPROVE THE MARCH 19, 2008 BILLS IN THE AMOUNT OF \$13,990.20. THE MOTION CARRIED UNANIMOUSLY.

b. Report on Water Resources Development Fund and Status of Local Government Investment Pool

Mr. Sullivan said he had provided both the Administration Account Statement as well as the Water Resources Development Fund Statement in the Board Package. Both of the statements show a significant amount of return from the Restricted Pool B Fund into the Pool A Fund -

**MINUTES – WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING, MARCH 19, 2008**

\$14,706.25 for Administration and \$37,622.70 for Water Resources Development Fund. Mr. Sullivan also included an e-mail from the Pool indicating that the LDIP expects a transfer of \$650 million in maturities from Pool B to Pool A in the coming months. Mr. Sullivan also provided an e-mail indicating that Federated Management had been selected as the management team for the LGIP.

Mr. Sullivan then said that the Authority currently has \$1,033,304.57 in the WRDF account. During February, the fund earned \$2,974.30 at an interest rate of 3.68%.

c. Update on Schedule for Phases II and VII Work Program

Mr. Sullivan said that the consultants have been held up on completing Phase VII of the groundwater modeling which has in turn held up final prioritization of projects for Phase II. Since this effort has been held up for several weeks, he asked Pete Hubbell, Water Resources Associates, to come and explain to the Board where we are in this process.

Pete Hubbell then made a presentation on the work effort undertaken in the Phase I Master Plan, the Phase II feasibility analysis of the projects coming out of Phase I and finally the groundwater modeling efforts in Phase VII. He said that the Phase II and VII work programs are the building blocks for the water supply plan. Based on the work thus far, it has become apparent that local governments in the region cannot do business as usual just by using groundwater. The analysis shows that all water future water demands cannot be satisfied from groundwater, especially because of the impact of the setting of MFLs. Mr. Hubbell then described the water supply projects coming out of Phase I including projects on the Withlacoochee River, desalination at the Crystal River Power Plant location, and two wellfields located in central Citrus and north Sumter Counties. Currently, the consultants are doing groundwater modeling to determine the viability of wellfields in Citrus and Sumter Counties. He concluded by saying that the prioritization of projects will be presented at the next Technical Review Committee meeting and also at the Water Supply Authority Board meeting in April.

d. Discussion of joint meeting with SWFWMD Governing Board

Mr. Sullivan said that he has coordinated with SWFWMD staff on the joint meeting between the Authority and the SWFWMD Governing Board. The meeting will be held on March 24 at the Ocala Hilton beginning at 2:00 p.m. The meeting is projected to be about 2 – 2.5 hours long. Mr. Sullivan said Pete Hubbell would present the latest information on our Water Supply Plan and projects. Mr. Sullivan will be making a presentation on the transition of the Authority and our request to the Governing Board for assistance. Mr. Sullivan provided the Board with a final agenda for the meeting with SWFWMD Governing Board and the handout material that has been distributed to the SWFWMD Governing Board.

e. Hydrologic Report

Mr. Sullivan said he had provided the Board with the February Monthly Water Resource Update from the SWFWMD web page. The report shows that aquifer levels are continuing to get better, but still slightly below normal. It also shows that rainfall for February was above the historic

**MINUTES – WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING, MARCH 19, 2008**

average, but that lake levels are still below normal and have continued to go down. Stream flows in the Withlacoochee River are getting better, but still well below the normal range.

f. Correspondence

Mr. Sullivan said that he had three pieces of correspondence to mention to the Board. First is an e-mail from Sumter County indicating that the County is currently going through a visioning process and looking for community input. The meeting dates are April 10 in The Villages and April 15 in Webster.

Second is an e-mail from Lou Kavouras, Deputy Executive Director, SWFWMD regarding additional seats on the SWFWMD Governing Board representing Marion County or Hernando County. Those interested need to fill out the questionnaire, which Mr. Sullivan attached with the Board Package.

The third is a letter from the Florida Water Environmental Association Utility Council. Mr. Sullivan said the letter deals with onsite treatment and disposal systems. This is not an issue directly related to water supply, but deals with groundwater issues that Board members as local government officials will deal with.

g. News Articles

Mr. Sullivan said he had provided some news articles in the Board Package for the Board to read at its leisure.

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

Mr. Haag stated that he had nothing to report other than he would be working on the revision to the Authority's rules dealing with Marion County's rejoining the Authority.

Agenda Item #10 Legislative Consultant's Report

Mr. Sullivan stated that Ms. Salz could not be at the meeting because of other obligations. However, Mr. Sullivan said she had prepared a report on current activities that he had provided to the Board in a separate handout.

<<Gary Bartell left the meeting at 5:20 p.m.>>

Agenda Item #11 Other Business

There was no other business by the Board.

**MINUTES – WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING, MARCH 19, 2008**

Agenda Item #12 Public Comments

Chairwoman Rocco asked for any additional public comment. Al Grubman from TOO FAR spoke about the Authority's plans to utilize the Withlacoochee River for water supply. He mentioned that the Withlacoochee River is a natural system that recharges Lake Tsala Apopka when water levels are high. He was afraid that the Authority's plans to use the river for water supply would take water from Lake Tsala Apopka. He felt that water supply for the future should come from desalination. Jay Rowden from Hernando County also spoke and said that the root of the water supply problem is continued growth. He suggested that the Authority look at impact fees as a way to provide for water supply authority funding.

There were no other public comments.

Agenda Item #13 Next Meeting Time and Location

Chairwoman Rocco stated that the next meeting would take place on April 16, 2008, 4:30 p.m., at the City Commission Chambers, City Hall, 151 Osceola Avenue, 2nd Floor, Ocala, Florida 34471

Agenda Item #14 Adjournment

With no further business to come before the Board, a motion was made to adjourn the meeting at 6:13 p.m.

Rose Rocco, Chairwoman

Jackson E. Sullivan, Executive Director