

**MINUTES – WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING, MAY 20, 2009**

DATE: May 20, 2009
TIME: 4:30 p.m.
PLACE: Southwest Florida Water Management District
2379 Broad Street
Brooksville, Florida 34604

Agenda Item #1 Call to Order

Chairman Dennis Damato called the meeting to order at 4:35 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
Richard Hoffman, Sumter County Commissioner
Mike Amsden, Marion County Commissioner
Barbara Fitos, Marion County Commissioner
Stan McClain, Marion County commissioner (arrived at 4:46 pm)
Dale Swain, Bushnell City Councilman
Ken Hinkle, Inverness City Councilman
John Druzbeck, Hernando County Commissioner
Joe Bernardini, Brooksville City Councilman

MEMBERS ABSENT

Christine Dobkowski, Belleview City Commissioner
Kent Guinn, Ocala City Councilman
Daniel Owen, Ocala City Councilman
Jeff Stabins, Hernando County Commissioner
Jim Adkins, Hernando County Commissioner
Randy Mask, Sumter County Commissioner
Gary Bartell, Citrus County Commissioner

Agenda Item #3 Introductions and Announcements

Mr. Sullivan introduced others in the audience.

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OTHERS PRESENT

Jack Sullivan, WRWSA Executive Director
Larry Haag, WRWSA Attorney
Diane Salz, WRWSA Legislative Liaison
Peter Rocco, Hernando County
Troy Kuphal, Marion County Water Resources Manager
Andy Neff, Marion County Utilities Director
John Ferguson, SWFWMD
Brian Armstrong, SWFWMD
Jeff Halcomb, City of Ocala Utilities
Pete Hubbell, Water Resource Associates
Al Grubman, TOO FAR
Dale Jenkins, Black & Veatch
Steven Minnis, SRWMD
Kerem Esin, Golder Associates, Inc.
Lynn Spivey, Malcolm Pirnie
Alys Brockway, Hernando County Utilities
Darlene Johnson, Recording Secretary

Agenda Item #4 Approval of Minutes of the April 15, 2009 Meeting.

A MOTION WAS MADE BY ROSE ROCCO TO APPROVE THE MINUTES OF THE APRIL 15, 2009 MEETING. THE MOTION WAS SECONDED BY JOHN DRUZBICK AND CARRIED UNANIMOUSLY.

Agenda Item #5 Formation of the Nature Coast Regional Water Supply Authority . . . Steve Minnis, Governmental Relations Director, Suwannee River Water Management District

Mr. Minnis gave an update on the formation of the Nature Coast Regional Water Authority. He relayed that he appreciated the opportunity to come before the Board to brief them about the Suwannee District's efforts to form a water authority. Mr. Minnis said the dialogue has been going on since 2006, in which the City of Fanning Springs and the City of Trenton were experiencing water quality problems. The City of Chiefland in Levy County has a facility with good water quality and there was some interest by Fanning Springs and Trenton in partnering with the City of Chiefland to provide water as a back up to the other communities.

The Water Management District purchased 155 acres North of Chiefland and just South of Fanning Springs in the 2002 or 2003 timeframe. With that, the communities drew together to start an informal type of authority. That worked for a while until Chiefland wanted to sell water to Fanning Springs and Trenton. At that point, things started to go different ways with those three municipalities and others became interested. Around

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November 2007, Dixie County said they were interested, because in the Old Town area, there is arsenic in the groundwater. With that, other communities started coming on board. Gilchrist County, the Towns of Belle, and Cross City became interested. Eventually, there was a group including Chiefland that was at the table. Levy County also participated in these discussions, but preferred to wait until they had a full Board of County Commissioners before making any commitments.

Mr. Minnis said that in his Water Management District they are seeing competition among small disadvantaged communities for funding for the same type of projects. Finally, these communities decided that it would be better to collaborate together and develop a system where they can all get water. Mr. Minnis also said the Authority has received a lot of help from the local Legislative Delegation. Their aides have been at the meetings and continue to come to show their support. There has also been some of the Congressional Delegation attending the meetings encouraging the communities to unite and to work together. As of May 9, 2009, there is an Authority. The participants are the Counties of Gilchrist and Dixie, the Towns of Belle, Cross City, Fanning Springs and Trenton. An invitation has been extended to both the City of Chiefland and Levy County.

Mr. Minnis stated that the Cities of Trenton, Fanning Springs and Cross City have their own utilities. They did not want the Authority to retail water in their communities. So the Interlocal Agreement provides that the Authority will only wholesale water to them. The other communities do not have utilities systems and therefore want the Authority to retail water in their communities. Because of this dichotomy, this Authority is formed under Chapter 163.01 rather than Chapter 373.1962, which will allow them to provide retail and wholesale water as well as wastewater and reclaimed water. The Agreement provides that before the Authority can come into a local government area, it must get permission from the local government prior to providing service. This was a key safeguard particularly with Dixie County and the Town of Cross City before the Authority could go forward.

The communities each agreed to pay \$5,000 in 2009 and 2010 for operational expenses for the Authority. SRWMD said that they would match those amounts.

Mr. Minnis stated the Authority should get a project to Old Town where they have arsenic issues. The businesses are looking forward to receiving water and wastewater service in that community. Mr. Minnis showed the extent of the Authority's service area on a map.

The Chair then opened the floor for questions. Chair Damato asked what is the first focus of the Authority?

Mr. Minnis said the first focus is running a water supply line to Old Town. Fanning Springs would wholesale the water to the Authority and the Authority would then retail it to the Old Town area. The Authority would also contract with Fanning Springs for the operation, maintenance and the billing for the Authority.

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Mr. Sullivan asked is this a single source wellfield in Chiefland that is going to supply all of these small municipalities?

Mr. Minnis said the wellfield is actually north of Chiefland, in Levy County. That would not be the initial source; the initial source would come from the City of Fanning Springs, who has excess capacity that can be utilized. Additionally there is a Lancaster Correctional Facility nearby within a couple miles east of Fanning Springs that provides water and wastewater to the Correctional Facility. The Authority is talking with them to possibly use that source as well. It is a vision at this point in time. The long-range plan is to have a single source being ground water, to interconnect all of these facilities together.

The Board thanked Mr. Minnis for his presentation and the information.

Agenda Item #6 Executive Director’s Report . . . Jack Sullivan, WRWSA

a. Bills to be Paid

Mr. Sullivan presented the bills for payment for May in the amount of \$14,460.18 and recommended approval.

A MOTION WAS MADE BY RICHARD HOFFMAN TO APPROVE THE MAY’S BILLS FOR PAYMENT IN THE AMOUNT OF \$14,460.18. THE MOTION WAS SECONDED BY JOE BERNARDINI AND CARRIED UNANIMOUSLY.

b. Semi-Annual Cost Report of Southwest Florida Water Management District, SWFWMD Administrative Support to the Withlacoochee Regional Water Supply Authority

Mr. Sullivan placed in the Board meeting packet a memo from SWFWMD staff to the Withlacoochee and the Coastal Rivers Basin Boards that detailed the cost of the District’s administrative support to the Authority over the past six (6) months. The cost for the six months was \$9,217.53. The two costs comprising the largest amount of money are the cost of office space, valued at \$22 per square foot or \$3,000 for the first six months. Currently the District has assigned 20% of Darlene Johnson’s time to Mr. Sullivan, which totals \$4,515 for the six months.

c. Amendment to Phase VII to Authorize WRA to Extend/Revise the Master Water Supply Plan from 2025 to 2030

Mr. Sullivan stated that when the preparation of the Master Plan was initiated, it was to coincide with the District’s 2025 Regional Water Supply Plan. All Water Management Districts are required to update their plans every 5 years. Both SWFWMD and SJRWMD are in the process of updating their plans to 2030. Consequently, they have asked us if we are going to update our plan as well. Mr. Sullivan feels the Authority

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needs to stay current with the District plans in terms of population and water demand projections.

He asked WRA to give him a cost of updating the Master plan to 2030 from 2025. WRA provided a budget figure of \$25,000. Rather than to go back and try to add money to this year's work program, he said money is available in Task VII of the Master Plan program. Task VII was allocated \$150,000 and there is about \$84,000 left. About \$75,000 of the \$150,000 was to be allocated on an as-needed basis in which we would issue work orders as needed. Mr. Sullivan proposed amending the scope of services for Task VII to include the update to 2030 and then issue a work order for the update. Mr. Sullivan recommended approval of the amendment. He stated that Peter Hubbell from WRA was present to answer questions on the update scope of services if there are any.

A MOTION WAS MADE BY ROSE ROCCO TO REVISE THE WORK PROGRAM FOR TASK VII TO INCLUDE THIS UPDATE TO 2030 AND THEN ISSUE A WORK ORDER FOR THE UPDATE. THE MOTION WAS SECONDED BY STAN McCLAIN AND CARRIED UNANIMOUSLY.

Mr. Sullivan said that it was his understanding that this amendment has to go through both the Coastal Rivers and Withlacoochee River Basin Board. He felt that probably would not occur until their June meetings. The amendment would not be effective until both the basin boards approved the revisions.

d. Report on Presentation re: Regional Framework

Mr. Sullivan said he had prepared a memo in the Board package on where we stand to date on presentations to local governing boards. He said he made a presentation to Sumter County Board of County Commissioners on May 19, and still has to go to Citrus County and perhaps to the City of Ocala. He has provided in the Board package a letter that he had received from the City of Belleview expressing their support of the Regional Framework proposal. Ultimately, he would like to receive something similar from each county and the major cities in the region, so he has a written commitment from the local governments in the region that they are in agreement that the Authority should move forward with the regional framework concept. This is not necessarily a sign off on concept, but at least it will give Mr. Sullivan and the Board the knowledge they are moving in the right direction. Mr. Sullivan said if the reception to the Regional Framework is positive he will be making funding recommendations in the 2009-10 budget to flesh out some of the questions that we will have to address with regard to the Regional Framework.

Chair Damato asked Mr. Sullivan if he needed that in a form of a letter or a resolution? Mr. Sullivan said he thinks a resolution from counties would be a good idea. The City of Belleview asked what he needed and they sent him a letter containing the support he felt was sufficient. Mr. Sullivan said he would prepare a draft resolution and he would send it out to the Board members and then they can present it to their boards. Mr. Damato

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thought that would be smart because Mr. Sullivan has done everyone but Citrus County and the City of Ocala.

Ms. Rocco said she thought that would give each board a better understanding as to what Mr. Sullivan was looking for. A resolution would say what they are trying to achieve. Mr. McClain wanted to reaffirm that Mr. Sullivan was scheduled to participate in a workshop with Marion County on June 15th. He wondered if Mr. Sullivan would have the resolution drafted by then. Mr. Sullivan said he would have it drafted before then, and he would get it to Mr. McClain, who could get that onto their next board meeting agenda. Mr. Henkle asked when the meeting in Citrus County was going to be held? Mr. Sullivan said he didn't have a date from Citrus County yet. He asked the Citrus County Commissioners how he could get that scheduled. Chair Damato said to contact the new County Administrator.

Mr. Sullivan stated that the City of Ocala has not had representatives come to Board meetings very often and had not had the opportunity to schedule a meeting with the City. He asked Jeff Halcomb, City Utility Director if he knew if the City would like Mr. Sullivan to make a presentation to them. Mr. Halcomb said yes he thought they would. Mr. Sullivan asked if there was a way that Jeff could intercede for him and determine when that might be. Mr. Halcomb said he would let him know.

e. Report on Resolution of SJRWMD/SFWMD Boundary Issues

Mr. Sullivan stated that he was happy to report that both SWFWMD and SJRWMD are back at the table to resolve boundary issues in the Marion and Sumter County areas. Pete Hubbell, Josh Schmitz and he met with the Executive Directors and Assistant Executive Directors on May 6. Two issues were resolved at that meeting. The first was agreement that the SJRWMD would entertain groundwater proposals in eastern Marion County. This is a major change from the past in which St Johns has indicated that no groundwater was available in eastern Marion County.

The second issue is that SJRWMD said they would review Marion County's water demand projections immediately if the county has them available. Those were two major changes that the Authority was able to resolve. There are still issues that are being worked on, but generally the Districts feel they are very close together on most of the major issues.

Mr. Sullivan said he has a meeting with Marion County, SJRWMD and SWFWMD on June 15th at which some of the issues that Marion County has raised between the two Water Management Districts will try to be resolved.

f. Per Capita Rate for 2009 -10 FY

Mr. Sullivan handed out a spreadsheet with the proposed 2009-10 per capita assessments using the 20¢ per capita rate used for the past several years. This would generate a slight increase in local assessments because of a regional population increase of 1.71%.

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Mr. Sullivan said that he has received letters from the some County Administrators indicating that the County has laid off a number of people and are having significant budgetary problems and wants the Authority to be very prudent in its request for funds. Mr. Sullivan asked for direction from the Board regarding using the \$.20 per capita or should the per capita be reduced?

Ms. Rocco asked which counties he was getting the letters from? Mr. Sullivan said that he included one letter in the packet from Citrus County, and was not sure if he had received one from Hernando County as well.

Although the amounts of money are very small, if the Board wants to show a reduction in our request, a 5% reduction to \$.19 per capita would yield a reduction across the board of 3.37% and a reduction of local assessments by \$4,840. For the short term it would not make a whole lot of difference in the budget, but may make a difference in the way that the public views the Authority's budget. He said he realized that all local governments are hurting and it has really been a tough couple of years.

Chair Damato said he thought Mr. Sullivan was bringing across a good point by dropping the per capita down to 19¢.

A MOTION WAS MADE BY MIKE AMSEN TO LOWER THE PER CAPITA RATE TO 19¢ FOR THE 2009-10 FY. THE MOTION WAS SECONDED BY ROSE ROCCO AND CARRIED UNANIMOUSLY.

Mr. Amsden also asked Mr. Sullivan to draft a letter to the local governments and have the Chair sign it concerning the lowering of the per capita rate.

g. Correspondence

The only correspondence that Mr. Sullivan had not shown elsewhere is a copy of the minutes from the joint meeting with the SWFWMD Governing Board on April 27. Board members can review that at its leisure.

h. News Articles

Mr. Sullivan said that he also included news articles from around the region and State that the Board can review at its leisure.

Agenda Item #7 2009 Legislative Review . . . Diane Salz, Legislative Consultant

Ms. Salz gave a final legislative update on the bills that will be sent to Governor Crist for his approval/Veto. Ms. Salz started with the budget and said it was a very grim year. There was a record six billion dollar shortfall. Chambers had a different approach of how to deal with budget shortfall, the Senate relied heavily on new revenue sources, the House

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proposed deeper budget cuts to State programs. A one-week extension of the regular session resulted, and by May 8th the Legislature approved a 66.5 billion dollar budget, which included 25 billion dollars in pass through Federal Funding.

Senate Bill 2080 passed this legislative session. One item in this bill that has caught the media's attention is the provision that was in the sunset bill for the water management districts which delegates permitting authority to the Executive Director of each of the water management district. This was done to expedite permitting. The Audubon Society thought there was room for mischief and they sent a letter to the Governor expressing concern and a desire to see this bill vetoed. Senate bill 2080 has not yet arrived to the Governor's desk, once it has arrived he has 15 days to act, either to veto, sign the bill into law or let the bill just go into law. Ms. Salz thought this bill is a good bill.

Ms. Salz also reported the confirmation of the SWFWMD's Governing Board Members that were up for confirmation this year, Bryan Beswick, Hugh Gramling, Paul Senft, Doug Tharp, Judy Whitehead, Withlacoochee River Basin Board member Bill Bachschmidt, and Executive Director Dave Moore.

There was significant Growth Management legislation. Senate Bill 360 authorizes the creation of the "Community Renewal Act" which establishes new definitions for "urban service area" and "dense urban land area." Urban service areas are required to include central water and sewer capacity, or be included within the three years of the capital improvement schedule. These urban service areas would then be exempt from transportation concurrency and also from the development of regional impact process for large scale development. This bill reached the Governor's desk May 19. The Florida Association of Counties and the 1,000 Friends of Florida have requested veto of this bill. Many others are pleased with this bill and believe it will promote compact urban development and discourage urban sprawl.

A Water Conservation bill passed, dealing with automatic sprinklers and "Florida Friendly" Fertilizer. The Florida Friendly Fertilizer provision encourages local governments to adopt and enforce a model ordinance for Florida Friendly Fertilizer on urban landscapes or an equivalent as a mechanism for protecting local surface and groundwater quality. Both the League of Cities and the Association of Counties has requested this bill to be vetoed.

The re-enactment of the Water Protection and Sustainability Program Trust Fund was passed. This is a standard sunset review of the trust fund. Although there is no money in this program it should continue to be kept alive with the possibility that eventually there will be an increase in documentary stamp tax revenue enough to get this program funded again.

Ms. Rocco suggested that the Board send a letter to the Governor in support of Senate Bill 2080.

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A MOTION WAS MADE BY ROSE ROCCO TO HAVE MS. SALZ PEN A LETTER TO THE GOVERNOR IN SUPPORT OF SENATE BILL 2080 AND TO BE SIGNED BY THE EXECUTIVE DIRECTOR. THE MOTION WAS SECONDED BY VICE CHAIR RICHARD HOFFMAN AND CARRIED UNANIMOUSLY.

Agenda Item #8 Attorney's Report . . . Larry Haag, WRWSA Attorney

a. Legal Opinion on Board Representation by Non-Elected Officials

Mr. Haag stated that Mr. Sullivan requested an opinion as to whether municipal staff members or non-elected officials were allowed to be voting members of the Governing Board. Mr. Haag researched both the Florida Administrative Code as it relates to the Board Authority as well as the original Interlocal Agreement that was signed by all the counties in 1977. The various sections dealing with membership involving municipalities and administrative code cross-referenced the original Interlocal Agreement, Section 5(2) D, which states that municipal authority members within a single county shall be entitled to jointly select amongst themselves one elected official to serve on the Governing Board, the key phrase being elected official. The cross reference is repeated throughout the various sections of the administrative code referring back to the language in the Interlocal Agreement requiring elected officials. Therefore, Mr. Haag's opinion is that only an elected official of a city or a county can be a Governing Board Member. From a legal standpoint, if the City of Ocala wishes to have representation on the Board, one or more of their Councilmen will have to represent the City.

Agenda Item #9 Other Business

There was no other business.

Agenda Item #10 Public Comments

Al Grubman, representing TOO FAR, stated as this round of water supply authority presentations is made, the last one he read on the internet that really encouraged him. His big concern over the last many months has been the itemization of four (4) places on the Withlacoochee as potential alternative water sites. The last one that read on the internet it specified only two (2) as tentative alternative water sites. He asked if this was good news?

Mr. Sullivan said those will remain as possible projects, although the one at Panasoffkee has somewhat been overtaken by the proposed dispersed wellfield in North Sumter County. The Authority still has to prove that it is a permitable wellfield. However, it would be much less expensive than doing alternative water supply project at the

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Panasoffkee site. The Trilby site is a recharge project in which the Authority would take water off stream and put it into an impoundment and let it percolate into recharge. All of the proposed projects still have to be prioritized by the Authority; therefore none have been eliminated yet.

Agenda Item #11 Next Meeting and Location

Chairman Damato stated that the next meeting would take place on June 17, 2009, 4:30 p.m., at the Regional Planning Council Headquarters Conference Room, 1241 SW 10th Street (SR 200), Ocala, Florida 34474-0323.

Agenda Item #12 Adjournment

With no further business to come before the Board, the meeting was adjourned at 6:00 p.m.

Dennis Damato, Chairman

Jackson E. Sullivan, Executive Director