

**MINUTES – WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING, JUNE 20, 2007**

DATE: June 20, 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
Gary Bartell, Citrus County Commissioner
Dennis Damato, Citrus County Commissioner
Richard Hoffman, Sumter County Commissioner
Rose Rocco, Hernando County Commissioner
Diane Rowden, Hernando County Commissioner

MEMBERS ABSENT

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

OTHERS PRESENT

Jack Sullivan, Executive Director
Larry Haag, WRWSA Attorney
Barbara Sullivan, Recording Secretary
Alys Brockway, Hernando County Utilities
Diane Salz, Legislative Liaison
Peter Rocco, Hernando County
Robert Knight, Citrus County Utilities
Bernadine Flood, Citrus County Utilities
Ellen Hoffman, Sumter County

Agenda Item #1 Call to Order

Chair Joyce Valentino called the meeting to order at 4:30 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 then made the following announcements:

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1. He met with the Hernando County Board of County Commissioners today and made a presentation to them on the Authority's programs along with Pete Hubbell, WRA. He also presented a plaque on behalf of the Authority recognizing the service of Kay Adams, Utility Director, who recently passed away.
2. He announced a meeting at the Orlando Utilities Commission on July 18, 2007 of local governments in the St. Johns Water Management District area on alternative water supply projects. The meeting is to discuss projects and partners for the projects. In our region, the only project involves The Villages. However, Marion County is also one of the possible actors in developing an alternative water supply project. Mr. Sullivan said he would like to attend this meeting, but since it was on the same day as the July Board meeting he would have to fly to Orlando and rent a car and leave early and drive to Ocala for the meeting. He requested that the Board authorize this travel.

A MOTION WAS MADE BY GARY BARTELL AND SECONDED BY DENNIS DAMATO TO AUTHORIZE MR. SULLIVAN TO FLY TO ORLANDO, RENT A CAR AND ATTEND THE JULY 18 MEETING OF LOCAL GOVERNMENTS AND THE ST. JOHNS RIVER WATER MANAGEMENT DISTRICT REGARDING ALTERNATIVE WATER SUPPLY PROGRAMS. THE MOTION CARRIED UNANIMOUSLY.

Agenda Item #4 Approval of Minutes of May 16, 2007 Meeting

A MOTION WAS MADE BY GARY BARTELL TO APPROVE THE MINUTES OF THE MAY 16, 2007 MEETING. THE MOTION WAS SECONDED BY DIANE ROWDEN AND CARRIED UNANIMOUSLY.

Agenda Item #5 2007-08 Fiscal Year Budget ... Jack Sullivan, WRWSA

Mr. Sullivan presented the proposed 2007-08 fiscal year budget to the Board. Mr. Sullivan began by outlining revenue stating that local assessment would be maintained at \$.20 per capita for the 2007-08 fiscal year. This per capita rate generated \$85,641 in local revenue, which based on population growth within the region was a 5.23% increase in local funds. Mr. Sullivan then stated that funding from the Citrus County wellfield was established by contract with Citrus County and amounted to \$52,408 in administrative funds and \$163,587 in water resource development funds for fiscal year 2007-08. He then reviewed beginning fund balances for the Water Resource Development Fund, which he estimated at \$958,884 and the Administration Fund, which he estimated at \$460,206. He indicated that the Administrative fund balance would be split and applied \$260,206 to the Administrative Fund and \$200,000 to the Water Resources Fund. Mr. Sullivan also estimated that the Authority would receive approximately \$175,000 in match funds from the Southwest Florida Water Management District (SWFWMD) for work on the Phase II and Phase VII work program.

Mr. Sullivan then went over proposed expenditures for the 2007-08 fiscal year. Generally, for those expenditures that remained the same or were reduced, he merely pointed them out to the Board. For those expenditures that increased, he provided additional comment. The primary increases were for additional equipment, including a laptop computer, a projector and additional software to allow Mr. Sullivan to have a means of doing PowerPoint presentations for agencies and citizen groups. This represented an increase of \$4,750. In addition, Mr. Sullivan had proposed an increase of \$2,000 in travel expenses in order to cover expenses for Board members

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and the Legislative Consultant to attend the Water Management District annual conference. These increases balanced against decreases in other line items represented a total increase in Administrative funding of \$6,862.

Mr. Sullivan also covered the 2007-08 expenditures for the Phase II and Phase VII work program which totaled \$350,000. This amount was already committed in a contract with the SWFWMD utilizing matching funds. The final expenditure was for the local government grant program of \$125,000. Mr. Sullivan then asked for questions from the Board.

After some discussion, Dennis Damato made a motion to accept the budget as presented with a second by Diane Rowden. During discussion of the motion, Gary Bartell stated that it would be difficult to support an increase in the Authority's budget if the County's departments had to decrease their budgets. He asked if there were areas that could be cut in the budget. Mr. Sullivan stated that the increases for the laptop computer, projector and software could be deleted as well as the increase in travel expense. These cuts would total \$6,750, which would almost zero out any increases in the Administrative budget. Mr. Bartell asked Mr. Sullivan if he could make any additional changes to make sure that there were no increases in the Authority's Administrative budget. Mr. Sullivan said the additional \$112 could be taken from other areas of the budget to completely zero out any increase in the budget.

After further discussion, Mr. Damato rescinded his motion to approve the budget and Ms. Rowden rescinded her second.

A MOTION WAS MADE BY ROSE ROCCO AND SECONDED BY GARY BARTELL TO APPROVE THE PROPOSED 2007-08 BUDGET WITH THE REDUCTIONS IN OFFICE SUPPLIES FOR THE LAPTOP COMPUTER AND PROJECTOR OF \$3,500 AND REDUCTION IN PUBLICATIONS AND SOFTWARE OF \$1,250 AND REDUCTION IN TRAVEL OF \$2,000 ALONG WITH MISCELLANEOUS REDUCTIONS OF \$112 TO SHOW NO INCREASE IN THE ADMINISTRATIVE BUDGET. THE MOTION CARRIED UNANIMOUSLY.

**Agenda Item #6 Revisions to Citrus County 2006 Grant Budget ... Bernadine Flood,
Citrus County Water Conservation and Outreach Coordinator**

Mr. Sullivan stated that this agenda item concerns changes to Citrus County's water conservation program grant budget line items. Normally, Mr. Sullivan said he could approve changes up to 10% of a line item. However, these changes are above that amount. He then introduced Ms. Bernadine Flood, Citrus County's coordinator for this project.

Ms. Flood then provided a PowerPoint presentation showing the changes she proposed for the grant program. She said that some of the program objectives had to change because previous programs had already accomplished some of the activities and therefore the money could be better used in other areas. None of the changes increased the total program beyond what was originally budgeted.

A MOTION WAS MADE BY DIANE ROWDEN AND SECONDED BY ROSE ROCCO TO APPROVE THE CHANGE IN BUDGET ITEM AMOUNTS PRESENTED BY MS. BERNADINE FLOOD. THE MOTION CARRIED UNANIMOUSLY.

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

a. Bills to be Paid

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Mr. Sullivan stated that the bills for June had been handed out separately. They total \$13,729.28.

A MOTION WAS MADE BY GARY BARTELL AND SECONDED BY DIANE ROWDEN TO PAY THE JUNE 20, 2007 BILLS IN THE AMOUNT OF \$13,729.28. THE MOTION CARRIED UNANIMOUSLY.

b. Report on Water Resources Development Fund Account

Mr. Sullivan reported that the WRDF account earned \$5,113.99 in interest during May. The fund balance on May 31, 2007 was \$1,122,204.87.

c. 2nd Quarter Financial Report

Mr. Sullivan presented the 2nd Quarter Financial Report compiled by Purvis Gray and Company. Mr. Sullivan covered the Balance Sheet, which showed that the ratio of Assets to Liabilities was very high indicating that the Authority was very solvent. Mr. Sullivan then went over revenues and expenditures for the quarter. For the quarter, revenues exceeded expenditures by \$16,856.70. Mr. Sullivan then covered expenditures comparing actual to budgeted amounts. There were no items that were not anticipated. For the year to date, the Authority shows an actual net loss of \$27,809.28. The loss for the first six months was projected to be \$160,263.50 based on expenditures for water resources projects. Therefore, actual budget figures were much better than the original projections. Overall, Mr. Sullivan said that the budget was on target and generally expenditures were well within budget projections. He requested that the Board approve the 2nd quarter financial report.

A MOTION WAS MADE BY GARY BARTELL AND SECONDED BY DENNIS DAMATO TO APPROVE THE 2ND QUARTER FINANCIAL REPORT AS PRESENTED. THE MOTION CARRIED UNANIMOUSLY.

d. Contracts for Jack Sullivan and Diane Salz for 2007-08

Mr. Sullivan stated that he had included copies of both proposed contracts for himself and Diane Salz in the Board Package. Neither contract has changed in compensation amounts or any other provision from last year except the dates.

A MOTION WAS MADE BY GARY BARTELL AND SECONDED BY DENNIS DAMATO TO APPROVE BOTH CONTRACTS AS PRESENTED FOR JACK SULLIVAN AND DIANE SALZ. THE MOTION CARRIED UNANIMOUSLY.

e. Hydrologic Report

Mr. Sullivan stated that he had downloaded the June 1 Hydrologic Report from the SWFWMD web page. He said the below normal conditions for the aquifer, lakes and the Withlacoochee River have not changed except to get slightly worse. We are all just waiting for the rainy season to change this drought condition.

f. Correspondence

Mr. Sullivan said he had five pieces of correspondence to bring to the Board's attention:

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First was a letter to Nancy Robinson in which Mr. Sullivan had sent her a plaque for her service as Chair of the Authority in 2006. Second was a letter received from Jerri Blair, Attorney for Wildwood, requesting to discuss with the Authority possible projects for alternative water supply from the Withlacoochee River. Third, Mr. Sullivan said he sent Ms. Blair a return letter saying we would be happy to meet with her. He also informed her that the City's 2004 grant had been withdrawn for relocating a wellfield since we had extended the grant twice and had not heard from the City. Fourth, was a letter to Andrew Huston, City Manager of Crystal River and to Frank DiGiovanni, City Manager of Inverness asking their cities to caucus and select a representative to the Authority to replace Sophia Diaz-Fonseca. Fifth was a letter to Hernando, Citrus, Sumter and City of Ocala with the Authority's per capita request and informing them we would send them our budget as soon as it was completed.

g. News Articles

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

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

Mr. Haag had no business to report.

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

Ms. Salz covered the tax cut provisions in the special session of the Legislature. She focused her remarks on the impacts of the cuts on the water management districts and local governments. She indicated that schools would not be impacted by the tax cuts. The constitutional amendment to remove the Save Our Homes 3% tax increase cap would be on the January 29, 2008 presidential primary ballot and would require a 60% approval to remove this constitutional provision. There was some concern with the wording on the ballot for the constitutional amendment. In addition, with the roll-back in taxes imposed on local governments, there was concern that local governments would not be able to come up with matching funds for alternative water supply projects.

<<Gary Bartell left the meeting at 5:44 p.m.>>

Agenda Item #10 Other Business

Chair Valentino stated that she had discussed with Mr. Sullivan a replacement for Mr. Francis as the Vice-Chair of the Authority. She stated that the Authority would hold a special election to replace Mr. Francis at the next Board meeting in July.

Agenda Item #11 Public Comments

Alys Brockway stated that she had sent in a request to Mr. Sullivan to extend Hernando County's current grant to October 1, 2007, but did not see this item on the agenda. Mr. Sullivan said he had

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not received such a request from Hernando County. He asked Ms. Brockway what her issue was regarding a need to extend the grant. She stated that she had always operated under the assumption that for local governments to receive approval for a continuing grant for the next year that funds for their current grant had to be encumbered by June 30 of the current grant year. She wanted to know if the Board would approve a new grant if the funds were not encumbered until later in the current grant year.

Mr. Sullivan said that the guidelines are silent regarding the timing for when funds must be encumbered. He stated that the program guidelines just want to make sure that a local government finishes one grant project before the Authority signs a contract for another project. He said he saw no problem, especially for a continuing program such as Hernando County's Water Conservation program, if encumbrance of funds occurred later in the current fiscal year as long as the funds were encumbered by September 30 of that grant year.

A MOTION WAS MADE BY ROSE ROCCO AND SECONDED BY DIANE ROWDEN TO ALLOW HERNANDO COUNTY TO APPLY FOR AND POSSIBLY BE FUNDED FOR A CONTINUING GRANT AS LONG AS FUNDS FOR ITS CURRENT GRANT ARE ENCUMBERED BY SEPTEMBER 30 OF THE CURRENT GRANT YEAR. THE MOTION CARRIED UNANIMOUSLY.

Robert Knight, Citrus Utilities Director, then stated that Citrus County was having the same problem and asked if the policy just voted on for Hernando County applied to Citrus County as well?

A MOTION WAS MADE BY DIANE ROWDEN AND SECONDED BY ROSE ROCCO TO ALLOW CITRUS COUNTY TO APPLY FOR AND POSSIBLY BE FUNDED FOR A CONTINUING GRANT AS LONG AS FUNDS FOR ITS CURRENT GRANT ARE ENCUMBERED BY SEPTEMBER 30 OF THE CURRENT GRANT YEAR. THE MOTION CARRIED UNANIMOUSLY.

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

Agenda Item #12 Next Meeting Time and Location

Chair Valentino stated that the next meeting would take place on July 18, 2007, 4:30 p.m., at the City Commission Chambers, City Hall, 151 SE Osceola Ave., 2nd Floor, Ocala, Florida 34471

Agenda Item #13 Adjournment

With no further business to come before the Board, the meeting was adjourned at 5:55 p.m.

Joyce Valentino, Chair

Jackson E. Sullivan, Executive Director