

**MINUTES – WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY  
BOARD OF DIRECTORS MEETING, JULY 16, 2008**

**DATE:** July 16, 2008  
**TIME:** 4:30 p.m.  
**PLACE:** Citrus County Courthouse, Commission Chamber  
First Floor, 110 N. Apopka Ave.  
Inverness, FL 34450

**MEMBERS PRESENT**

Dennis Damato, Citrus County Commissioner  
Joyce Valentino, Citrus County Commissioner  
Rose Rocco, Hernando County Commissioner  
Richard Hoffman, Sumter County Commissioner  
Phillip Price, Crystal River City Councilman

**MEMBERS ABSENT**

Gary Bartell, Citrus County Commissioner  
Joe Bernardini, Brooksville City Councilman  
Daniel Owen, Ocala City Councilman  
Kent Guinn, Ocala City Councilman  
Diane Rowden, Hernando County Commissioner  
David Russell, Hernando County Commissioner  
Christopher Kingsley, Hernando County Commissioner  
Randy Mask, Sumter County Commissioner  
Dale Swain, Bushnell City Councilman

**OTHERS PRESENT**

Jack Sullivan, Executive Director  
Larry Haag, WRWSA Attorney  
Barbara Sullivan, Recording Secretary  
Diane Salz, Legislative Liaison, WRWSA  
Peter Rocco, Hernando County  
Brian Armstrong, SWFWMD  
John Ferguson, SWFWMD  
Mikel Renner, SWFWMD  
Troy Kuphal, Marion County Water Manager  
Stan McClain, Marion County Commissioner  
Pete Hubbell, Water Resources Associates  
Robert Knight, Citrus County Utilities  
Bernadine Flood-Nichols, Citrus County Utilities  
Kevin Smith, Citrus County Planning  
Nancy Smith, Citrus County  
Alys Brockway, Hernando County Utilities  
Joe Stapf, Hernando County Utilities  
Al Grubman, TOO FAR  
Jan Grubman, TOO FAR  
Connie Mullis, Aide to Senator Evelyn Lynn  
Rob Birrenkott, Manson Law Group

**Agenda Item #1      Call to Order**

Chairwoman Rose Rocco called the meeting to order at 4:45 p.m. and asked for a roll call.

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**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.

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

**A MOTION WAS MADE BY DENNIS DAMATO TO APPROVE THE MINUTES OF THE APRIL 16, 2008 MEETING. THE MOTION WAS SECONDED BY JOYCE VALENTINO AND CARRIED UNANIMOUSLY.**

**Agenda Item #5      Consideration of Local Government Water Conservation Grants**

Mr. Sullivan said that in the interest of time, he would present the grant applications he had received from Citrus and Hernando Counties for water conservation. He mentioned that Bob Knight and Alys Brockway were both present to answer questions or provide more information.

Mr. Sullivan stated that Citrus County's program is a continuation begun a couple of years ago and includes an educational component for Florida Friendly Landscaping, Indoor Water Conservation and a Water Conservation Media Campaign. The cost of the program to the Authority is \$25,000. Bob Knight addressed the Board and thanked them for their support.

Mr. Sullivan then described Hernando County's application. Hernando County's program is also a continuation program, building on seven years of experience. Hernando County has a well-defined citizen participation program including outreach groups such as Citizens for WATER, Spring Hill Communications Advisory Committee, Spring Stewards, and a countywide Groundwater Guardian Team. In addition, Hernando's program features an in-school education program, a Statewide Water Conservation Campaign in conjunction with SWFWMD and various customer and resident incentive programs. The cost of Hernando's program to the Authority is \$46,750. Alys Brockway, Hernando County's Water Conservation Coordinator provided additional information to the Board.

Mr. Sullivan said that Marion County wanted to submit a program, but the submittal time schedule did not allow County staff to coordinate with the Board of Commissioners in time. The Authority's submittal deadline for this program currently is June 30. In order to give Marion a chance to prepare and submit an application, Troy Kuphal, the County's Water Resources Manager asked that the submittal timeframe be lengthened to August 19 to allow them time to meet with their Board.

Mr. Sullivan said he did not have a problem with the altered timeframe because he wanted to try to institute a water conservation program in all of the counties and Marion's program would be welcomed. The Authority's reason for cutting the submittal date to June 30 is to give us time to get the contracts prepared after the Board decides on the grants and then get them to the local governments for signature before our September Board meeting. Since we have reduced our grants to only water conservation, Mr. Sullivan said he would not have a problem with extending

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the submittal date to August 19 for the current year to get Marion County involved. However, he said that the Authority would only have \$28,250 left to fund Marion County's program.

**A MOTION WAS MADE BY DENNIS DAMATO AND SECONDED BY RICHARD HOFFMAN TO APPROVE THE WATER CONSERVATION GRANTS OF \$25,000 TO CITRUS COUNTY AND \$46,750 TO HERNANDO COUNTY, TO EXTEND THE APPLICATION DEADLINE FOR MARION COUNTY TO AUGUST 19, 2008 AND TO APPROVE ITEM 5.B. IN THE AGENDA TO ALLOW HERNANDO COUNTY TO REALLOCATE MONEY WITHIN ITS CURRENT GRANT BUDGET IN ACCORDANCE WITH THE MEMORANDUM SUBMITTED BY ALYS BROCKWAY. THE MOTION CARRIED UNANIMOUSLY.**

**Agenda Item #6 Presentation on Scope of Services for Work Program to Bring Marion County Water Supply Plan into Compliance with Regional Master Plan ... Jack Sullivan, WRWSA and Pete Hubbell, Water Resources Associates**

Mr. Sullivan stated that the SWFWMD staff is not recommending approval for our request for funding assistance for the transition of the Authority to full-time status. They have cited the downturn in the economy and the restriction of ad valorem revenues as a good part of the problem. Instead of providing the Authority with a grant of money, they are offering to support the Authority with in-kind services.

Mr. Sullivan stated that he had provided in the Board Package the District staff's formal offer that was received from Bruce Wirth, Deputy Executive Director of SWFWMD. The District Governing Board considered the proposal at its May 27<sup>th</sup> meeting. Both Chairwoman Rocco and Mr. Sullivan attended the meeting and thanked the Board for their offer and told them we would take it up at this Board meeting.

Mr. Sullivan said it was his conclusion that the impact of the proposal is considerable and by providing in-kind services, the Authority can stay on track in terms of its water supply objectives by taking advantage of the District offer.

Mr. Sullivan stated that Bruce Wirth's letter outlined the Administrative support the District can provide. These included: office space, office furniture, equipment, telephone and Internet service, secretarial support, and storage space. Mr. Sullivan said he had mentioned the possibility of financial support. However, this support would merely have been to give the Authority a couple more hands to separate financial functions. However, SWFWMD staff was concerned about doing any financial record keeping and it was concluded that we would continue with our current financial management routine.

In addition, Mr. Sullivan said he met with SWFWMD staff to firm up any issues relating to moving into the District Headquarters. Bruce Wirth had indicated to Mr. Sullivan that it would take about 60 days to get everything into place. Based on that timeline, Mr. Sullivan projects the transition to the District's offices could be complete by October 1, 2008. Mr. Sullivan recommended that the Board accept SWFWMD's offer for administrative support.

**A MOTION WAS MADE BY JOYCE VALENTINO TO ACCEPT THE SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT'S OFFER OF PROVIDE ADMINISTRATIVE SUPPORT TO THE AUTHORITY. THE MOTION WAS SECONDED BY RICHARD HOFFMAN.**

During discussion of the motion, Mr. Damato asked Mr. Sullivan whether he considered this move to be permanent or temporary and whether the Authority may look for other space in the future and if so when that might be. He also asked if the District had meeting space and whether it would be available for the Authority to hold its monthly meetings.

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Mr. Sullivan responded that he believed the arrangement with the District was a temporary one. He indicated that he had discussed with the staff the need to evaluate the arrangement each year to determine if changes needed to be made. Both the District and the Authority would be apprised of the findings of that evaluation. Mr. Sullivan also stated that the District did have meeting space for the Authority's Board meetings and have offered it to the Authority as long as it does not conflict with other scheduled meetings at the District's headquarters. However, Mr. Sullivan said the Board probably needed to discuss whether it wanted to hold all its meetings there since the District headquarters was located at the southern extent of the Authority's jurisdiction and travel may be too much for other Board members. Chair Rocco indicated that the Board could discuss this at a later date and until that time, we should continue rotating the meeting location.

**WITH DISCUSSION COMPLETE, THE QUESTIONED WAS CALLED AND THE MOTION PASSED UNANIMOUSLY.**

**Agenda Item #7      Consideration of contracts with Marion County and Water Resource Associates to revise Regional Water Supply Plan and Update of Phase II and VII Work program ... Jack Sullivan, WRWSA and Pete Hubbell, Water Resources Associates**

Mr. Sullivan stated that the Board has two contracts to consider to begin the process of bringing Marion County back into the Regional Water Supply Authority. The first is a contract with Marion County. This contract states that Marion County agrees to fund a study to bring their water supply planning into conformation with the Authority's Regional Water Supply Plan. Mr. Sullivan said that the scope of services for the study has been provided in the Board Package. He said he felt comfortable that the work accomplished under this program will provide the information necessary to bring Marion County's planning studies into conformance with the Authority's RWSP. The cost of the study is \$145,000, which Marion County will pay for.

The second contract is with Water Resources Associates (WRA) and is an amendment to our current contract with WRA for the Phase II and VII studies. Marion's studies would update the Phase II and VII studies the Authority currently has underway. The contract would be between the Authority and WRA, however, the payment for the study would be by Marion County. The same Scope of Services and budget of \$145,000 are attached to this contract. He said that Pete Hubbell as well as Troy Kuphal is present to answer questions. Mr. Sullivan recommended approval of both contracts.

**DENNIS DAMATO MADE A MOTION TO APPROVE THE CONTRACT WITH MARION COUNTY TO INCLUDE THE SCOPE OF SERVICES AND THE BUDGET OF \$145,000. THE MOTION WAS SECONDED BY RICHARD HOFFMAN AND CARRIED UNANIMOUSLY.**

**DENNIS DAMATO MADE A MOTION TO APPROVE THE AMENDMENT TO WATER RESOURCE ASSOCIATES, INC.'S PHASE II AND PHASE VII CONTRACT WITH THE AUTHORITY TO INCLUDE THE MARION COUNTY STUDY AT A CONTRACT PRICE OF \$145,000. THE MOTION WAS SECONDED BY JOYCE VALENTINO AND CARRIED UNANIMOUSLY.**

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

**a.      Bills to be Paid**

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Mr. Sullivan said that since the Board did not have a quorum for the May and June meetings, those bills, which have already been paid, should be ratified. The bills to be paid for May 21, 2008 were \$43,453.86. The bills for June were \$15,724.82.

**A MOTION WAS MADE BY DENNIS DAMATO AND SECONDED BY JOYCE VALENTINO TO RATIFY THE MAY 16, 2008 BILLS IN THE AMOUNT OF \$43,453.86 AND THE JUNE BILLS IN THE AMOUNT OF \$15,724.82. THE MOTION CARRIED UNANIMOUSLY.**

Mr. Sullivan then presented the July 16, 2008 bills to be paid in the amount of \$13,982.96. He requested that these bills be approved for payment.

**A MOTION WAS MADE BY DENNIS DAMATO AND SECONDED BY JOYCE VALENTINO TO APPROVE THE JULY 16, 2008 BILLS IN THE AMOUNT OF \$13,982.96. THE MOTION CARRIED UNANIMOUSLY.**

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

Mr. Sullivan reported that as of June 30, the \$202,997 that was placed in the restricted POOL B, \$123,301.33 or about 61% of our restricted funds has been returned to the unrestricted POOL A. Currently as of June 30, 2008, in the Administrative Fund, the Authority has \$313,638.50 and in the Water Resource Development Fund, the Authority has \$1,112,846.15. Both funds have been earning interest at the rate of 2.43%.

**c. 2<sup>nd</sup> Quarter Financial Report**

Mr. Sullivan presented the Financial Report for the 2<sup>nd</sup> Quarter of the 2007-08 Fiscal Year. Mr. Sullivan presented the Balance Sheet and declared that the ratios of assets to liabilities for both current and restricted assets were sufficient to ensure solvency of the Authority. He indicated that the Total Net Assets of the Authority as of December 31, 2007 were \$3,933,058.84. Mr. Sullivan then covered revenues and expenses for the quarter. He stated that all projected revenues had been received. He indicated that revenues exceeded expenditures for the quarter leaving a \$26,297.77 excess in operating income. In addition, the Authority earned \$12,654.69 in interest for the quarter, leaving a net income of \$38,952.46

There were no questions from the Board and Mr. Sullivan asked the Board for approval of the quarterly report.

**JOYCE VALENTINO MADE A MOTION TO APPROVE THE 2ND QUARTER FINANCIAL REPORT. THE MOTION WAS SECONDED BY PHILLIP PRICE AND CARRIED UNANIMOUSLY.**

**d. 2008-09 Per Capita Request**

Mr. Sullivan said that local governments had asked that he provide them with the Authority's budget request. He stated that he had sent out letters proposing that the Authority maintain the per capita at its current rate of 20¢. However, he had not been able to bring this to the Board because of the lack of a quorum for the past two months. Mr. Sullivan recommended that the Authority stay at 20¢ per capita.

**JOYCE VALENTINO MADE A MOTION THAT THE LOCAL GOVERNMENT ASSESSMENT REMAIN AT 20¢ PER CAPITA FOR THE 2008-09 FISCAL YEAR. THE MOTION WAS SECONDED BY RICHARD HOFFMAN AND CARRIED UNANIMOUSLY.**

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**e. 2008-09 Proposed Budget**

Mr. Sullivan presented the proposed 2008-09 fiscal year budget to the Board. Mr. Sullivan walked through the process of estimating the beginning balances in the Water Resources Development Fund and the Administration Fund. He then covered the projected revenues for the year of \$608,629, with an additional amount of \$71,004 coming out of reserves to supplement revenues. Expenditures for the year were projected to be \$679,633.

**JOYCE VALENTINO MADE A MOTION TO APPROVE THE PROPOSED BUDGET AS PRESENTED BY MR. SULLIVAN. THE MOTION WAS SECONDED BY DENNIS DAMATO AND CARRIED UNANIMOUSLY.**

**f. Consideration of Joint Meeting with SWFWMD in 2009**

Mr. Sullivan reported that SWFWMD has requested that we schedule a joint workshop with them for 2009. They propose holding the workshop on the same day as their Board meeting, which occurs on Tuesday, April 28. They would hold their meeting in the morning and then have the workshop in the afternoon. However, they indicated that if this presented a problem for the Authority, they could meet on either Monday or Wednesday, before or after their Board meeting day. Mr. Sullivan said that most of our County Commissions hold their meetings on Tuesdays while City Commissions normally meet on Monday nights. After some discussion, the Board decided that Monday was probably the best day to hold the meeting.

**JOYCE VALENTINO MADE A MOTION DIRECTING THE EXECUTIVE DIRECTOR TO CONTACT SWFWMD INDICATING THAT THEIR PREFERRED DATE TO MEET WITH THE GOVERNING BOARD WOULD BE MONDAY, APRIL 27, 2009. THE MOTION WAS SECONDED BY RICHARD HOFFMAN AND CARRIED UNANIMOUSLY.**

**g. Hydrologic Report**

Mr. Sullivan said he had copied the May Monthly Water Resource Update from the SWFWMD web page. It shows that the aquifer levels have declined during the month; rainfall for May was below the historic average; lake levels are still below normal; and stream flow in the Withlacoochee River is still below the normal range.

**h. Correspondence**

Mr. Sullivan said he had no additional correspondence that has not been provided elsewhere.

**i. 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 Legislative Report ... Diane Salz, Legislative Consultant**

Ms. Salz referred to materials in the Board Package regarding the Century Commission for a Sustainable Florida Water Summit scheduled for September 25-26, 2008. She stated that the "Water Summit" had been upgraded to a "Water Congress." Diane said that reports suggest that delegates will decide among other things whether a statewide water board or czar is needed and whether a new alternative water supply funding program is needed. The Florida Section of the American Water Works Association created a "Florida 2030 Task Force" to develop a vision of Florida's water supply future. Some of the information provided by the task force is of

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significant importance to our local governments. One of those is the white paper prepared by the Committee on Water Allocation and Transfer. Some on the Committee believe that the local sources first policy is a potential barrier to regional water supply development.

Ms. Salz said she has been appointed to several of the committees and will keep the Board apprised of future reports as they are developed. Mr. Sullivan asked what the procedure was for appointing delegates that would vote on the white papers presented to the “Water Congress.” Ms. Salz said that there are a fixed number of delegates for various categories. Local Government was one of the categories and that she had been working with both the Florida Association of Counties and the Florida League of Cities on nominations that would place local governments from our region as delegates. However, she pointed out that at this time, there is a conflict between the dates for the Water Congress and the Florida Association of Counties Legislative Committee meetings. She will bring this to the attention of the Steering Committee and keep the Board apprised of future developments and provide the Board with a list of the various groups that are to provide delegates to the Water Congress.

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

Mr. Haag stated that the proposed rule change to provide an alternative to Marion County paying all of its back dues was published in the June 13 and July 18 editions of the Florida Administrative Weekly. The proposed rule would be published for adoption on August 1, 2008. The rule would become effective on September 11, 2008. This timetable depends on the rule not being challenged. If it is, then the Board would have to hold a workshop on the rule and if that is not sufficient, then an administrative hearing would be scheduled.

Mr. Haag also brought to the Board’s attention two legal challenges filed by the Putnam County Environmental Council, Inc. (Putnam Council), which have the potential to adversely impact the development of all surface water withdrawals on the St. Johns and Ocklawaha Rivers. Mr. Haag said the essence of the challenge is that the legislative definition of an alternative water supply for surface water means that surface water that is “skimmed” at high water times and placed in a reservoir. The Putnam Council states that just placing a pipe in a river and extracting the water is not an alternative supply and would therefore not be eligible for State funding under Senate Bill 444 appropriations. Mr. Haag will keep the Board apprised of the progress of those challenges.

**Agenda Item #11 Other Business**

Mr. Hoffman was concerned that there is little if any local control over water resources within a County’s jurisdiction. Specifically, he expressed concern that SWFWMD is not taking local concerns into account when considering water use permits. He stated that recently SWFWMD approved a permit allowing a water bottling company to extract almost a half million gallons per day from a Sumter wellfield and transport the water to Lake County to process and bottle. He said that Sumter County has written a letter to SWFWMD asking that better communication and input be sought from local governments on such wellfields.

**Agenda Item #12 Public Comments**

Al Grubman representing TOO FAR stated that he supports Sumter County regarding the bottled water issue. He also reiterated his concern that three of the four alternatives that the WRWSA has for the Withlacoochee River would “steal” overflow water from its natural destination in Lake Tsala Apopka in order to provide water supply.

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Brian Armstrong, SWFWMD, stated that in previous discussion regarding the Authority's joint meeting with the SWFWMD Governing Board in April 2009, he felt that an early afternoon meeting would be best because many of SWFWMD's Board members had to travel a long way to get to the District Headquarters. After discussion, the Board directed Mr. Sullivan to suggest to SWFWMD that the meeting be from 2:00 p.m. to 5:00 p.m. on Monday, April 27, 2009.

**Agenda Item #13 Next Meeting Time and Location**

Chairwoman Rocco stated that the next meeting would take place on August 20, 2008, 4:30 p.m., City Commission Chambers, City Hall, 151 SE Osceola Ave., 2<sup>nd</sup> Floor, Ocala, Florida 34471

**Agenda Item #14 Adjournment**

With no further business to come before the Board, a motion was made by Phillip Price and seconded by Richard Hoffman to adjourn the meeting at 6:10 p.m. The motion carried.

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Rose Rocco, Chairwoman

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Jackson E. Sullivan, Executive Director