

**MINUTES – WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING, SEPTEMBER 19, 2007**

DATE: September 19, 2007
TIME: 4:30 p.m.
PLACE: Hernando County Government Center
County Commission Chambers
20 N. Main Street, Brooksville, FL 34601

MEMBERS PRESENT

Joyce Valentino, Citrus County Commissioner
Gary Bartell, Citrus County Commissioner
Dennis Damato, Citrus County Commissioner
Rose Rocco, Hernando County Commissioner
Christopher Kingsley, Hernando County Commissioner
Dale Swain, Bushnell City Councilman
Phillip Price, Crystal River City Councilman
Joe Bernardini, Brooksville City Councilman

MEMBERS ABSENT

Richard Hoffman, Sumter County Commissioner
Randy Mask, Sumter County Commissioner
Daniel Owen, Ocala City Councilman
Kent Guinn, Ocala City Councilman
David Russell, Hernando County Commissioner
Diane Rowden, Hernando County Commissioner

OTHERS PRESENT

Jack Sullivan, Executive Director
Larry Haag, WRWSA Attorney
Barbara Sullivan, Recording Secretary
Alys Brockway, Hernando County Utilities
Dale Ravencraft, Hernando County Utilities
Diane Salz, WRWSA Legislative Liaison
Peter Rocco, Hernando County
Robert Knight, Citrus County Utilities
Pete Hubbell, Water Resources Associates
David Moore, Executive Director, SWFWMD
Jimmy Brooks, SWFWMD
Mikel Renner, SWFWMD
Brian Armstrong, SWFWMD
Mark Barcelo, SWFWMD
State Senator Charles Dean, Senate District 3
State Representative Ron Schultz, House District 43
Hans Wicker, Citrus County
Al Grubman, TOO FAR, Citrus County
Sophia Diaz-Fonseca, City of Inverness
Troy Kuphal, Marion County Water Resources Director
Guy Marwick, Marion County
McKenzie Smith, Hernando County
Chester Bradshaw, Citrus County
Hans Wicker, Citrus County

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Theodora Rusnia, Citrus County
Wayne Sawyer, Citrus County
Janet Masoy, Citrus County
Mr. Masoy, Citrus County
Keith Gross, Citrus County
Dwayne Rooks, Citrus County

Agenda Item #1 Call to Order

Chair Joyce Valentino called the meeting to order at 4:32 p.m. Mr. Sullivan announced that there were a couple of agenda changes. Agenda item #7 would be taken prior to agenda item #6. He also announced that because Senator Dean had a prior commitment, he would like to speak immediately after David Moore's comments in agenda item #5. With no objection from the Board, these agenda items were changed.

Agenda Item #2 Roll Call

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

Agenda Item #3 Introductions and Announcements

Because there were so many citizens and officials in the audience, Mr. Sullivan did not introduce all the members of the public. However, he did introduce Senator Charlie Dean and David Moore, Executive Director of SWFWMD. Mr. Sullivan then announced that there will be a Symposium by the UF Water Institute on Sustainable Water Resources on February 27-28, 2008 at the UF Conference Center in Gainesville.

Agenda Item #4 Approval of Minutes of July 18, 2007 Meeting

A MOTION WAS MADE BY GARY BARTELL TO APPROVE THE MINUTES OF THE JULY 18, 2007 MEETING. THE MOTION WAS SECONDED BY DALE SWAIN AND CARRIED UNANIMOUSLY.

**Agenda Item #5 Regional Water Supply Issues in the SWFWMD Northern District ...
David Moore, Executive Director, SWFWMD**

David Moore, Executive Director of SWFWMD addressed the Board and stated that he had been asked by Jack Sullivan to discuss the District's vision for the future of water supply development in the northern part of the District. Mr. Moore stated that the District feels that the Withlacoochee Regional Water Supply Authority is the key vehicle for planning and developing water supply in this part of the District. He stated that the District sees the Authority as a partner in managing regional water resources in this part of the District. He stated that the District is a full partner in funding the necessary water supply studies in the region as evidenced by the recently published update to the Authority's Regional Water Supply Plan and its participation in continuing studies of the feasibility of various water supply projects. Mr. Moore discussed the challenge of water conservation in the region and some of the programs that are key to future water conservation. With regard to the current issue of water transfer across District boundaries, he said that local sources first would apply to both ground and surface water proposals to transfer

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water. He mentioned that the District had a long history with water supply transfer and the issue of local sources first with the Tampa Bay area. He said that there had been friction with Tampa Bay Water, but that over time those issues had been resolved through a partnership between the District and Tampa Bay Water. Mr. Moore said that the Authority is on the right track in its regional water supply plan.

Mr. Sullivan asked Mr. Moore what was being done to clarify problem areas with other entities such as the SJRWMD at the District's northeast Sumter County boundary and with Tampa Bay Water at the south Hernando County boundary. Mr. Moore said the District has a very involved coordination program, especially at the northeast Sumter boundary with the St. Johns District and will work to increase the level of coordination.

At this point, Chair Valentino asked Senator Charles Dean if he would like to make some comments. Senator Dean reiterated the need to have more communication between the Districts, especially at the boundary where problems may occur. Senator Dean said one of the problems that has continued over the years is the lack of movement in setting minimum flows and levels on lakes and rivers in the State. Senator Dean emphasized that the water management districts need to coordinate and communicate their programs. Senator Dean then had to leave for another engagement.

Chair Valentino then recognized Representative Ron Schultz and asked if he would like to make any comments for the record. Representative Schultz stated that the area had over the past few years realized significant growth and housing development which had resulted in a large increase in water use. However, he said that we have to realize that with growth the price of water will increase. He also stated that if inter-district transfers of water are proposed, that is going to get the attention of the Legislature and possibly get them involved. He said we did not want the Legislature involved in this issue.

Agenda Item #7 Discussion of St. Johns Water Management District Alternative Water Supply Proposals ... Jack Sullivan, Executive Director

As mentioned previously by Mr. Sullivan, the agenda order was changed to discuss the proposal by the St. Johns River Water Management District to use the Withlacoochee River as an alternative water supply for utilities and local governments in Lake County.

Mr. Sullivan recounted for the Board the events that have taken place since last July 18 when he attended a meeting sponsored by the SJRWMD in which that District is trying to organize local governments and various utilities into groups interested in developing alternative water supply (AWS) projects on the St. Johns, Ocklawaha and Withlacoochee Rivers. Essentially, the exercise was to line up local governments and/or utilities that are interested in participating in developing water supply projects to withdraw surface water from these three rivers and pipe it to various local governments within the St. John's District. Mr. Sullivan referred to his Board memorandum in detailing the sequence of events and the documents sent out by SJRWMD's consultants summarizing the meeting and the list of local governments interested in various water sources.

Mr. Sullivan said his primary concern tonight is with the Withlacoochee River and a proposal by the SJRWMD to develop a water supply facility on that river to provide water supply to Lake County cities. Based on the information submitted by the SJRWMD, 14 local governments signed up as being interested in using the Withlacoochee River as an AWS. All of these local governments were in Lake County except for Marion County and the portions of The Villages in Marion and Sumter Counties. The water supply needs that these local governments are seeking to

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obtain from the Withlacoochee River is approximately 34 MGD. The St. John's staff estimates that 98 MGD is available for water supply.

Mr. Sullivan stated that his immediate concern was that the SJRWMD has requested that this Authority "host" a meeting of those utilities looking to tap the river for future water supply. Mr. Sullivan said that as his Board memo indicated, he declined to host any such meeting until this Board had an opportunity to discuss and give him direction.

Among other issues, Mr. Sullivan said he had additional concerns about SJRWMD's legal basis for justifying water transfers both across county boundaries and also district boundaries. The report from St. John's consultants stated that since river water is surface water, the statutes regarding inter-district transfers do not apply. Specifically, s. 373.2295, which is the statutory reference to inter-district transfers, only mentions groundwater when referring to inter-district transfers – not surface water.

Mr. Sullivan said his concern is over the ambiguity of the statute and the rules implementing it. The rule that implements the inter-district transfer statute is DEP State Water Policy rule - 62-40.422. It clearly states that an inter-district transfer applies to both surface and ground water. Therefore, there appears to be a disconnect between the statute which only cites groundwater when referring to inter-district transfer, while the rule implementing the statute deals with both surface and groundwater.

Mr. Sullivan said it would be in the Authority's best interest to ensure that the inter-district transfer statute applies to any future ground or surface water transfers across water management district boundaries. Normally in an inter-district transfer there must be agreement between the two districts to allow the transfer. There must also be detailed coordination with the local government(s) where water is being withdrawn. Alternative options must be considered and specific estimates for conservation, re-use or reclaimed water has to be evaluated before a transfer is approved. It would be a help to our area if those actions had to take place.

Mr. Sullivan said his second concern is the applicability of local sources first. Normally a local sources first issue would apply to a water transfer since local sources first must be considered for both surface and groundwater permits. However, there is a section in the local sources first statute (s.373.223 (5)) that says:

(5) In evaluating an application for consumptive use of water which proposes the use of an alternative water supply project as described in the regional water supply plan ... the governing board or department shall presume that the alternative water supply use is consistent with the public interest under paragraph (1)(c).

Mr. Sullivan noted that paragraph (1)(c) refers to the local sources first criteria. However, Mr. Sullivan stated that the key here is that the project has to be included in the appropriate regional water supply plan. SWFWMD does not have a regional water supply plan for this portion of its district. Mr. Sullivan stated that the Authority should make clear that we don't want an alternative water supply project that has an inter-district transfer as part of our regional water supply plan when it is completed.

Mr. Sullivan then presented five recommendations to the Board:

- The Authority needs to determine SWFWMD's position on inter-district transfer.
- The Authority needs to have an active process to resolve concerns at the Authority's boundaries and the Authority needs to be a stakeholder in the process.

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- The Authority needs to evaluate problem areas within the region and work toward resolution of those problems – e.g. NE Sumter County and south Hernando County
- The Authority needs to direct the Authority attorney to prepare legal research regarding how local sources first and inter-district transfer applies to efforts to transport water outside the region.
- The Authority needs to consult with the Authority’s Legislative Consultant on any legislative initiatives to help the Authority’s position regarding inter-district transfers.

The Board discussed the overall issues raised by Mr. Sullivan and agreed that they did not want to participate in any proposals to transport water from the Withlacoochee River across water management district boundaries. After further discussion a motion was made.

A MOTION WAS MADE BY GARY BARTELL TO ACCEPT MR. SULLIVAN’S RECOMMENDATIONS REGARDING FUTURE ACTIONS OF THE AUTHORITY REGARDING THE TRANSFER PROPOSAL. MR. BARTELL INCLUDED AS PART OF HIS MOTION THAT THE BOARD DID NOT WANT MR. SULLIVAN TO HOST A MEETING OF UTILITIES AND LOCAL GOVERNMENTS INTERESTED IN UTILIZING THE WITHLACOOCHEE RIVER FOR TRANSPORT TO LOCAL GOVERNMENTS OUTSIDE THE WITHLACOOCHEE REGION. THE MOTION WAS SECONDED BY ROSE ROCCO AND CARRIED UNANIMOUSLY.

<< Christopher Kingsley left the meeting at 5:40 p.m. >>
<< Joe Bernardini left the meeting at 5:45 p.m. >>

Agenda Item #6 WRWSA Planning & Implementation Program – Phase II: Water Supply Feasibility Analyses: Overview of Tech Memo #1 – Conceptual Project Designs and Feasibility Reports... Pete Hubbell, Water Resources Associates

Mr. Hubbell of Water Resources Associates presented this agenda item. He stated that the WRWSA Board in November 2006 adopted the Master Regional Water Supply Planning & Implementation Program (MRWSP&IP). This is a multi-year, multi-phase program to ensure the long-term water supply future of this region. Phase I of this effort was the WRWSA – Regional Water Supply Plan Update (RWSPU) completed in March 2007. This analysis updated the WRWSA Regional Water Supply Plan that was originally completed in 1995. The RWSPU identified future growth within the area for a projected increasing population for a 50-year term. However, the planning horizon looked at growth in the region to the year 2025. Based on this population projection, associated water use was projected and projects to meet this demand were determined. This included groundwater sources, alternative water sources (seawater desalination and surface water), reclaimed water and water conservation. Phase II of the MRWSP&IP was initiated in May 2007. The purpose of Phase II is to develop conceptual designs for the identified projects, detailed feasibility analyses of the projects, project prioritization, project selection and coordination with local partners to move towards project implementation.

Mr. Hubbell said that he had presented Technical Memorandum #1 at the Authority’s Technical Review Committee meeting earlier in the day and he wanted to update the Authority Board at this time. As a precedent to his discussion of the conceptual designs of water projects, Mr.

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Hubbell discussed the setting of minimum flows and levels within the region and the impact of setting those flows and levels on our ability to utilize groundwater. He also discussed the revisions to the groundwater model that was being used within the region. He noted that in the Phase I study the Mega Model had been used, which did not provide refined detail of groundwater impacts. Recently, SWFWMD had approved use of the Northern District Groundwater Model which was much more detailed and could provide more refined data. Mr. Hubbell then summarized the conceptual designs of the following water supply development projects:

- Withlacoochee River at Lake Rousseau, the Holder gauging station and at the Trilby gauging station.
- A Crystal River desalination project co-located with the Crystal River power plant
- Six reclaimed water projects throughout the region

The information presented by Mr. Hubbell is being reviewed in detail by the TRC Committee and Technical Memorandum #1 is available for the Board's review on the Water Resources Associates ftp site. After review by the TRC, the Technical Memorandum will be posted on the Authority's web page for additional review by the public.

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

a. Bills to be Paid

Mr. Sullivan stated that the Board did not meet in August. The bills for August were paid and Mr. Sullivan handed out a list of those bills separately. They total \$86,043.67. Mr. Sullivan requested that the Board ratify those paid bills. The bills for September were also handed out separately. They total \$ 54,132.68.

A MOTION WAS MADE BY GARY BARTELL AND SECONDED BY DENNIS DAMATO TO RATIFY THE AUGUST 15, 2007 BILLS IN THE AMOUNT OF \$86,043.67. THE MOTION CARRIED UNANIMOUSLY.

A MOTION WAS MADE BY GARY BARTELL AND SECONDED BY DENNIS DAMATO TO APPROVE THE SEPTEMBER 19, 2007 BILLS IN THE AMOUNT OF \$54,132.68. THE MOTION CARRIED UNANIMOUSLY.

b. Report on Water Resources Development Fund Account

Mr. Sullivan reported he had provided statements of the WRDF for both July and August of the WRD account. The account earned \$5,361.56 in July and \$5,332.77 in August. The account balance as of August 31, 2007 was \$1,119,870.30.

c. 3rd Quarter Financial Report

Mr. Sullivan said in the interest of time that he would present the 3rd quarter financial report at the next Board meeting.

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d. 2006-07 Budget Revisions

Mr. Sullivan stated that at the June budget meeting, he presented a proposal for the 2008 budget to purchase equipment and software for use in making PowerPoint presentations. The Board wanted to maintain no increase in its budget for the upcoming year and consequently the Board removed these items along with a number of other reductions to keep the Authority's budget with no increase. Mr. Sullivan said he agreed with the Board's action; however, he still sees a continuing need for this type of equipment at our meetings and in making public presentations.

Subsequently, Mr. Sullivan said he reviewed the current budget to determine if there were monies that could be redirected to purchase this equipment and software. He reviewed the budget and believes that there are monies in our current budget that could be redirected to make the equipment and software purchases. Mr. Sullivan said his Board memo points out the budget line items where he believes there are budget amounts remaining that could be diverted. He cited \$680 from Publications and Software; \$1,000 from Mapping and Public Information; \$250 from Web Page Maintenance and \$1,070 from Travel. Mr. Sullivan recommended that these items be redirected to the purchase of the equipment and software needed and the line items be changed pursuant to his Board memo.

A MOTION WAS MADE BY GARY BARTELL AND SECONDED BY DALE SWAIN TO REDIRECT THE FOLLOWING BUDGETED MONIES: \$680 FROM PUBLICATIONS AND SOFTWARE; \$1,000 FROM MAPPING AND PUBLIC INFORMATION; \$250 FROM WEB PAGE MAINTENANCE AND \$1,070 FROM TRAVEL TOWARD PURCHASE OF SOFTWARE AND EQUIPMENT TO BE USED FOR POWERPOINT PRESENTATIONS. THE MOTION CARRIED UNANIMOUSLY.

e. Legislative Update Information

Mr. Sullivan said that Diane Salz had been able to attend the meeting and asked if she had any legislative issues to report. Ms. Salz said in the interest of time, she thought her issues could wait until a later meeting.

f. New Local Government Grant Application

Mr. Sullivan said this item is just informational at this time. In the past, he said he has not put together an actual grant application form for our local government grants program. However, he said he had been asked many times by local governments to send them an application. He said he has finally broken down and started preparing an application based on the guidelines that have been provided on the web page. Mr. Sullivan said what he has provided is a draft application. He asked that the Board look at it and provide any suggestions. He said he had also passed it out to the TRC for their review. No action is necessary at this time.

g. Future Board Meeting Dates

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Mr. Sullivan provided the Board with the meeting schedule for the rest of 2007 and also a proposed meeting schedule for 2008. He asked that the Board approve the 2008 schedule so that he could publish the 2008 meeting dates and locations as required by statute in December.

A MOTION WAS MADE BY ROSE ROCCO AND SECONDED BY PHILLIP PRICE TO APPROVE THE 2008 MEETING SCHEDULE AS RECOMMENDED BY MR. SULLIVAN FOR PUBLICATION. THE MOTION CARRIED UNANIMOUSLY.

h. Hydrologic Report

Mr. Sullivan stated that he had downloaded the Hydrologic Report from the SWFWMD web page. The lakes, river and aquifer are still below normal throughout the region. However, the August Monthly Update from SWFWMD shows that aquifer levels, lake levels and river flow are all improving now that we are getting a little more rain. We still are about 7-8 inches below historic rainfall amounts through July.

i. Correspondence

Mr. Sullivan said he had two items to mention in correspondence. First is a review of the proposed Nuclear Power Plant in Levy County. He thought the Board would be interested in some of the facts regarding the proposed power plant. Second, he received a letter from Emory Pierce, Brooksville Public Works Director regarding the City's grant. He also included his letters back to each City and County who were awarded grants in this year's allocations.

j. News Articles

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

<< Gary Bartell left the meeting at 6:25 p.m. >>

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

Mr. Haag stated that he had five local government grant contracts ready for approval by the Board. Rather than go over each of the contracts for approval individually, he said that the Board could approve them collectively if he stated each local government and the amount of its contract for the record. Mr. Haag then listed the local government contracts and amounts for the record:

1. Hernando County with a contract contribution by the Authority of \$47,701;
2. Citrus County with a contract contribution by the Authority of \$17,500;
3. City of Wildwood with a contract contribution by the Authority of \$19,933;
4. City of Inverness with a contract contribution by the Authority of \$19,933;
5. City of Brooksville with a contract contribution by the Authority of \$19,933.

Since the Board had previously reviewed the projects, a motion was made.

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ROSE ROCCO MADE A MOTION TO APPROVE THE FOLLOWING CONTRACTS AND AMOUNTS FOR THE LOCAL GOVERNMENT GRANTS PROGRAM: HERNANDO COUNTY FOR \$47,701, CITURS COUNTY FOR \$17,500, CITY OF WILDWOOD FOR \$19,933, CITY OF INVERNESS FOR \$19,933, AND CITY OF BROOKSVILLE FOR \$19,933. THE MOTION WAS SECONDED BY PHILLIP PRICE AND CARRIED UNANIMOUSLY.

Agenda Item #10 Other Business

There was no other business to be brought up by Board members.

Agenda Item #11 Public Comments

Chair Valentino then asked for public comment. She stated that if a person were representing a group, she would allow five minutes for comment. If the person was speaking as an individual, she would allow three minutes. She asked Mr. Damato to assist in timekeeping. The following persons make statements to the Board:

Hans Wicker, Citrus County citizen. Mr. Wicker complained that building permits were being issued when the area is under water restrictions. He felt this was the wrong approach.

Al Grubman representing TOO FAR. Mr. Grubman stated that this area needs SWFWMD to assist in keeping SJRWMD from transferring water from this region to other areas. He said if we let them in the door, they will use all of the available water in the Withlacoochee River.

Guy Marwick representing Smart Growth of Central Florida. Mr. Marwick stated that water concurrency is needed within the State. We need to look for a sustainable water supply, such as desalination. The use of the river system is not sustainable.

Sophia Diaz-Fonseca, Citrus County citizen. Ms. Diaz-Fonseca said that water availability is decreasing but the State is continuing to develop. She felt development needed to be stopped.

McKenzie Smith, Hernando County resident. Mr. Smith said that 8,000 units had been approved in his area and he was concerned where the water was going to come from. He felt that the County's comprehensive plans needed to be revised. He supported the proposed Hometown Democracy amendment.

Mr. Hopkins (no first name or residence). Mr. Hopkins referred to the water statute saying that proposed water users should not create a problem with existing users.

Chester Bradshaw representing FROGS. Mr. Bradshaw advocated restoring the historic wetlands on the Withlacoochee River. He felt there should be stair step reservoirs up the Withlacoochee River.

Theodora Rusnia, on behalf of Gus Thayer of the Citrus County Council. She stated that everyone should be aggressive in management of growth.

Keith Gross, resident of Citrus County. Mr. Gross was concerned about taking water from lakes.

Wayne Sawyer, resident of Citrus County. Mr. Sawyer felt that the problem lay with too much development.

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Janet Masoy representing COST. Ms. Masoy voiced concern that water would be transported along the same route as the Suncoast Parkway to the Tampa Bay area.

Mr. Masoy (no first name or residence given). Mr. Masoy was concerned that Citrus County has already approved the route of the Suncoast Parkway.

Dwayne Rooks (no residence given). Mr. Rooks said that 22,000 acres of wetlands are drying up. He felt that Lake Panasoffkee should be dammed up.

With no further public comment, this agenda item was closed.

<< Larry Haag left the meeting at 7:10 p.m. >>

Agenda Item #12 Next Meeting Time and Location

Chair Valentino stated that the next meeting would take place on October 17, 2007, 4:30 p.m., at the Citrus County Courthouse, Commission Chamber, First Floor, 110 N. Apopka Avenue, Inverness, FL 34450.

Agenda Item #13 Adjournment

WITH NO FURTHER BUSINESS TO COME BEFORE THE BOARD, A MOTION WAS MADE BY ROSE ROCCO AND SECONDED BY DENNIS DAMATO TO ADJOURN THE MEETING AT 7:15 P.M.

Joyce Valentino, Chair

Jackson E. Sullivan, Executive Director