

DRAFT

**WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS**

**Minutes of the Meeting
February 20, 2019**

TIME: 3:32 p.m.
PLACE: Lecanto Government Building
ADDRESS: 3600 W. Sovereign Path, Room 280, Lecanto, Florida 34461

The numbers preceding the items listed below correspond with the published agenda.

1. Call to Order

Chair Stone called the Withlacoochee Regional Water Supply Authority (WRWSA) Board of Directors meeting to order at 3:37 p.m. and requested a roll call.

2. Roll Call

Mr. Richard Owen, WRWSA Executive Director, called the roll and a quorum was declared present.

BOARD MEMBERS PRESIDING

Michelle Stone, Chair, Marion County Commissioner
Stephen Printz, *Vice-Chair*, Sumter County Commissioner
Ken Brown, Crystal River City Councilor
Kathy Bryant, Marion County Commissioner
Al Butler, Sumter County Commissioner
Gary Ernst, Belleview City Commissioner
Ken Hinkle, City of Inverness Council
William Kemerer, Brooksville City Councilor
Jeff Kinnard, Citrus County Commissioner
Dale Swain, Bushnell City Councilor

BOARD MEMBERS ABSENT

Scott Carnahan, Citrus County Commissioner
Steve Champion, Hernando Co Commissioner
Carl Zalak, Marion County Commissioner

ALTERNATE(S) PRESIDING

Randy Oliver, Citrus County Administrator

3. Introductions and Announcements

WRWSA STAFF PRESENT

Richard Owen, Executive Director
Larry Haag, Attorney
LuAnne Stout, Administrative Asst.

OTHERS PRESENT

Debra Burden, Citrus Co Water Conservation
Frank DiGiovanni, City of Inverness City Manager
Jody Kirkman, Marion Co Environmental Services Dir
Denise Lyn, Citrus County Attorney
Richard Radacky, City of Brooksville Public Works Dir

4. Pledge of Allegiance – Chair Stone led those present in reciting the Pledge of Allegiance.

Mr. Owen provided information regarding action taken at the Board's January 16, 2019 meeting and municipality representation on the Board as stated in the interlocal agreement. He said there appears to be confusion between the cities of Crystal River and Inverness.

Mr. Brown stated his position regarding the City of Crystal River's seat on the Board and said he does not recognize the Board's authority to change representation. He said the agreement by the two cities' city managers is for the City of Crystal River to remain through 2019. Mr. Brown referenced a letter by the City of Crystal River stating this position of retaining seat on the Board for the remainder of 2019 and the City of Inverness joining in 2020.

Mr. Owen noted that Mr. Haag is also the City of Inverness' attorney and has declared a conflict of interest.

Mr. Brown said the City of Crystal River in its letter dated January 19, 2019 noted that board and committee assignments were made prior to receiving the WRWSA letter regarding action taken at its January 16, 2019 meeting.

Mr. Kinnard noted that he supported Mr. Brown's position and the Board stepped out of traditional protocol. He concurred with Mr. Oliver regarding purpose of meeting which is to hire special counsel.

Discussion ensued regarding municipality representation and whether to consider the matter at this meeting or the next meeting.

Chair Stone recessed the meeting at 3:47 p.m.

Citrus County provided a written note approved by Mr. Kinnard as Chair of the Citrus County Board of County Commissioners authorizing Mr. Oliver as the County's alternate representative. Mr. Oliver noted that the advertised purpose for this meeting is hiring of special legal counsel.

Chair Stone reconvened the meeting at 3:59 p.m. She stated that no action will be considered at this time regarding municipality representation from Citrus County and both city representatives may stay seated at the dais but any votes by either city representative will not be accepted at this meeting. She said this matter will be considered at the Board's next regularly scheduled meeting.

Mr. Brown reiterated his position. Mr. Kinnard moved to recognize Mr. Brown as the municipality representative for the meeting. Mr. Oliver seconded the motion.

Ms. Bryant noted that the purpose for today is discuss hiring special legal counsel. Chair Stone said the Board will consider this matter at its next meeting.

Mr. Oliver moved to override the chair and Mr. Brown seconded the motion.

Discussion ensued. Motions died for lack of a vote.

5. Public Comment – Chair Stone opened public comment.

Ms. Denise Lyn, Citrus County Attorney, addressed the Board. She stated the Board has no authority to remove the City of Crystal River from its seat on the Board and action taken in January is void. She said this is the Board's next meeting and the matter can be considered.

Chair Stone closed public comment since no other audience members requested to speak.

Mr. Owen completed roll call and suggested Item 6 be deleted from consideration today.

6. Consent Agenda
a. **Approval of Minutes**
b. **Bills to be Paid**

Following discussion, Mr. Ernst moved, seconded by Mr. Butler, to move consideration of the Consent Agenda to the Board's next regularly scheduled meeting.

Motion carried with Messrs. Brown, Kinnard and Oliver dissenting.

7. Hiring of Special Legal Counsel

Mr. Owen presented this item. Sumter County has authorized its legal counsel to pursue a Declaratory Judgment with respect to Sumter County's representation on the WRWSA taking part in meetings and actions of the Authority in light of the state of the Authority's FY18-19 budget (Exhibit 1) which was approved by the Sumter County Board of County Commissioners at its January 22, 2019 meeting. This legal process will necessitate the Authority's participation. The Authority's attorney, Larry Haag, as well as the Authority's Executive Director, will likely be called as witnesses. This will legally prohibit Mr. Haag from representing the Authority in this process, necessitating the retainage of special legal counsel to represent the Authority.

The purpose of the agenda item is to seek Board authorization to retain special counsel for the purpose of WRWSA representation during this legal process, including to file any counterclaim, cross claim or third-party complaint necessary in order to bring all relevant issues before the Court.

Staff contacted three law firms to solicit potential special counsel services in this matter. After interviewing three attorneys, staff recommended Attorney Robert Batsel of the law firm Gilligan, Gooding, Franjola & Batsel in Ocala, Florida. Included as Exhibit 2 to this item is Resolution 2019-01 Budget Amendment for Special Counsel Services and Exhibit 3 is a proposed Agreement for Professional Legal Services. Exhibits 1, 2 and 3 were included in the Board's meeting materials.

Staff recommended Board approval of (1) amendment of the Authority's Fiscal Year 2018-19 Budget by Approval of Resolution 2019 01 Amending the FY 2018-19 Budget for the Purposes of Hiring Special Counsel, including the transfer of \$20,000 in funds from the Authority's Unrestricted Reserves Account to Legal Services (Exhibit 2); and (2) authorization for the Chairman to sign the Agreement for Professional Legal Services (Exhibit 3).

Mr. Kinnard said he opposes hiring special counsel when the Board has good legal representation in Mr. Haag. He requested Sumter County representatives to refrain from voting since taking an adversarial position against the Board. He said he has a concern regarding Exhibit 3, page 2 under Scope of Services.

Mr. Oliver said the budget amendment was not part of the called purpose of this meeting and stated that the Board does not have a properly approved budget and the Board has no authority to expend money.

Ms. Bryant stated that the Board is in this position because representatives did not attend meetings and noted a letter from an attorney requesting a legal opinion from the Attorney General about bringing legal charges against this Board. She said she finds it extremely inappropriate for the comments being made here today. Ms. Bryant said the members of this Board have come to meetings to continue doing the business of this Board. She said if Sumter County should refrain, then Citrus County should also.

Mr. Kinnard said that attendance has been an issue for a number of members and noted that positions have been misstated and misunderstood.

Chair Stone requested Mr. Haag to provide direction to the Board.

Mr. Haag spoke to the purpose of hiring special counsel. He said Sumter County has approved a declaratory judgment about the validity of the WRWSA budget. He noted the Board needs to proceed and hire special counsel with the power to file appropriate pleadings.

In response to Chair Stone's question, Mr. Haag said members of the Board are required by law to vote unless there is a personal conflict. He said this is an issue of county versus county.

Following discussion, Ms. Bryant moved, seconded by Mr. Ernst, to approve (1) amendment of the Authority's Fiscal Year 2018-19 Budget by Approval of Resolution 2019-01 Amending the FY 2018-19 Budget for the Purposes of Hiring Special Counsel, including the transfer of \$20,000 in

funds from the Authority's Unrestricted Reserves Account to Legal Services; and (2) authorization for the Chairman to execute the Agreement for Professional Legal Services.

Discussion ensued regarding validity of budget and the WRWSA currently has appropriate legal representation. Mr. Haag said that, due to health issues, he cannot be involved in a protracted case. He noted that he and Mr. Owen may be called as witnesses in the facts of this matter.

Motion carried with Messrs. Brown, Kinnard and Oliver dissenting.

8. **Executive Director's Report** – Mr. Owen said he had nothing further to report.

- a. **Correspondence**
- b. **News Articles**
- c. **Other**

9. **Other Business** – None

10. **Next Meeting Time and Location**

Board concurred with canceling the next regularly scheduled meeting on March 20, 2019 and rescheduling the meeting to April 17, 2019.

The Board's next regular board meeting is April 17, 2019 at 3:30 p.m. at the Lecanto Government Building, Room 166.

11. **Adjournment** – Chair Stone adjourned the meeting at 4:26 p.m.

Michelle Stone, Chair

Richard S. Owen, Executive Director