

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

**Minutes of the Meeting
May 18, 2016**

TIME: 3:30 p.m.
PLACE: Lecanto Government Building
ADDRESS: 3600 W. Sovereign Path, Room 166, Lecanto, Florida 34461

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

1. Call to Order

Commissioner Dennis Damato, Chairman, called the Withlacoochee Regional Water Supply Authority (WRWSA) meeting to order at 3:35 p.m. and asked for a roll call.

2. Roll Call

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

BOARD MEMBERS PRESENT

Dennis Damato, *Chairman*, Citrus Co. Commissioner
Nick Nicholson, *Vice Chairman*, Hernando County Commissioner
Earl Arnett, *Treasurer*, Marion Co. Commissioner
Al Butler, Sumter County Commissioner
(via teleconference)
Scott Carnahan, Citrus County Commissioner
William Kemerer, Brooksville City Councilor
Dale Swain, Bushnell City Councilor

BOARD MEMBERS ABSENT

Jim Adkins, Hernando County Commissioner
Kathy Bryant, Marion County Commissioner
Carl Zalak, Marion County Commissioner
Don Hahnfeldt, Sumter County Commissioner
Ken Brown, Crystal River City Councilor
Ron Livsey, Belleview City Commissioner

3. Introductions and Announcements

- *Introductions.* Mr. Owen recognized Authority staff present for this meeting. Audience members introduced themselves for the Board's information.
- *Announcements.* Mr. Owen noted that Mr. Butler is attending this meeting via teleconference to provide a quorum for consideration of Item 7, Fiscal Year 2016-17 Budget Approval. Chairman Damato suggested Item 7 be considered prior to Item 6 and the Board was in agreement.

WRWSA STAFF PRESENT

Richard Owen, Executive Director
Larry Haag, Attorney
Diane Salz, Governmental Affairs
LuAnne Stout, Administrative Asst.

OTHERS PRESENT

Doug Andrews, Marion County Utilities Department
Jacob Arnette, Marion County Water Resources Coordinator
Alys Brockway, Hernando County Water Resources Manager
Debra Burden, Citrus County Water Conservation
Anthony Home, Jones Edmunds & Associates, Inc.
Richard Radacky, City of Brooksville Public Works
Lois Ann Sorenson, SWFWMD Demand Mgt. Program
Ken Vickers, Hernando County Utilities Department

4. Approval of Minutes

A copy of the March 16, 2016 minutes was provided in the Board's meeting materials. Following consideration, **Mr. Carnahan moved to approve the minutes for the March 16, 2016 meeting as presented. The motion was seconded by Mr. Nicholson and carried unanimously.**

5. Public Comment

No one submitted a *Request to Speak* card to address the Board.

At this time, the order of consideration was altered slightly.

7. Fiscal Year 2016-17 Budget Approval

Mr. Owen, WRWSA, provided an overview of the proposed Fiscal Year (FY) 2016-17 budget for the Board's review and approval. He noted that the budget has been prepared in a conservative manner in an effort to reduce costs and enhance efficiencies for member governments. Mr. Owen noted a revised proposed budget was provided for each Board member showing removal of the internet service line item as Citrus County will continue to provide secure accessibility. Also available is a description of the Authority's FY 2016-17 work program that is supported by the proposed budget.

Mr. Owen outlined the major aspects of the proposed budget. He briefly reviewed revenues (administrative and water supply facility development), expenditures (general administration and water resource supply projects), and fund balances.

- Administrative expenditures of \$212,784, down from the current year by \$29,644 or 12.2%.
- Water Supply Studies and Facilities expenditures of \$408,500, up from the current year by \$172,350 or 73%, primarily due to the initiation of Phase 4 of the Irrigation Audit Program.
- Total proposed expenditures amount to \$621,284, representing an increase from the current year in an amount of \$142,706, or 29.8%.
- Administrative Reserves at the end of the fiscal year are budgeted at \$403,687, down from the current year by \$13,534 or 3.2%.
- Water Resource Development Reserves at the end of the fiscal year are budgeted at \$888,767, up from the current year by \$96,172 or 12.1%.
- Combined Administrative and Water Resource Development Reserves at the end of the fiscal year total \$1,292,454, representing an increase of \$82,638 or 6.8%.

In response to questions by the Board, Mr. Owen provided clarifying information. He then read into the record WRWSA Resolution 2016-04, Adoption of Final Budget for Fiscal Year 2016-17 (Exhibit A).

Following consideration, **Mr. Carnahan moved to approve the FY 2016-17 budget by adoption of Resolution 2016-04, shown as in the Exhibit, said budget including expenditures in the amount of \$621,284, budgeted reserves in the amount of \$1,292,454, and a combined total amount of \$1,913,738, as presented in Exhibit A. Mr. Nicholson seconded the motion and it carried unanimously with Mr. Butler voting in favor via teleconference.**

The meeting's order of consideration returned to the published agenda.

6. Hydrologic Conditions Report

Ms. Lois Ann Sorensen, Demand Management Program Manager for the Southwest Florida Water Management District, provided the Board with a review of recent past and projected hydrologic conditions in the region.

This was an informational item and no Board action was necessary.

8. Charles A. Black Wellfield Water Supply Contract

- a. Status Report** – Mr. Owen, WRWSA, said on April 5, 2016, Authority staff met with representatives of Citrus County. He briefly reviewed the major points of agreement reached for a new Water Supply Contract. Mr. Owen said all of the provisions are consistent with and further past Board direction to staff for the new contract.

The following major points of agreement were reached for a new Water Supply Contract:

- Volumetric charge based on the sum of \$223,587 (this is the total revenue currently provided by the County under the existing agreement -- \$163,587 in capital repayment plus \$60,000 in administrative; does not include County contributions to the R&R fund) divided by the 4,597 mgd permitted quantity.
- The Authority Board will control how funds paid by the County to the Authority pursuant to the Agreement will be utilized through the Authority's annual budget approval process.

- Establish a minimum charge with a provision that would allow an exception to the minimum charge if regulatory requirements, beyond the control of Citrus County, prevented the County, on a permanent basis, from taking sufficient quantities to meet the minimum charge.
- The County would retain control of the R&R fund but language would be incorporated into the Agreement to make clear the procedure and eligible expenses for using the funds so as to avoid disagreements.
- The annual amount the County is required to deposit into the R&R fund will be reduced from the current Contract requirements. The exact amount is to be determined.
- Twenty-year agreement term with acknowledgement that the term could be extended by agreement of the parties.
- Continued cooperation on permit renewals.
- Intention of the parties that the new Agreement would replace all the existing agreements, as amended. Agreement would be completed by this summer.

In addition, two other provisions that have been discussed, but were not brought up in the meeting, include the following:

- A maximum or cap for the R&R fund, the amount of which needs to be established.
- A cost of living adjustment to the volumetric rate, utilizing the same cost of living benchmark used by the County for water rates.

This was an informational item and no Board action was necessary.

- b. Charles A. Black (CAB) Wellfield Engineering Analysis** – Mr. Owen, WRWSA, said one significant aspect of the proposed new Water Supply Contract is to potentially reduce the amount of money contributed to the Renewal and Replacement (R&R) fund on an annual basis. Pursuant to the current Water Supply Contract, Citrus County contributes a specified amount each year, with those amounts increasing through the remainder of the Contract, or fiscal year 2021. Staff believes the current funding schedule may be providing excess funds and could potentially be reduced under the new Contract. In order to accurately estimate the amount of necessary R&R funding, it is proposed the periodic Engineering Evaluation of the CAB facilities be conducted now rather than during the upcoming fiscal year when it was scheduled. The most recent report was completed in January 2013 at a cost of \$23,500.

Mr. Owen said the Authority has a number of consultants currently under contract to perform work on an as-needed basis. Authority staff has requested Jones Edmunds & Associates, Inc., one of the firms under contract, provide a proposal to update and re-evaluate the previous work conducted, with a specific intent to provide recommendations on future funding of the R&R fund. The work is being requested to be expedited in order to be considered in drafting the new Water Supply Contract.

Staff has identified a not-to-exceed amount of \$25,000 for this work. Funds are available in the current budget in the General Services Contract line item, which currently has an unobligated amount of \$47,500. The proposal by Jones Edmunds was provided to the Board prior to the meeting.

Following consideration, **Mr. Nicholson moved to approve the Work Order to Jones Edmunds & Associates, Inc. to conduct an Engineering Evaluation of the Charles A. Black Water Supply Facilities for an amount not to exceed \$25,000, as presented. Mr. Carnahan seconded the motion and it carried unanimously.**

9. Executive Director's Report

- a. Bills to be Paid** – Mr. Owen presented the April 2016 bills and requested Board concurrence of payment for administrative invoices in the amount of \$27,208.61 and project invoices in the amount of \$6,475.75, totaling \$33,684.36. **Mr. Nicholson moved to ratify payment of the April 2016 bills in the amount of \$33,684.36. The motion was seconded by Mr. Arnett and carried unanimously.**

Mr. Owen presented the May 2016 bills and requested approval of payment for administrative invoices in the amount of \$15,571.20 and project invoices in the amount of \$5,853.13, totaling \$21,424.33. Following consideration, **Mr. Carnahan moved for payment of the May 2016 bills in the amount of \$21,424.33, as presented. The motion was seconded by Mr. Nicholson and carried unanimously.**

- b. Second Quarter Financial Report** – Mr. Owen noted the report was provided in the Board’s meeting materials. He reviewed report highlights for the Board’s information. Following consideration, **Mr. Arnett moved, seconded by Mr. Nicholson, to accept the Second Quarter Financial Report, as presented. Motion carried unanimously.**
- c. Correspondence** – Items were included in the Board’s meeting materials.
- d. News Articles** – News articles of interest were included in the Board’s meeting materials. Mr. Owen directed Board members to the article entitled “How Many Straws?” and provided comments on the importance of knowing water usage. He also pointed out the article entitled “Swiftmud board OKs Polk’s water cooperative.” He said he has been monitoring this initiative and how it may relate to the WRWSA’s area in the future. Mr. Swain noted concerns about the actions (paragraph six) noted in the article entitled “Public meeting set on plan to pump nearly 500,000 gallons of water per day out of Sumter County.”
- e. Other**
 - Mr. Owen briefly reported on the meetings he attended during April and early May. He said the Authority’s proposed project for the Northern Cooperative Funding Initiative has been included in the SWFWMD budget. He noted the purchase order has been issued for the Northern District Groundwater Model Update.
 - Ms. Salz, WRWSA Government Affairs, said staff stays involved legislatively through a number of outreach activities. She briefly reviewed recent meetings, workshops, and agency proposed actions.

10. Attorney’s Report

Mr. Haag, WRWSA Attorney, said he had nothing to report at this time.

11. Other Business – None

12. Next Meeting Time and Location

The next monthly meeting is scheduled for June 15, 2016 at 3:30 p.m. The meeting location is the Lecanto Government Building, Room 166 (3600 W. Sovereign Path, Lecanto).

13. Adjournment

Chair Damato adjourned the meeting at 4:40 p.m.

Dennis Damato, Chairman

Richard S. Owen, Executive Director