

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

**Minutes of the Meeting
September 21, 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 3:33 p.m. and asked for a roll call.

2. Roll Call

Mr. 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
Jim Adkins, Hernando County Commissioner
Al Butler, Sumter County Commissioner
Scott Carnahan, Citrus County Commissioner
Ken Brown, Crystal River City Councilor
William Kemerer, Brooksville City Councilor
Dale Swain, Bushnell City Councilor

BOARD ALTERNATE PRESENT

Angel Roussel, Marion Co. Utilities Director

BOARD MEMBERS ABSENT

Kathy Bryant, Marion County Commissioner
Don Hahnfeldt, Sumter County Commissioner
Carl Zalak, Marion County Commissioner
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 Ms. Kim Dinkins is now a Board Alternate for Marion County and Mr. Angel Roussel is returning as an alternate for Marion County. He said Ms. Melissa Gulvin, SWFWMD Government Affairs Program Manager (Northern Region), has replaced Mr. Chris Zajac who has taken another position at the SWFWMD. Ms. Gulvin introduced herself to the Board.

WRWSA STAFF PRESENT

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

LOCAL GOVERNMENT STAFF PRESENT

Jacob Arnette, Marion County Water Resources Coordinator
Alys Brockway, Hernando County Water Resources Manager
Ken Cheek, Citrus County Water Resources Director
Kim Dinkins, Marion County Utilities Department
Melissa Gulvin, SWFWMD Gov't Affairs Program Manager
Jack Overdorff, Eco Land Design, LLC
Jack Pepper, Attorney and WRWSA Special Counsel
Richard Radacky, City of Brooksville Public Works

4. Approval of Minutes

A copy of the July 20, 2016 minutes was provided in the Board's meeting materials. Following consideration, **Mr. Butler moved to approve the minutes for the July 20, 2016 meeting as presented. The motion was seconded by Mr. Carnahan and carried unanimously.**

5. Public Comment – No speaker cards were submitted and no one requested to address the Board.

6. Charles A. Black Wellfield Engineering Analysis Acceptance of Final Report and Approval of Payment

Mr Owen noted that, at the July 20, 2016 Board meeting, the Board received a report on the draft Engineering Evaluation of the Charles A. Black Water Supply Facilities. He briefly reviewed the proposed recommendations presented at the July meeting and presented for the Board's information.

Subsequent to the July meeting, WRWSA and Citrus County staff met with Jones Edmunds to review the draft and various updates have been incorporated into the final report. Mr. Owen reviewed the changes made to the report.

As a part of this work effort, Jones Edmunds was requested to present the draft report to the Board at the July meeting. This presentation was not a specified task within the original work order. Jones Edmunds has requested reimbursement for the expenses associated with this presentation. Two documents were included as exhibits to this item: (1) an amendment to the original work order 16-01 authorizing the presentation work and (2) a final invoice with charges in the amount of \$3,590 for preparation of the presentation and attendance at the July Board meeting. This amount is in addition to the original work order amount of \$25,000.00, of which \$24,250 has previously been billed and paid. Staff believes these presentation costs are appropriate and that Jones Edmunds should be paid for this work as well as the outstanding amount of the original work order.

Following consideration, **Mr. Carnahan moved to accept the Charles A. Black Wellfield Engineering Analysis Final Report, authorize the Executive Director to execute Amendment No. 1 to Work Order 16-01, and authorize payment of the final Jones Edmunds invoice in the amount of \$4,340, as presented. The motion was seconded by Mr. Arnett and carried unanimously.**

7. Charles A. Black Wellfield Water Supply Contract

Mr. Owen said that, subsequent to the July Board meeting, staff received an updated, strike-through and underline version of the proposed new water supply contract from Citrus County. He noted that, due to a printing delay, the proposed revised document and contract exhibits were provided with the Board's meeting materials.

Mr. Owen said the revised provisions address how the funds received by the Authority for the sale of water from the Authority-owned Charles A. Black (CAB) wellfield to Citrus County can be used by the Authority. As proposed by Citrus County, the funds could only be used for projects in Citrus County. Staff informed Citrus County it could not recommend these changes to the Board. Citrus County has requested the WRWSA consider a compromise that would prioritize funding for projects in Citrus County. In response to that request, at the County's request, Authority staff provided the following to the County:

UTILIZATION OF CONTRACT REVENUES. The Authority may utilize the revenues derived from this Contract for the purposes deemed necessary and appropriate in the sole discretion of the Authority Board, including but not limited to administration, water supply development projects, including water conservation projects, and for the purpose of securing any revenue bonds issued by the Authority to finance new water supply projects of the Authority. In recognition of the fact that these revenues originate from Citrus County, the Authority Board, in its sole discretion, may give priority consideration to projects which benefit Citrus County utilities.

Following ongoing discussions, Mr. Owen said Citrus County has informed the Authority staff that the compromise language addressing utilization of contract revenues is satisfactory to the County. Staff believes this was the only outstanding substantive issue to be resolved and that the Contract is now ready for consideration for Board approval.

Mr. Jack Pepper, Attorney and WRWSA Special Counsel, noted the County will consider this item for approval in early October. He then provided a brief overview as follows:

- Recommended Contract Major Provisions
 - Citrus County continues to be responsible for operation and maintenance of the CAB facilities.
 - The current amortization and administration fixed payments are replaced with a volume-based, per-thousand gallons charge.
 - Citrus County continues to make contributions to the Renewal and Replacement (R&R) fund, but at a significantly reduced rate based upon experience to-date and the latest CAB Engineering Evaluation report.
 - The County would notify the Authority in advance for anticipated utilization of R&R funds and would request reimbursement of costs incurred.
 - Total costs to Citrus County (amortization, administration and R&R combined) are to remain relatively stable in the transition to the volume-based rate.
- New Contract Major Accomplishments
 - Accomplishes the major goals set forth by the WRWSA Board.
 - Assures Citrus County of a continued reliable water supply at a known, reasonable cost.
 - Assures WRWSA of a reliable revenue stream.
 - Eliminates unnecessary provisions of the current contract that have been problematic.
 - Addresses past WRWSA audit comments and comments from the Joint Legislative Auditing Committee.
 - Volumetric Rate - \$0.1335 per thousand gallons.
 - ◆ Intended to generate approximately the same revenue as the current contract.
 - ◆ No impact on the County's water rates.
 - ◆ Derived by dividing the current revenue of approximately \$224,000 per year by the permitted quantity of 4.597 mgd.
 - COLA – establishes a Cost of Living Adjustment.
 - ◆ Tracks the County's COLA; no impact on the County's water rates.
 - Minimum production charge – set at current revenues of approximately \$224,000 per year.
 - ◆ In case actual pumpage is significantly less than permitted quantity.
 - ◆ Collected annually, no later than the third month of the following Contract Year, after the previous year's total pumpage determined.
 - R&R Fund – establishes a fixed annual contribution of \$180,000.
 - ◆ Less than the current amount of approximately \$183,000.
 - ◆ Less than the amount required by the end of the current contract of \$271,748 in 2021.
 - ◆ Saving the County money.
 - Term – takes effect upon execution by all parties.
 - ◆ 10-year term with option for County to renew four additional 10-year terms.
 - ◆ Will automatically renew unless County notifies Authority six months in advance.
 - Replaces all past CAB contracts/agreements to the extent possible.

Discussion ensued regarding benefit to other counties, renewal term, contract amendment, daily volume, capacity and water use permit parameters. Messrs. Owen, Pepper and Cheek provided clarifying information.

Chairman Damato noted that the contract creates an unusual relationship between two entities since the WRWSA owns the wellfield and Citrus County operates the wellfield and is the only customer. He said this has been excellent effort on the part of both parties and important for the Authority's viability for the next 50 years.

Following consideration, **Mr. Butler moved to approve the Water Supply Contract between the Withlacoochee Regional Water Supply Authority and Citrus County, Florida as contained in the Exhibit, including the revised Contract Exhibits; and authorize the Chairman to execute the Contract, as presented. The motion was seconded by Mr. Arnett and carried unanimously.**

Chairman Damato said this is an important day for the Authority and Citrus County, and he appreciated the cordial manner in which it was accomplished. Mr. Owen thanked the Authority's team of Messrs. Larry Haag, Jack Pepper, Pete Hubbell with WRA (technical support), and Mark White with Purvis Gray & Company (financial aspects).

8. Phase 4 Enhanced Irrigation Evaluation Program

a. Contractor Selection

Mr. Owen noted that at its July 2016 meeting, the Board authorized staff to issue a Request for Quotes (RFQ) for Phase 4, Enhanced Irrigation Evaluation Program. Two quotes were received in response to the RFQ. Exhibits for this item were included in the Board's meeting materials: (1) Summary of Quotes; (2) Eco Land Designs, LLC, Quote Submittal; (3) D&C Environmental, LLC, Quote Submittal; and (4) proposed Agreement between the WRWSA and Eco Land Design, LLC, for the WRWSA Regional Irrigation Evaluation Program (N822).

Upon review of the quotes received, staff recommends the Board select Eco Land Designs, LLC, as the most responsive and qualified contractor. Mr. Jack Overdorff, RLA, is the president of the firm and has been conducting irrigation audits for the Authority under previous phases of the program. His work to-date has met and surpassed all contract requirements.

This project is being co-funded by the Southwest Florida Water Management District (SWFWMD). The Authority has not yet entered into the Agreement with SWFWMD and anticipates the proposed Cooperative Funding Initiative (CFI) agreement will be available from the SWFWMD sometime in early 2017. All work performed between October 1, 2016 and execution of the CFI agreement with the SWFWMD will be eligible for reimbursement. If, for some reason the Authority and the SWFWMD do not enter into a CFI agreement for this project, the contract with the contractor has provisions allowing the Authority to cancel the contract, or consider other funding options. If the Board approves the staff's recommendations, as presented below, the Authority's attorney will review and approve the final CFI agreement between the SWFWMD and the WRWSA before presenting the agreement to the Chairman for signature.

Mr. Owen said the staff recommendation is broken into three parts to avoid coming to the Board on separate occasions for each step in the process:

- (1) The Authority Board approve the selection of Eco Land Design, LLC, as contractor to perform the irrigation system evaluations for Phase 4 Enhanced Irrigation System Evaluation program (N822).
- (2) The Authority Board approve the contract between WRWSA and Eco Land Design, LLC, in an amount not to exceed \$171,800 and authorize the Chairman to execute the contract.
- (3) The Authority Board authorize the Chairman to execute the CFI agreement for Phase 4 Enhanced Irrigation System Evaluation program between the SWFWMD and the WRWSA, following review and approval by the Authority Attorney.

Following consideration, **Mr. Nicholson moved to approve the staff recommendations as presented above. The motion was seconded by Mr. Brown and carried unanimously.**

b. Agreements with The Villages NSCUDD and VCCDD

Mr. Owen said two of the utilities that serve areas of The Villages in Sumter County have agreed to participate in the Phase 4 Enhanced Irrigation System Evaluation program. These include the North Sumter County Utility Dependent District (NSCUDD) and the Village Center Community Development District (VCCDD). Participation by these utilities helps their customers who participate save water and money, and helps the utilities ensure they continue to meet and surpass the conservation requirements of their water use permits.

The NSCUDD has agreed to participate at a funding amount of \$8,000, while the VCCDD has agreed to participate at a funding amount of \$4,000. Copies of the proposed agreements between the NSCUDD and WRWSA, and the VCCDD and the WRWSA, were included as exhibits to this item.

Following consideration, **Mr. Butler moved to approve the Agreements between the WRWSA and the North Sumter County Utility Dependent District and the Village Center Community Development District, and authorize the Chairman to execute the Agreements, as presented. The motion was seconded by Mr. Swain and carried unanimously.**

Mr. Owen said Citrus, Hernando and Marion counties continue to participate in the program as well; however, no contracts are currently necessary to effectuate their participation. See the letters to each county in the Correspondence section (Item 11.f.) of the Board's meeting materials. As noted above, if for some reason the Authority and the SWFWMD do not enter into a CFI agreement for this project, the contract has provisions allowing the Authority to cancel the contract or consider other funding options.

9. Citrus County Lease Agreement

Mr. Owen said the current lease with Citrus County for office space at its Lecanto Government Center expires on October 31, 2016. A proposed new lease with the County was included as an exhibit to this item. Most terms and conditions remain the same, including the annual lease fee. The lease is for a five-year period, expiring on October 31, 2021.

Following consideration, **Mr. Carnahan moved to approve the Lease Agreement with Citrus County and authorize the Executive Director to execute the Agreement, as presented. The motion was seconded by Mr. Arnett and carried unanimously.**

Chairman Damato thanked Citrus County for providing office space and a meeting location along with new signage. Mr. Owen recognized Mr. Jeff Rogers, Citrus County Public Works Director, for his assistance in negotiating the new lease.

10. As-Needed Engineering and Technical Services Work Order to Water Resource Associates

Mr. Owen noted that at the November 2012 meeting, the Board authorized the Executive Director to enter into contracts with eight firms for as-needed General Professional Engineering/Technical Services. At the July 2016 meeting, the Board authorized staff to extend these contracts for the second and final one-year period. The Fiscal Year 2016-17 budget contains \$75,000 for potential engineering/technical support services.

The Board has also authorized the issuance of a work order to Water Resource Associates (WRA) for as-needed technical and engineering support work each year subsequent to entering into the contract with WRA. The current work order to WRA is scheduled to expire on September 30, 2016. Staff has need for continued as-needed engineering/technical support from WRA, including support for administering the Charles A. Black wellfield. Staff believes that, among the pre-approved consultants for as-needed support services, WRA is uniquely qualified to provide these required services. The purpose of this Work Order is to engage WRA to provide engineering and technical general support services to the Authority Board and Executive Director on an as-needed basis in support of the Authority activities. A copy of the proposed Work Order was included as an exhibit to this item.

Following consideration, **Mr. Carnahan moved to approve Work Order No. 2017-01 with Water Resource Associates, as contained in the exhibit to this item, in an amount of \$25,000 for purposes of providing as-needed engineering/technical support services, with a termination date of September 30, 2017. The motion was seconded by Mr. Swain and carried unanimously.**

11. Executive Director's Report

- a. **Bills to be Paid** – Mr. Owen presented the August 2016 bills and requested Board concurrence of payment for invoices in the amount of \$39,445.35. **Mr. Nicholson moved to ratify payment of the August 2016 bills in the amount of \$39,445.35. The motion was seconded by Mr. Arnett and carried unanimously.**

Mr. Owen presented the September 2016 bills and requested approval of payment for administrative invoices in the amount of \$16,339.43 and project invoices in the amount of \$7,102.75, totaling \$23,442.18. He noted that payments to the Outside Special Counsel have been adjusted to the projects account (\$6,416.29) instead of administrative. Following consideration, **Mr. Brown moved for payment of the September 2016 bills in the amount of \$23,442.18, as presented. The motion was seconded by Mr. Arnett and carried unanimously.**

- b. **Annual Calendar of Fiscal Year 2016-17 Meeting Dates** – Mr. Owen noted the Authority is required to follow Florida Statute Chapter 189 concerning meeting notices. In response to these statutory requirements, the Authority publishes an annual calendar of meeting dates that is approved by the Board. Any changes to the meeting dates, times or locations must be published in area newspapers to notice the change from the originally published calendar.

Following consideration, **Mr. Arnett moved, seconded by Mr. Nicholson, to approve the Annual Calendar of Fiscal Year 2016-17 Meeting Dates.**

Following discussion, **Mr. Arnett withdrew his motion and Mr. Nicholson withdrew his second, to approve meeting dates. Mr. Arnett moved, seconded by Mr. Nicholson, to approve the Annual Calendar of Fiscal Year 2016-17 Meeting Dates as shown below with changes as directed by the Board (excluding October 19, 2016). Motion carried unanimously.**

Location of Meetings: Lecanto Government Building, Room 166
3600 W. Sovereign Path, Lecanto, Florida 34461

Start Time: 3:30 p.m.

Meeting Dates:	CANCEL October 19, 2016	April 19, 2017
	November 16, 2016	May 17, 2017
	December 21, 2016	June 21, 2017
	January 18, 2017	July 19, 2017
	February 15, 2017	August 16, 2017
	March 15, 2017	September 20, 2017

- c. **Third Quarter Financial Report** – Mr. Owen briefly noted items for the Board’s information and no action is required.
- d. **Public Officials Liability Policy** – Following consideration, **Mr. Carnahan moved, seconded by Mr. Brown, to approve the 2016-2017 Public Officials Liability Policy renewal, as shown in the handout, for the amount of \$2,410.04 as presented during Item 11.a. The motion carried unanimously.**
- e. **Purvis Gray Compilation Engagement Letter** – This item was provided in the Board’s meeting materials and is to confirm understanding of the services to be provided for the Authority. There are no substantive changes to the services or fee. Following consideration, **Mr. Butler moved, seconded by Mr. Arnett, to authorize the Executive Director to execute the engagement letter as presented. The motion carried unanimously.**
- f. **Correspondence** – Items were included in the Board’s meeting materials.
- g. **News Articles** – News articles of interest were included in the Board’s meeting materials.
- h. **Other** – None

12. Legislative Report

- Ms. Salz said the draft 2017 legislative matrix is being developed for the Boards’ review. She noted that she will be attending the Florida Water Forum (September 22-23) and will provide a report at the Board’s next meeting.

- Ms. Salz noted that the 2017 interim legislative committee meeting schedule is unique due to this being an election year. Interim committee meetings will occur in December, January and February. The 2017 Legislative Session begins March 6, 2017 and ends May 2, 2017.
- Ms. Salz said the new water standards are controversial and the Administrative Law Judge has rejected challenges filed by several entities for the health-based surface water quality criteria amendment being proposed by the Florida Department of Environmental Protection (FDEP). Appeals are being filed since the amendments will affect surface water bodies. Mr. Owen noted that this update should have occurred years ago, and staff will continue to monitor technical aspects and proposed actions.

13. Attorney's Report

- Mr. Haag briefly noted several issues to be addressed for the Everglades which is also affecting areas to the south and the Keys.
- In response to Chairman Damato's positive comments, Mr. Haag congratulated Messrs. Owen and Pepper for their work on the Charles A. Black Water Supply Contract.

14. Other Business

- Chairman Damato said there is an effort in Tallahassee regarding funds to restore the Everglades. He noted that the algae bloom has made national news so there may be a diversion of Amendment 1 funds to address the issues which is not an equitable use of funds. He requested Ms. Salz include this issue in the legislative matrix being developed.
- In response to Mr. Brown's inquiry regarding Mosaic and flow directions, Mr. Owen said flows are south-southwest and provided a brief report based on his understanding of the situation.
- Mr. Swain said the public meeting for the proposed groundwater withdrawal in Sumter County is still scheduled for October. Since his report on pumping in Sumterville at the Board's last meeting, a veteran's burial site has been discovered on the land and the two springs are now dry.
- Mr. Adkins addressed the Board to express his appreciation of serving with his fellow members.
- Mr. Arnett noted that, from an education process, it has been a pleasure to serve on this Board.
- Chairman Damato said he is retiring from public service and noted he has served four terms as this Board's chairman. He said that water is an important subject and should not be taken for granted. He said he moved to this area when he was 19, and the importance to him has been about the journey and the betterment of the place where we live. He said it has been an honor to serve on this Board, and he appreciated working together collectively and civilly for this region of Florida.

15. Next Meeting Time and Location

- **Mr. Nicholson moved to cancel the October 19, 2016 monthly meeting as directed by the Board during consideration of Item 11.b. The motion was seconded by Mr. Arnett and carried unanimously.**
- The next monthly meeting is scheduled for November 16, 2016 at 3:30 p.m. at the Lecanto Government Building, Room 166.

16. Adjournment

Chair Damato adjourned the meeting at 4:57 p.m.

Nick Nicholson, Vice Chairman

Richard S. Owen, Executive Director