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Hernando County
Board of County Commissioners

May 24, 2022

Mr. Jeff Rogers
Hernando County Administrator
20 N. Main Street, Rm 263
Brooksville, Florida 34601

Subject: WRWSA Budget for FY 2022-23

Dear Mr. Rogers:

The Withlacoochee Regional Water Supply Authority draft budget for Fiscal Year (FY) 2022-23 was presented at its May 18, 2022 meeting. Enclosed is a copy of the budget and the Authority's FY 2022-23 Work Program. The budget is based upon, in part, maintaining the current \$0.19 per capita contribution from each County, resulting in Hernando County contributing \$37,343 in per capita revenues. The other counties will contribute a total of \$127,564 in per capita contributions and Citrus County will contribute an additional minimum amount of \$224,000 for the purchase of water from the Authority's Charles A. Black wellfield.

The Authority's Work Program for the fiscal year calls for continued development and implementation of its regional work program to ensure our member governments' long-range water supply needs are met in a cost-effective and sustainable manner. We have maintained our local government grants program and our residential irrigation audit program to assist our member governments in water conservation. We continue to monitor and engage with the water management districts, the Florida Department of Environmental Protection and other state agencies, and the State Legislature to stay abreast of water management activities that may affect this region and to advocate for the interests of our member governments and public supply water needs within our region.

I hope this information is sufficient for your budgetary needs. If you need further information, please don't hesitate to contact me.

Sincerely,

Suzannah J. Folsom, PE, PMP
Executive Director

Enclosures

cc: WRWSA Board Members
Tobey Phillips, Deputy County Administrator
Toni Brady, Office of Management and Budget Director
Gordon Onderdonk, PE, Utilities Director
Grace Sheppard, Finance Manager, HCUD
Alys Brockway, Water Resource Manager

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY

Fiscal Year 2022-23 Budget

Draft May 3, 2022

	4/1/2021 Population Estimate	Comments	Fiscal Year 2022-23	Fiscal Year 2021-22	\$ Change	% Change
Revenues: Administrative						
Assessments:						
Citrus	155,615	Official BEBR Population Estimates 6,232 person increase	\$29,567	\$28,383	\$1,184	4.2%
Hernando	198,540	4,354 person increase	\$37,343	\$36,516	\$827	2.3%
Marion	381,176	13,041 person increase	\$72,424	\$69,946	\$2,478	3.5%
Sumter	134,593	6,829 person decrease	\$25,573	\$26,871	-\$1,298	-4.8%
Total Population/Assessments @ 19¢/Capita	867,924		\$184,907	\$161,716	\$3,191	2.0%
Administrative Revenue from Citrus Contract		Based on Citrus County contract and Board direction	\$18,999	\$19,318	-\$319	-1.7%
Subtotal			\$183,906	\$181,034	\$2,872	1.6%
Carryover Administration Reserve Funds (FYE 21/22 Estimate) (SBA1)		See Attachment 2	\$748,526	\$692,676	\$55,850	8.1%
Total Administrative Revenue Available			\$932,432	\$873,710	\$58,722	6.7%
Revenues: Water Resource Development (WRD) Projects						
RWSP Update Matching Funds		50% of Total Project Budget	\$187,500	0.00	\$187,500	N/A
Phase 6 Irrigation Audit Program SWFWMD Matching Funds		0% of Total Project Budget	\$0	\$30,300	-\$30,300	N/A
Phase 6 Irrigation Audit Program Cooperator Matching Funds		0% of Total Project Budget	\$0	\$15,150	-\$15,150	N/A
Phase 7 Irrigation Audit Program SWFWMD Matching Funds		50% of Total Project Budget	\$51,000	\$0	\$51,000	N/A
Phase 7 Irrigation Audit Program Cooperator Matching Funds		25% of Total Project Budget	\$25,500	\$0	\$25,500	N/A
Annual Citrus WRD Payments (SBA2)		Based on CAB wellfield monthly average revenues of \$20,000 minus funds allocated to administrative revenue above	\$221,001	\$204,682	\$16,319	8.0%
Subtotal			\$297,501	\$250,132	\$47,369	18.9%
Carryover WRD Reserve Funds (FYE 21/22Estimate) (SBA2)		See Attachment 2	\$1,127,470	\$1,021,768	\$105,702	10.3%
Total Water Resource Development Revenue Available			\$1,424,971	\$1,271,900	\$200,440	15.8%
Total Revenues Available			\$2,357,403	\$2,145,610	\$259,162	12.1%

WITHLACOOCHEE REGIONAL WATER SUPPLY AUTHORITY

Fiscal Year 2022-23 Budget

Draft May 3, 2022

		Fiscal Year 2022-23	Fiscal Year 2021-22	\$ Change	% Change
Expenditures: General Administration					
Executive Director	3% increase	\$88,280	\$86,700	\$2,580	3.0%
Administrative Assistant	3% increase	\$39,780	\$38,625	\$1,155	3.0%
Legal Services	Based on annual contract:				
Monthly Meetings @ \$235/hr	6 meetings/year, 3 hrs/meeting = 18 hrs	\$4,230	\$4,230	\$0	0.0%
Other Services @ \$235/hr.	6 hrs/month = 72 hrs	\$16,820	\$16,820	\$0	0.0%
Advertising	Based on FY 2020-21 actual	\$800	\$800	\$0	0.0%
Audit	FY 20-21 plus 3% COLA	\$11,623	\$11,284	\$339	3.0%
Bookkeeping Services	\$500/quarter per Engagement Letter	\$2,000	\$2,000	\$0	0.0%
Liability Insurance	FY 20-21 actual plus 5%	\$3,150	\$3,000	\$150	5.0%
Office Supplies	Based on FY 2020-21 actual	\$1,250	\$1,000	\$250	25.0%
Postage	Based on FY 2020-21 actual	\$800	\$800	\$0	0.0%
Printing and Reproduction	Based on FY 2020-21 actual	\$1,600	\$1,600	\$0	0.0%
Publications/Software	Based on FY 2020-21 actual	\$150	\$150	\$0	0.0%
Rent (Lacanto Gov't Bldg)	Based on Lease Agreement	\$2,048	\$2,048	\$0	0.0%
Registrations/Dues	Based on FY 2020-21 actual	\$1,500	\$1,500	\$0	0.0%
State Fees/Assessments	Based on FY 2020-21 actual	\$175	\$175	\$0	0.0%
Telephone	Based on FY 2020-21 actual	\$1,200	\$1,200	\$0	0.0%
Travel (Board Members & Staff)	Based on FY 2020-21 actual	\$3,000	\$5,000	-\$2,000	-40.0%
Web Page / Computer Maintenance	Based on FY 2020-21 actual	\$2,800	\$2,500	\$300	12.0%
Contingencies	@ 5% of non-contract admin costs	\$1,600	\$1,502	\$98	6.5%
Subtotal - General Administration Expenditures		\$183,908	\$181,034	\$2,872	1.6%
Fund Balance for Admin. Reserves FYE 22/23	FYE21/22 Admin Funds Bal + FY22/23 Admin Rev's - FY22/23 Admin Exp's	\$748,526	\$692,676	\$55,850	8.1%
Expenditures: Water Resource Development Projects					
General Services Contracts	As Needed Eng. & Tech. Firms	\$50,000	\$50,000	\$0	0.0%
Local Government Grant Program	Approved 3/16/22	\$140,000	\$140,000	\$0	0.0%
RWSP Update	100% of Project Budget	\$375,000	\$0	\$375,000	N/A
Phase 7 Irrigation Audit Program	100% of Project Budget	\$102,000	\$0	\$102,000	N/A
Phase 6 Irrigation Audit Program	0% of Project Budget	\$0	\$80,800	-\$80,800	N/A
Subtotal - Water Resource Development Projects		\$667,000	\$260,800	\$416,400	166.2%
Fund Balance for Water Resource Development Reserves FYE 22/23	FYE21/22 WRD Funds Bal + FY22/23 WRD Rev's - FY22/23 WRD Exp's	\$757,971	\$1,018,833	-\$260,862	-26.6%
Total Administration and WRD Expenses		\$850,908	\$431,834	\$419,272	97.1%
Total Administration and WRD Fund Balances at F	See Attachment 2 for detail	\$1,480,497	\$1,758,959	-\$268,462	-15.2%
Combined FYE 22/23 Expenditures and Fund Balances		\$2,341,403	\$2,188,593	\$152,810	7.0%

ATTACHMENT 1

CALCULATION OF REVENUE FOR 2022-23 AND CALCULATION OF AMOUNT OF FUNDS NEEDED FROM RESERVES

Draft May 3, 2022

Revenue	4/1/2021 Population	
LOCAL ASSESSMENTS @ 19¢ PER CAPITA		
Citrus	155,615	\$29,567
Hernando	196,540	\$37,343
Marion	381,176	\$72,424
Sumter	134,593	\$25,573
Subtotal	867,924	\$164,907
CHARLES A. BLACK WATER SUPPLY FACILITY		
Minimum Production Charge		\$224,000
Subtotal		\$224,000
MATCHING CONTRIBUTIONS FOR STUDIES		
SWFWMD Match for RWSP Update		\$187,500
SWFWMD Match for Phase 7 Irrigation Audit Program		\$51,000
Local Cooperator Match for Phase 7 Irrigation Audit Program		\$25,500
SWFWMD Match for Phase 6 Irrigation Audit Program		\$0
Local Cooperator Match for Phase 6 Irrigation Audit Program		\$0
Subtotal		\$76,500
TOTAL REVENUE FOR FY 2022-23		\$465,407
Less: 2022-23 Administration Expense		-\$183,906
Less: 2022-23 WRD Cost		-\$667,000
Funds to WRWSA Reserves (+to, -from)		-\$385,499

ATTACHMENT 2**ANALYSIS OF BEGINNING FUND BALANCES**

FY 2022 - 2023

Draft May 3, 2022

ESTIMATE OF WATER RESOURCES DEVELOPMENT FUND BALANCE AT END OF FY 2021-22

03/31/22 WRDF Balance (SBA2)	\$1,173,093
FY 2021-22 Remaining WRD Fund Revenues	
6 Citrus Co. Payments @ \$20,000/month minus administrative component below	\$110,858.00
Phase 5 Irrigation Audit Local Cooperator Revenue	\$0
Phase 5 Irrigation Audit SWFWMD Revenue	\$1,652
Phase 6 Irrigation Audit Local Cooperator Revenue	\$7,972
Phase 6 Irrigation Audit SWFWMD Revenue	\$26,523
Revenues Subtotal	\$147,005
Less: FY 2021-22 Remaining Contract Expenditures:	
2021-22 Citrus Water Conservation Program	\$44,250
2021-22 Hernando Water Conservation Program	\$48,750
2021-22 Marion Water Conservation Program	\$20,337
2021-22 Sumter County Water Conservation Program	\$22,000
2021-22 General Services Contracts	\$10,000
Phase 6 Irrigation Audit Program	\$47,291
Expenditures Subtotal	\$192,628
Total WRD Funds at end of FY 2021-22	\$1,127,470

ESTIMATE OF ADMINISTRATIVE FUND BALANCE AT END OF FY 2021-22

03/31/22 Admin Bal (SBA1)	\$748,526
Admin Revenue from CAB WSF	\$9,142
Admin Revenue from Per Capita Contributions	\$80,858
Less remaining FY Admin costs for 6 months	-\$90,000
Total Administrative Funds at end of FY 2021-22	\$748,526

ESTIMATE OF TOTAL FUND BALANCE AT END OF FY 2021-22

Total WRD Funds at end of FY 2021-22	\$1,127,470
Total Administrative Funds at end of FY 2021-22	\$748,526
Total Fund Balance at end of FY 2021-22	\$1,875,996

PROJECTED FUND BALANCES AT END OF FY 2022-23

Total Fund Balances beginning of FY 2022-23:	\$1,875,996
Add: 2022-23 Revenues	\$465,407
Deduct 2022-23 Expenses:	-\$850,906
Projected Fund Balances at end of FY 2022-23:	\$1,490,497

Withlacoochee Regional Water Supply Authority

Fiscal Year 2022-2023 Work Program

1. Joint Funding of Water Conservation Projects with Member Local Governments

The Authority will continue its grant program to assist local governments in improving water supply and conservation within the region in order to extend the use of groundwater as long as possible. Fresh groundwater is the least expensive source available to meet growing demands, however there is a limit to this source due to environmental impacts and impacts on other existing legal users caused by withdrawals. As the limit to fresh groundwater resources is reached, alternative, more expensive water sources will need to be developed. At the present time, water conservation programs are the most appropriate way for the Authority to help local governments extend the use of lower cost groundwater supplies. The 2022-23 proposed budget includes \$140,000 toward local government water supply and conservation projects. Proposals will be considered from local governments and public supply utilities in the Authority's jurisdiction. The grant program guidelines and application package may be found on the Authority's web page at www.wrwsa.org. The water conservation activities co-funded by this grant program help participating utilities meet and surpass the maximum 150 gallons per person per day that is required by the SWFWMD and to meet the SJRWMD conservation requirements.

2. Regional Residential Irrigation Audit Program to Promote Water Conservation within the Region

This ongoing program provides an opportunity for residential water utility customers to obtain site-specific evaluations for optimizing the use of water through landscaping techniques and efficient irrigation systems, and to implement recommendations provided by a professionally certified contractor. Contractors used for the site-specific evaluations are professionals certified by the Florida Irrigation Society (FIS) or another recognized certifying agency in the targeted region. The initiative includes program information, water conservation education, reporting and analysis by a consultant. This continuing project targets existing inefficient landscape and irrigation water use and results in significant water savings and can lead to water quality protection through reduced leaching of fertilizers and lawn chemicals. More than 1300 audits have been conducted as part of Phases 1 to 5. In Phase 4, we began offering enhanced audits that have a more intense implementation of improvements, and have an improved benefit to reduce water usage. An average reduction in total water use of 28% has been achieved for the locations that have been audited. Phase 6 is ongoing, and Phase 7 will start in January 2023. This program is co-funded by the SWFWMD. Participating utilities incur only 25% of their respective portion of the project, leveraging local dollars with regional funds. This water conservation initiative helps participating utilities meet and surpass the maximum 150 gallons per person per day that is required by the SWFWMD.

3. Continued Cooperation with Citrus County in Operation and Management of the Authority's Charles A. Black Water Supply Facilities

The Authority and Citrus County completed negotiations at the end of FY 2015-16 of the new Water Supply Contract governing the operation and maintenance of the CABWSF. The new Contract allows for the continued operation of the facilities by Citrus County in a cost-effective manner ensuring a long-term water supply for the County and its customers while also providing for long-term financial stability for the Authority. In FY2021- 22, WRWSA coordinated with Citrus County as a co-applicant for the Water Use Permit No. 7121 renewal.

4. Participation in Maintenance and Enhancement of the North-Central Florida Groundwater Model

The Authority will continue to participate in discussions with SJRWMD and SWFWMD on the implementation of the North-Central Florida Groundwater model. The project was initiated in fiscal year 2012-13. Phase 1 of the project entailed updating and expanding the SWFWMD's Northern District Groundwater Model to encompass all of Marion County and to incorporate the most recent hydrologic data.

Phase 1 of the project was successfully completed. The intent is for both water management districts to utilize this common model for determining the availability of groundwater in the region, particularly in Marion County which is split by the districts' boundaries. The SJRWMD and SWFWMD continue to improve upon the model and seek the engagement of various stakeholders. The model has significant implications for groundwater availability in the region and the Authority's continued participation and coordination with member governments is essential to ensure water supply implications are considered as the model is updated. The Authority also engages with both Districts to ensure continued use and support of the model.

5. Springs Protection and Restoration

The Authority continues to work with the SWFWMD on its springs coast initiative. The Authority staff continue to actively participate in the Springs Coast Management Committee as the public Supply Representative, and monitor activities of the District and the Steering Committee for implications on water supply in the region. WRWSA is also providing a representative on the Technical Advisory Committee via one of our As-Needed Consultants.

6. Program Development and Technical Assistance

- a) Support efforts to further define the hydrogeology of the region. Continue cooperation with the water management districts on the collection of hydrologic data to further refine the Districts' planning and regulatory models. Coordinate on efforts to better define the lower Floridan aquifer and the extent of fresh and brackish groundwater within the aquifer.
- b) Promote the WRWSA Regional Framework through coordination with WRWSA member governments to facilitate regional and sub-regional cooperation on water supply development and reclaimed water projects. Work with the WMDs in defining strategic priorities for the region and how these priorities may influence the ranking criteria for the Districts' Cooperative Funding Initiatives, including potential District funding for regional and sub-regional traditional and non-traditional water supply development that is consistent with the WRWSA Regional Framework.
- c) Participate in the SWFWMD and SJRWMD minimum flows and levels (MFLs) programs representing the interests of member governments. Provide technical assistance to WRWSA member governments in determining the potential impact to both the environment and potential water supply development based on proposed MFLs.
- d) Coordinate with FDEP, SJRWMD, SWFWMD and the Florida Department of Agriculture and Consumer Services on policy and rule development. Provide assistance to WRWSA member governments on FDEP and District rule development that may include Water Use Permitting, Environmental Resource Permitting, water conservation and future water supply development, including the statewide consistency initiatives. Monitor water management programs and rule development in other parts of the state, including the Central Florida Water Initiative, for implications to the WRWSA and its member governments.
- e) Monitor and coordinate with the water supply planning and development activities in adjacent communities and regions, including but not limited to Tampa Bay Water, the Central Florida Water Initiative, the Polk Water Cooperative, and Lake and Levy counties for possible implications on water resource availability within the WRWSA region. Provide input to such activities when appropriate.
- f) Monitor applications for significant water use permits and permit modifications within the region for potential impacts on WRWSA and member government existing and planned water supply facilities and engage in the permitting process where appropriate.