

**NOTICE OF REGULAR MEETING OF NORTH FLORIDA WATER UTILITIES AUTHORITY
(NFWUA) BOARD OF DIRECTORS**

The North Florida Water Utilities Authority (NFWUA) will meet at 9:30 A.M., or as soon thereafter as may be heard, on March 5, 2025, in the Suwannee County Judicial Annex 218 Parshley St. SW Live Oak Florida.

In accordance with the Florida Statutes and Americans with Disabilities Act, any person needing a special accommodation to participate in this matter should contact the North Florida Water Utilities Authority by mail to James M. Swisher, Jr., Columbia County Clerk of Court & Comptroller, 173 NE Hernando Avenue, Lake City, Florida 32055 or by telephone at (386) 758-1041, no later than 48 hours prior to the hearing or proceeding for which this notice has been given. Persons requiring auditory assistance may access the foregoing telephone number by contacting the Florida Relay Service at 1-800-955-8770 (Voice) or 1-800-955-8771 (TDD).

If any person intends to appeal any decision related to this action, such person will need to provide a court reporter at such person's expense, for a transcript of the proceedings. All interested persons are invited to attend.

For further information, call (386) 758-1041.

North Florida Water Utilities Authority

Meeting Agenda

March 5, 2025

Suwannee County
Suwannee County Judicial Annex
218 Parshley St. SW
Live Oak, FL 32064

Agenda 9:30am

1. Call to Order
2. Pledge
3. Roll Call
4. Additions and Deletions
5. Adoption of the Agenda
6. Approval of Minutes

(1) July 1, 2024

(2) Aug. 12, 2024

(3) Sept. 4, 2024

Discussion And Action:

7. Update on Payne Consulting Services
8. Update on Raftellis
9. Update on Utility Issues for Suwannee County
10. Update on Utility Issues for Columbia County
11. Finance Report – Clerk of Court, Jay Swisher
12. Approval of Engagement Letter – James Moore – Auditing Services

Board Public Comments

13. Public Comments
14. Board Comments
15. Announcement: Next NFWUA Meeting
16. Adjournment

North Florida Water Utilities Authority

July 1st 2024

9:30 AM

The North Florida Water Utilities Authority (NFWUA) met in a scheduled meeting at 971 West Duval Street, Suite #150 Lake City, FL 32055. The meeting was called to order with invocation followed by the Pledge of Allegiance to the Flag of the United States of America.

Board Attendance:

Chairman, Commissioner Rocky Ford

Vice-Chair, Commissioner Franklin White

Board Member, Commissioner Ron Williams

Board Member, Commissioner Leo Mobley

Others in Attendance:

David Kraus, Columbia County Manager

Dale Williams, Nth FL Professional Services

Shannon Roberts, Suwannee County Administrator

Grady Williams, NFWUA Attorney

Greg Scott, Suwannee County Manager

Adam Morrison, Suwannee County Attorney

Staz Guntek, Columbia County Project Development Manager

James. M Swisher, Clerk of Court & County Comptroller

Lauren Pope, Columbia County Finance Director

Amber Taylor, Deputy Clerk

Approval of Previous Minutes:

Motion by Commissioner Williams to approve minutes from previous meeting. **Seconded** by Commissioner White. Motion carried unanimously.

Additions and Deletions:

Additions

None.

Deletions:

None.

Presentations to the Board:

Heather Webber, Compliance Manager of Clay County Utility Authority

- Ms. Webber gave extensive overview on Consumptive Use Permits (CUPS) and Levels (MFLs), Basin Management Action Plan (BMAP), Lead and Copper Rule (LCR) and Per-and Polyfluoroalkyl Substances (PFAS).
- North Florida Regional Water Supply Plan Projects Conceptualization Effort and North Florida Regional Water Supply Plan were also reviewed in presentation.
- The importance of BMAPS was discussed and conversation about water recharge in Columbia and Suwannee Counties came into conversation.
- EPA Concerns were discussed in presentation (see attached) as well.

Commissioner Ford requested clarification as to what determines which existing pipes need to be replaced. Ms. Webber instructed the board that pipes downstream from any lead pipe must be replaced.

Mr. Dale Williams posed question concerning building codes being effected by projected changes.

Commissioner, Ron Williams gave comment pertaining to Columbia County being effected by water taken out of the aquafer in other Counties, having a negative effect on the amount of recharge water that Columbia County is responsible for. The Citizens of Columbia County are not the cause, by way of water usage, for this water depletion. But rather, it is being pulled for usage in other counties.

Presentation, Andrew Palmer

Mr. Palmer did not attend meeting.

John Wheeler, Wheeler Insurance Agency & Denise Vogelgesang, Florida Assoc. of County Trust

- Mr. Wheeler gave overview to Board as to which insurance is needed initially to cover the North Florida Water Utilities Authority.
- Due to early stages of formation, many current needs will change and increase as the NFWUA becomes established.

- The NFWUA will be operating as an Independent Special District and separate legal entity. Therefore, executing contracts, establishing rules, and will have the authority to own and operate assets. Specific coverage is necessary and recommended.
- Ms. Vogelgesang, updated the Board with examples of authorities operating similarly to the NFWUA that are current customers.

Those examples were as follows:

Putnam County Port Authority
Florida Keys Aqueduct Authority
Utilities Commission of New Smyrna Beach
Florida Gas Utility
Lake County Water Authority

Ms. Vogelgesang also assured the Board, this company has much experience litigating any issues that may or may not come up as the Authority develops.

The Wheeler Insurance Agency will be working in conjunction with Florida Association of County Trust to serve the NFWUA, providing necessary coverage. Legal formation of the NFWUA as an Independent Special District, negates the current Suwannee & Columbia County policies from encompassing the NFWUA. Separate additional coverage must be established.

Mr. Wheeler gave several examples as to why coverage for NFWUA is an urgent concern and needs to be put in place promptly.

Those examples were as follows:

PFAS (possible injury to individual)
Upstream Lead (contamination)
Damage during construction (accidental damage to property)

Mr. Kraus posed question during presentation, as to the immediate coverage need. The concern is to ensure proper coverage during the establishment phase of NFWUA.

Mr. Wheeler advised the Board that he recommended liability to start. In order to create a policy cost projection for the Board, the insurance companies will need payroll calculations as well as other estimations to create a more detailed cost estimation. Ms. Vogelgesang recommended a policy be in place, before the execution of any legal contracts (ie hiring Executive Director).

Discussion ensued.

Motion by Commissioner Williams to have emergency proposal presentation, to include quotes pertaining to necessary insurance coverage for NFWUA. **Seconded** by Commissioner Mobley. Motion carried unanimously.

James Swisher, Clerk of Circuit Court & Columbia County Comptroller

Mr. Swisher spoke to the NFWUA Board in response to proposition, for the Columbia County Clerk of Courts to provide financial accounting services for the Authority. Some of the key points that Mr. Swisher spoke on during his proposal were:

- Implementing sound internal controls, as to ensure transparency along with accountability.
- Due to early stages of development for NFWUA, Mr. Swisher referenced generic aspects of financial assistance to the Board. However, Mr. Swisher extended complete assistance while being as customizable as possible, to ensure the maximum success of the Authority.
- A separation of duties will be implemented within the department, in order to create a checks and balance system between the accounts payable/receivable. (Example's given)
- Mr. Swisher requested funding for an additional level one staff accountant, to conduct and process fiduciary tasks for the Authority.
- The proposition from Mr. Swisher would encompass Suwannee County Utilities and Columbia County Utilities accounts receivable/payable as well as any other pecuniary tasks related to the NFWUA, be handled by the Columbia County Clerk of Court.
- Mr. Swisher will serve as the direct point of contact for Board of Directors concerning financial matters pertaining to NFWUA.
- The Columbia County Clerk office would also be available to assist in developing any procedures necessary for allocating indirect and shared expenses.
- The Columbia County Clerk office would assist in the preparation of annual audit, as well as annual budget presentation.

Discussion ensued.

NFWUA Attorney, Grady Williams asked if Suwannee County Clerk of Court would like to be considered for the handling of the fiduciary aspects of the NFWUA. Suwannee County Attorney, Adam Morrison spoke with Suwannee County Clerk of Court, Barry Baker. *“Suwannee County Clerk of Court office at the request of this board, volunteer to an interim basis, handle short term banking needs of the board as may be necessary to enable the board to move forward. However, when presented a more permanent solution, by the Columbia County Clerk of Court, Mr. Morrison spoke on behalf of Mr. Baker. Siting, it would be better to go with a more permanent solution.”*

NFWUA Attorney, Grady Williams prompted action from the board to authorize Columbia County Clerk of Court to establish banking account for the North Florida Water Utilities Authority.

Motion by Commissioner Ron Williams, to authorize Columbia County Clerk of Court to establish banking account for the North Florida Water Utility Authority. **Seconded**, by Commissioner Franklin White. Motion carried unanimously.

Discussion and Action Items:

NFWUA Board Member Selection

The board of NFWUA has advertised for the 5th board volunteer member position. At this time, due to minimum response, the board made the decision allowing the advertisement to remain in hopes of additional response and interest. A financial disclosure form is required by the applicant, when applying for this Board position.

North Florida Professional Services Consulting Services

Mr. Dale Williams requested clarification as to the role and responsibilities that the NFWUA Board members wish for him to play during the development stage of this venture. Mr. Dale Williams reiterated that he has been authorized to serve in the capacity of Consultant, to the Board of the North Florida Water Utility Authority on an interim basis. Once established, an Executive Director will be hired and assume the responsibilities and tasks of NFWUA. Until such a time, Mr. Dale Williams will consult with the Board of NFWUA pertaining to Executive decisions.

Motion by Commissioner Ford “*to approve the scope of work contract between North Florida Professional Services, Suwannee County BOCC and Columbia County BOCC, and reimburse Columbia County any money spent on this.*” **Seconded** by Commissioner Leo Mobley. Motion carried unanimously.

Selection of Executive Director

NFWUA Board will begin to advertise for the position of Executive Director for the Authority. A brief summary of outlined requirements needed for this position were discussed. They are as follows:

- Requirements of Position
- Salary Establishment
- Scope of Job Duties
- Rate Study to Cover Expenditures

Mr. Dale Williams stated that a draft will be presented by him during the next NFWUA meeting. This draft, will outline job specifics, as well as suggestions on places to advertise, said position.

Commissioner Ron Williams questioned the need for a full time employee in the infancy stages of development for NFWUA.

Discussion ensued.

USDA Development Initiative

Mr. Kraus, (CCM) addressed the Board with the opportunity to apply for USDA Rural Community Development Initiative. The awarded funding does require a 10% match.

Discussion ensued.

Mr. Roberts advised the board about seeking additional funding that does not require a financial match.

Motion by Commissioner Mobley to approve application for \$100,000 for the USDA Rural Community Development Initiative. **Seconded** by Commissioner White. Motion carried unanimously.

Budget Development Process

Budgetary development will be determined by State Law and the Columbia County Clerk of Court, Mr. Jay Swisher.

Mr. Swisher advised the Board of an established professional relationship with First Federal Bank and would ask this establishment be considered for fiduciary needs.

The Operations and Maintenance budget for the NFWUA, will be administered by Columbia County Clerk of Court.

Both Columbia and Suwannee Counties are both required by law, to reference the NFWUA Budget in their Consolidated Annual Budget.

Purchasing Policy

Mr. Staz Guntek is currently formulating a Purchasing Policy, for proposal to the Board.

North Florida Water Utility Authority Website

The NFWUA will be required, as a Special District, to establish and maintain a public website.

Discussion ensued.

Mr. Dale Williams prompted each County Manager to request cost estimate for the development and maintenance for Authority website from prospective contractors, those estimates are to be presented to the Board at the next meeting.

Reschedule August Meeting

Due to a scheduling conflict, the NFWUA Board Meeting scheduled for August 7th 2024 must be rescheduled.

Discussion ensued.

NFWUA Board Meeting was moved to Monday August 5th 2024 at 9:30 AM, in Suwannee County. The meeting is to be held in Live Oak, FL at the Judicial Annex.

Public Comments:

None

Board Comments:

Commissioner, Ronald Williams requested that name plates be created for board members, as to provide clarity to the Clerk and the public.

Mr. Ron Williams gave comment on the future of Columbia and how the Citizens of Columbia and Suwannee will benefit from NFWUA.

Commissioner Ford and Commissioner White, echoed Commissioner, Williams sentiments.

Adjournment:

There being no further business, the meeting adjourned at 11:35 AM.

ATTEST:

Rocky Ford, NFWUA Chairman
Columbia County Commissioner

James M. Swisher, Jr.

Clerk of Circuit Court & County Comptroller

North Florida Water Utilities Authority

August 12th 2024 9:30 AM

The North Florida Water Utilities Authority (NFWUA) met in a scheduled meeting, held at 971 W. Duval Street, Suite # 150 Lake City, FL 32055. The meeting was called to order with invocation followed by the Pledge of Allegiance to the Flag of the United States of America.

Board Attendance:

Chairman, Columbia Commissioner Rocky Ford

Vice-Chair, Suwannee Commissioner Franklin White

Board Member, Columbia Commissioner Ron Williams

Board Member, Suwannee Commissioner Leo Mobley

Others in Attendance:

David Kraus, Columbia County Manager

Consultant, NFPS Dale Williams

Shannon Roberts, Suwannee County Administrator

Grady Williams, NFWUA Attorney

Greg Scott, Suwannee County Manager

Staz Guntek, Columbia Project Development Manager

James Swisher, Clerk of Court & County Comptroller

Deputy Clerk, Amber Taylor

Approval of Minutes:

Motion by Commissioner White to approve NFWUA board minutes from July 1st 2024 meeting.

Seconded by Commissioner Mobley. Motion carried unanimously.

Additions and Deletions:

Addition

- Budget discussion
- Office space/location for NFWUA
- Adoption of resolution 2024-01
- Temporary signature permission

Deletion

Presentation to the Board by Mr. Mike McWaters, Suwannee Valley Electric. Mr. McWaters was unable to attend meeting.

Motion by Commissioner White to approve and adopt the Agenda as presented. **Seconded** by Commissioner Mobley. Motion carried unanimously.

Presentation to the Board:

Jay Swisher, Columbia Clerk of Court & Comptroller

Mr. Swisher gave brief presentation to the NFWUA Board. See attached.

Mr. Swisher advised that at current time, he did not feel it necessary to hire a full time position to accommodate the fiduciary needs of the Authority. Mr. Swisher advised the Board, that a Federal Tax Identification number has been established for the North Florida Water Utilities Authority, as well as a bank account, opened at First Federal Bank. A suggestion was made by Mr. Swisher to appoint a designated signee, for the purpose of signing invoices and insurance paperwork.

Discussion ensued.

Commissioner Ford brought forth motion “*to allow the chair to sign off on any invoices for approval*” **Motion** by Commissioner White, so moved. **Seconded** by Commissioner Mobley. Motion carried unanimously.

Denise Vogelgesang, Florida Assoc. of Counties Trust

Ms. Vogelgesang presented the Board with outline of projected costs for insurance for NFWUA. (See attached handout)

The proposal provided an itemized breakdown of cost for suggested insurance coverage for NFWUA.

Motion by Commissioner White, *“to adopt contract with caveat the cyber security refund if possible.”*
Seconded by Commissioner Williams. Motion carried unanimously.

Nathan Thornton, Muni Creative, Inc.

Mr. Thornton gave a proposal on services offered and the development/maintenance of the website for the NFWUA.

Discussion ensued.

Motion to approve contract as presented by Muni Creative, Inc. and to approve purposed logo for NFWUA by Commissioner White. **Seconded** by Commissioner Williams. Motion carried unanimously.

Attorney Grady Williams, read aloud Resolution NFWUA 2024-01 a Resolution of the North Florida Water Utilities Authority committing to participation in the Florida Association of County Trust.

Mr. Williams requested that the Board authorize the adoption of the resolution and authorize the chair to proceed with the execution of the Joiner to the Agreement and Declaration.

Motion by Commissioner Williams to accept Resolution NFWUA 2024-01, **Seconded** by Commissioner White. Motion carried unanimously.

Discussion and Action Items:

Appointment of 5th Board Member:

Chairman Ford called into effect a deadline for application submission for the position of the fifth board member. This deadline will be effective at 5:00 PM on August 12, 2024. Thus far, four applicants have put in for consideration for said position. Chairman Ford suggested that applicants be present and interviewed, during September meeting.

Motion by Commissioner Williams to implement a 5:00 PM August 12, 2024 cutoff for the submission of applications for the fifth board member position on the North Florida Water Utilities Authority Board of Directors. **Seconded** by Commissioner White. Motion carried unanimously.

Attorney Contract Service Agreement:

Attorney, Grady Williams reviewed proposed contract (see attached) with the Board members of the Authority. He also reviewed budgetary amounts for contract. The NFWUA year 2025 projected estimate cost for legal services would be \$72,000.

Discussion ensued.

Mr. Williams made suggestion that the Suwannee County Attorney have an opportunity to review the proposed contract, before any votes are cast. After review, the contract will be voted on at the next meeting.

Purchasing Policy:

Mr. Staz Guntek gave review of proposed purchasing policy for the North Florida Water Utilities Authority. This policy was derived in conjunction with Attorney Grady Williams, and is modeled after the current Columbia County purchasing policy. Attorney Williams, made suggestion to the Board for each member to present the proposed purchasing policy to their County Attorneys for review. Mr. Guntek & Attorney Williams will then present final format policy at the September meeting for vote of approval.

Discussion ensued.

Motion by Commissioner Williams to approve purchasing policy as presented. **Seconded** by Commissioner White. Motion carried unanimously.

Job Description- NFWUA Executive Director:

Lengthy discussion ensued pertaining to qualifications, job duties, and salary for the position of the Executive Director for the NFWUA.

Motion by Commissioner Ford to implement October 18th 2024 as deadline for submission of applications for the Executive Director position for the NFWUA. **Seconded** by Commissioner White. Motion carried unanimously.

Utility Rate Study Proposals:

Lengthy discussion on rate study ensued.

Office Space for NFWUA:

Discussion ensued pertaining to office space for the North Florida Water Utilities Authority. Suggestions were made of various locations for possibility. The old Lake City Reporter building was decided upon on a temporary basis.

Motion put forth by Commissioner Ford “*to have them temporarily located in Reporter building on East 90 in Lake City.*” **Motion** by Commissioner Williams, so moved. **Seconded** by Commissioner White. Motion carried unanimously.

NFWUA Budget:

Lengthy discussion about the creation of budget for the 2024-25 year pursued. Mr. Williams (NFPS) feels as though the fiscal year 2024-25 will be adequately funded. This conclusion is based on the information given to him which projected funding in the amount of \$375,000 for the 2024-25 year.

Discussion ensued.

Chairman Ford proposed motion “*to request each County to provide \$150,000 into their budget, for the award of utility for next year.*” **Motion** by Commissioner White, so moved. **Seconded** by Commissioner Mobley. Motion carried unanimously.

Discussion ensued.

Public Comments:

None

Board Comments:

Commissioner Williams discussed areas of economic development in Columbia County. He also would like to ensure that Utilities at Industrial Park are NFWUA.

Next Meeting Schedule:

NFWUA September meeting is to be held in Suwannee County at the Judicial Annex on September 4th 2024 at 9:30 AM.

Adjournment:

There being no further business, meeting adjourned at 11:05 AM.

ATTEST:

Rocky Ford, NFWUA Chairman

James M. Swisher, Jr.

Clerk of Circuit Court & County Comptroller

North Florida Water Utilities Authority

September 4th 2024 9:30 AM

The North Florida Water Utilities Authority (NFWUA) met a scheduled meeting in Live Oak, FL at the Suwannee County Judicial Annex. The meeting was called to order with invocation followed by the Pledge of Allegiance to the Flag of the United States of America.

Board Attendance:

Chairman, Commissioner Rocky Ford

Vice-Chairman, Commissioner Franklin White (Running Late Due to Hurricane)

Board Member, Commissioner Ron White

Board Member, Commissioner Leo Mobley

Board Member, Commissioner Ron Williams

Others in Attendance: Others in Attendance:

David Kraus, Columbia County Manager

Consultant, NFPS Dale Williams

Shannon Roberts, Suwannee County Administrator

Grady Williams, NFWUA Attorney

Greg Scott, Suwannee County Manager

Staz Guntek, Project Manager

Deputy Clerk, Amber Taylor

Due to extenuating circumstances from Hurricane Debbie, Commissioner White and Commissioner Williams joined the meeting late. Discussion took place, until Quorum was met and the meeting was called to order at 9:45 AM.

Additions and Deletions:

Deletions:

None

Addition:

Physical location and office space for North Florida Water Utilities Authority.

New Business:

Attorney, Williams advised of request for adoption, of resolution related to North Florida Water Utilities Authority, joining with insurance carriers.

Motion by Commissioner Franklin White to approve the Agenda as presented. **Seconded** by Commissioner Mobley. Motion carried unanimously.

Motion to approve the minutes from previous meeting by Commissioner White. **Seconded** by Commissioner Mobley. Motion carried unanimously.

Motion by Commissioner White to approve Budget Resolution No. 2024-002 for year 2023-24 (Partial Year) Budget. **Seconded** by Commissioner Ford. Motion carried unanimously.

Motion by Commissioner Williams to approve Budget Resolution No. 2024-003 for year 2024-25 Budget. **Seconded** by Commissioner White. Motion carried unanimously.

Commissioner White posed question pertaining to revenue. Dale Williams offered clarification.

Presentation to Board:

Mike Waters, Executive Director for Suwannee Valley Electric

Mr. Waters was unable to attend meeting, due to storm.

Ben Scott, BOCC Finance Director and

James Swisher, Jr Columbia Clerk of Court & County Comptroller

Mr. Swisher gave presentation and answered questions pertaining to the administration of the Executive Directors pay and benefit package.

Lengthy discussion ensued.

Mr. Scott gave clarification pertaining to the Florida Retirement options for the Executive Director Position for the North Florida Water Utilities Authority.

Mr. Swisher did request that until Executive Director position is filled, an individual need be appointed with signing authority on invoices.

Motion to *“allow the chair to sign off on any invoices for approval”* by Commissioner White. **Seconded** by Commissioner Mobley. Motion carried unanimously.

Nathan Thornton, MiniCreative, Inc. / The NET Group

Mr. Thornton gave presentation for final approval for the North Florida Water Utilities Authority website design. The website is complete and ready for operation.

Mr. Thornton answered questions from the board.

Mr. Dale Williams requested Mr. Thornton have a sample of the Website to present for review at the September meeting.

NFWUA logo was presented by Mr. Tom Ottum, for approval by the board.

Motion to approve NFWUA Website Design by MuniCreative, Inc. and to approve NFWUA Logo as presented by Commissioner Williams. **Seconded** by Commissioner White. Motion carried unanimously.

Discussion & Action Items:

5th Board Member for NFWUA

In an effort to fill North Florida Water Utilities Authorities 5th Board member position, applications are being accepted. Chairman Ford, suggested the board have the applicants give in person presentations during next meeting.

Motion to establish a 5:00 PM today, cutoff for entry of consideration, for the 5th NFWUA Board member position, by Commissioner Williams. **Seconded** by Commissioner White. Motion carried unanimously.

Private Attorney Contract

Approval of Private Contract Services Agreement, with Grady H. Williams, Jr. to serve as the NFWUA Attorney.

Lengthy discussion took place.

The decision was made to postpone approval of contract, permitting Suwannee County Attorney to review the contact.

Utility Rate Study

Staz Guntek and Grady Williams presented the Board with purchasing policy suggestions for NFWUA. Mr. Williams suggested modeling NFWUA purchasing policy after several suggested examples.

The earlier decision to postpone approval of the Private Contract Services Agreement, with Attorney Grady Williams was amended.

Motion by Commissioner Ford to approve the Private Attorney Contract Services Agreement with Grady H. Williams, Jr. **Seconded** by Commissioner Mobley. Motion carried unanimous.

NFWUA Review and Ranking Committee

This committee will evaluate and score applicants for the NFWUA Executive Director position.

Lengthy discussion pursued.

Motion by Commissioner Ford to establish deadline for submission of application for the position of NFWUA Executive Director position, as October 18th 2024. **Seconded** by Commissioner White. Motion carried unanimously.

NFWUA Meeting Calendar Schedule

Motion by Commissioner Mobley to approve annual NFWUA meeting schedule. **Seconded** by Commissioner White. Motion carried unanimously.

Discussion took place pertaining to office space for the NFWUA Executive Director position and other office space for the NFWUA.

Motion to approve temporary use of office space in old Lake City Reporter building for the NFWUA Executive Director position by Commissioner Ford. **Seconded** by Commissioner White. Motion carried unanimously.

Lengthy discussion pertaining to projected budget took place.

Motion to “request each county to provide \$150,000 into their budget for the award of utility for the next year” by Commissioner Ford. **Seconded** by Commissioner White. Motion carried unanimously.

Public Comment:

None

Board Comments:

Mr. Kraus will get with attorney regarding meeting schedule.

Commissioner Williams will be requesting a joint workshop with Suwannee County at the BOCC meeting.

Next Meeting

The next NFWUA Board meeting will be held October 2nd at 9:30 AM in Live Oak, FL at the Judicial Annex.

Adjournment:

There being no further business, the meeting adjourned at 11:08 AM.

ATTEST:

Rocky Ford, Chairman

Columbia County Commissioner

James M. Swisher, Jr.

Clerk of Circuit Court & County Comptroller



February 14, 2025

To the Governing Board,
North Florida Water Utilities Authority:

You have requested that we audit the financial statements of the North Florida Water Utilities Authority (the Authority) as of September 30, 2024, 2025, 2026, 2027, and 2028, and for the years then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In addition, if applicable, we will audit the Authority's compliance over major federal award programs and major state projects for the years ended September 30, 2024, 2025, 2026, 2027, and 2028. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the Authority's major federal award programs and major state projects.

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), and in accordance with Government Auditing Standards, and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the Authority complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and Government Auditing Standards, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that supplementary information, such as management's discussion and analysis (MD&A) or budgetary comparison information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's discussion and analysis

If applicable, Supplementary information other than RSI will accompany the Authority's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in

our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with GAAS. We intend to provide an opinion on whether the following supplementary information is presented fairly in all material respects in relation to the basic financial statements as a whole:

1. Schedule of expenditures of federal awards and state financial assistance (if applicable)

Data Collection Form

If applicable, prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility, if the Data Collection Form is applicable. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form, if applicable, is required to be submitted within the earlier of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audits in accordance with GAAS and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America (if applicable); the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* (Uniform Guidance) (if applicable); Section 215.97, Florida Statutes, *Florida Single Audit Act* (if applicable), and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General (if applicable). As part of an audit of financial statements in accordance with GAAS, and in accordance with Government Auditing Standards, and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of controls.
- Obtain an understanding of the system of internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America, and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Authority's basic financial statements. Our report will be addressed to the governing body of the Authority. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditors' report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

We also will issue a written report as required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General upon completion of our audit.

Reporting on Key Audit Matters

Management has not requested that we communicate key audit matters in our auditors' report for this fiscal year.

Significant Risks Identified

We have identified the following preliminary significant risks of material misstatement as part of our audit planning, which are being communicated to comply with auditing standards and do not represent any specific finding and/or concerns related to the audit:

- Override of internal controls by management
- Improper revenue recognition due to fraud
- Improper use of restricted resources

Our final communication of significant risks identified will take place upon completion of our audit.

Audit(s) of Major Program and/or Major Project Compliance

If applicable, our audit(s) of the Authority's major federal award program(s) and/or state project(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; the Uniform Guidance; and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General; and will include tests of accounting records, a determination of major programs and/or projects in accordance with the Uniform Guidance, Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, and other procedures we consider necessary to enable us to express such an opinion on major federal award program and/or major state project compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the federal programs as a whole.

Our procedures will consist of determining major federal programs and, performing the applicable procedures described in the U.S. Office of Management and Budget OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Authority's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the Authority's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the Authority's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

Chapter 10.550, Rules of the State of Florida, Office of the Auditor General requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major state projects, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS,

Government Auditing Standards, and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the state projects as a whole.

Our procedures will consist of tests of transactions and other applicable procedures described in the State of Florida State Projects Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Organization's major state projects, and performing such other procedures as we consider necessary in the circumstances. The purpose of these procedures will be to express an opinion on the Authority's compliance with requirements applicable to each of its major state projects in our report on compliance issued pursuant to Chapter 10.550, Rules of the State of Florida, Office of the Auditor General.

Also, as required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, we will obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design and perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major state project. Our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

As part of a compliance audit in accordance with GAAS, and in accordance with Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the Authority's major federal award programs and/or major state projects, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and state financial assistance expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;

5. For preparing the schedule of expenditures of federal awards and/or state financial assistance (including notes and noncash assistance received) in accordance with the Uniform Guidance (if applicable) and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General requirements (if applicable);
6. For the design, implementation, and maintenance of internal control over federal awards, state financial assistance, and compliance;
7. For establishing and maintaining effective internal control over federal awards and state financial assistance that provides reasonable assurance that the Authority is managing federal awards and state projects in compliance with federal and state statutes, regulations, and the terms and conditions of the federal awards and state financial assistance;
8. For identifying and ensuring that the Authority complies with federal laws and state statutes, regulations, and the terms and conditions of federal award programs and state financial assistance projects and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs and state financial assistance projects;
9. For disclosing accurately, currently, and completely the financial results of each federal award and major state project in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package and data collection form to the appropriate parties;
15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
16. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, including the disclosures, and relevant to federal award programs and state financial assistance projects, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the Authority and others from whom we determine it necessary to obtain audit evidence.
 - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditors' report
17. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
20. For informing us of any known or suspected fraud affecting the Authority involving management, employees with significant role in the system of internal control and others where fraud could have a material effect on compliance;

21. For the accuracy and completeness of all information provided;
22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information;
23. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter; and
24. For identifying and ensuring that the Authority complies with applicable laws, regulations, contracts, agreements, and grants.
25. Additionally, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review on the first day of fieldwork.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

Additional Examination Engagements

You have requested that we examine the Authority's compliance for the fiscal years ended September 30, 2024, 2025, 2026, 2027, and 2028, with the following statutes (collectively, "the Statutes"):

- Section 218.415, Florida Statutes, *Local Government Investment Policies*

We are pleased to confirm our acceptance and our understanding of this direct examination engagement by means of this letter. Our examination will be conducted with the objective of obtaining reasonable assurance by evaluating whether the Authority complied in all material respects with the Statutes and performing other procedures to obtain sufficient appropriate evidence to express an opinion in a written practitioner's report that conveys the results of our evaluation.

Practitioner Responsibilities

We will conduct our examination in accordance with the attestation standards established by the AICPA. An examination involves performing procedures to obtain attest evidence about whether the Authority complied with the Statutes, in all material respects. An examination involves performing procedures to obtain evidence about the Authority's compliance with the Statutes. The nature, timing, and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement of the underlying subject matter, whether due to fraud or error.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

However, we will inform you of any material noncompliance with laws or regulations, uncorrected misstatements, fraud, and when relevant to the underlying subject matter or subject matter information, internal control deficiencies that comes to our attention, unless clearly inconsequential.

Management Responsibilities

Our examination will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For ensuring the Authority complies with the Statutes;
2. For the design, implementation, and maintenance of internal control to prevent, or detect and correct, misstatement of or noncompliance with the Statutes, due to fraud or error;
3. For selecting the criteria for the evaluation of the Authority's compliance with the Statutes;
4. Determining that such criteria are suitable, will be available to the intended users, and are appropriate for the purpose of the engagement; and
5. To provide us with:
 - a. Access to all information of which management is aware that is relevant to compliance with the Statutes, such as records, documentation, and other matters and that you are responsible for the accuracy and completeness of that information;
 - b. Additional information that we may request from management for the purpose of the examination; and
 - c. Unrestricted access to persons within the Authority from whom we determine it necessary to obtain attest evidence.

As part of our examination process, we will request from you written confirmation concerning representations made to us in connection with the examination.

Reporting

We will issue a written report upon completion of our examination of the Authority's compliance with the Statutes. Our report will be addressed to the governing body. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

Nonattest Services

We will perform the following nonattest services: preparation of financial statements, preparation of schedule of expenditures of federal awards and state financial assistance and data collection form (if applicable). With respect to any nonattest services we perform, we will not assume management responsibilities on behalf of the Authority. However, we will provide advice and recommendations to assist management of the Authority in performing its responsibilities. The Authority's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual (David Kraus) to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) designing, establishing, and maintaining the system of internal control, including the process used to monitor the system of internal control.

Our responsibilities and limitations of the engagement are as follows. We will perform the services in accordance with applicable professional standards. This engagement is limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm may advise

the Authority with regard to different matters, but the Authority must make all decisions with regard to those matters.

Any nonattest services performed by us do not constitute an audit performed in accordance with *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents or support for any other transactions we select for testing.

We do not host, are not the custodian of, and accept no responsibility for your financial and non-financial data. You acknowledge that you have sole responsibility for the storage and preservation of your financial and non-financial data.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditors' report to the date the financial statements are issued.

Zach Chalifour is the service leader for the audit services specified in this letter. The service leader's responsibilities include supervising the services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the reports.

Our fees for the audit of the financial statements and related services, including expenses, for each of the fiscal years included in this engagement are as follows:

<u>Year Ending September 30,</u>	<u>Base Audit Fee*</u>
2024	\$15,000
2025	\$16,000
2026	\$17,000
2027	\$18,000
2028	\$19,000

*Our fees for services are based on the existing state of the Authority, whereby no capital assets have been acquired by the Authority and there are no utility customers. We estimate the following future fee adjustments to be applicable if and when such events take place:

- Acquisition of utility system: one-time fee of \$3,500 per utility system acquired
- Scale-up of customer activity: 75-100% increase to base audit fee
- Applicability of federal or state single audit: \$4,000 fee per major program tested

Our ability to provide services in accordance with our estimated fees depends on the quality, timeliness, and accuracy of the Authority's records, and, for example, the number of general ledger adjustments required as a result of our work. We will also need your personnel to be readily available during the engagement to respond in a timely manner to our requests. Lack of preparation, poor records, general ledger adjustments and/or untimely assistance may result in an increase of our fees.

Except for the above reasons outlined related to the upward scaling of the Authority's activity, we will not increase the fee over the agreed amount as long as the scope of the audit is consistent with the scope outlined in the Request for Proposal. The Authority is not completely in control of the scope of work for future years. Significant required changes may be mandated by federal, state, other regulatory agencies or accounting and auditing standards boards or by significant staff changes within the Authority. For these reasons, if the scope of the audit changes significantly from the scope outlined in the RFP, we would present for approval, prior to commencing work, why an adjustment in fee is warranted.

This engagement may be terminated by either party for noncompliance with the terms as noted in this engagement letter. The parties will provide 60 days' notice of their intention to terminate the engagement. Upon completion of this engagement with the audit for the year ended September 30, 2028, new engagements can be entered into for up to two additional three-year periods, at the option of both parties. Any such engagements will be evidenced by a new engagement letter.

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the Authority's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

The audit documentation for this engagement is the property of James Moore & Co., P.L. and constitutes confidential information. However, we may be requested to make certain audit documentation available to a grantor or their designee, a federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office pursuant to authority given to it by laws or regulation, or to peer reviews. If requested, access to such audit documentation will be provided under the supervision of James Moore & Co., P.L. personnel. We will notify you of any such request. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

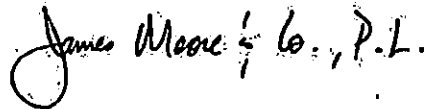
In the normal course of business, we use the services of third parties and individual contractors, which are not employees of James Moore & Co., P.L. Those services are performed at various levels and in various aspects our engagements including bookkeeping, tax return preparation, consulting, audit and other attest services and clerical and data entry functions. It is possible that during the course of the engagement we may utilize such third-party and individual contractor sources. Additionally, the engagement will, of necessity, require us to handle confidential information and we expect third-party service providers and individual contractors to maintain the confidentiality of such information. To be reasonably assured that unauthorized release of confidential client information does not occur, we require those individuals and third-party service providers to enter into a written agreement to maintain the confidentiality of such

North Florida Water Utilities Authority
February 14, 2025
Page 11

information. Your acceptance of this arrangement acknowledges and accepts our handling of confidential information including access by third-party and individual service providers.

We appreciate the opportunity to be of service to the North Florida Water Utilities Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



JAMES MOORE & CO., P.L.

RESPONSE:

This letter correctly sets forth the understanding of the North Florida Water Utilities Authority.

By _____

Title _____

Date _____

WARREN, STONE & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

Report on the Firm's System of Quality Control

April 23, 2024

To the Members of
James Moore & Co., P.L.
and the Peer Review Committee of the Florida Institute of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of James Moore & Co., P.L. (the firm) in effect for the year ended October 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, and audits of employee benefit plans. As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of James Moore & Co., P.L. in effect for the year ended October 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. James Moore & Co., P.L. has received a peer review rating of *pass*.

Warren, Stone & Associates, LLC

Warren, Stone & Associates, LLC

North Florida Water Utilities Authority

July 1st 2024

9:30 AM

The North Florida Water Utilities Authority (NFWUA) met in a scheduled meeting at 971 West Duval Street, Suite #150 Lake City, FL 32055. The meeting was called to order with invocation followed by the Pledge of Allegiance to the Flag of the United States of America.

Board Attendance:

Chairman, Commissioner Rocky Ford

Vice-Chair, Commissioner Franklin White

Board Member, Commissioner Ron Williams

Board Member, Commissioner Leo Mobley

Others in Attendance:

David Kraus, Columbia County Manager

Dale Williams, Nth FL Professional Services

Shannon Roberts, Suwannee County Administrator

Grady Williams, NFWUA Attorney

Greg Scott, Suwannee County Manager

Adam Morrison, Suwannee County Attorney

Staz Guntek, Columbia County Project Development Manager

James. M Swisher, Clerk of Court & County Comptroller

Lauren Pope, Columbia County Finance Director

Amber Taylor, Deputy Clerk

Approval of Previous Minutes:

Motion by Commissioner Williams to approve minutes from previous meeting. **Seconded** by Commissioner White. Motion carried unanimously.

Additions and Deletions:

Additions

None.

Deletions:

None.

Presentations to the Board:

Heather Webber, Compliance Manager of Clay County Utility Authority

- Ms. Webber gave extensive overview on Consumptive Use Permits (CUPS) and Levels (MFLs), Basin Management Action Plan (BMAP), Lead and Copper Rule (LCR) and Per-and Polyfluoroalkyl Substances (PFAS).
- North Florida Regional Water Supply Plan Projects Conceptualization Effort and North Florida Regional Water Supply Plan were also reviewed in presentation.
- The importance of BMAPS was discussed and conversation about water recharge in Columbia and Suwannee Counties came into conversation.
- EPA Concerns were discussed in presentation (see attached) as well.

Commissioner Ford requested clarification as to what determines which existing pipes need to be replaced. Ms. Webber instructed the board that pipes downstream from any lead pipe must be replaced.

Mr. Dale Williams posed question concerning building codes being effected by projected changes.

Commissioner, Ron Williams gave comment pertaining to Columbia County being effected by water taken out of the aquafer in other Counties, having a negative effect on the amount of recharge water that Columbia County is responsible for. The Citizens of Columbia County are not the cause, by way of water usage, for this water depletion. But rather, it is being pulled for usage in other counties.

Presentation, Andrew Palmer

Mr. Palmer did not attend meeting.

John Wheeler, Wheeler Insurance Agency & Denise Vogelgesang, Florida Assoc. of County Trust

- Mr. Wheeler gave overview to Board as to which insurance is needed initially to cover the North Florida Water Utilities Authority.
- Due to early stages of formation, many current needs will change and increase as the NFWUA becomes established.

- The NFWUA will be operating as an Independent Special District and separate legal entity. Therefore, executing contracts, establishing rules, and will have the authority to own and operate assets. Specific coverage is necessary and recommended.
- Ms. Vogelgesang, updated the Board with examples of authorities operating similarly to the NFWUA that are current customers.

Those examples were as follows:

Putnam County Port Authority
Florida Keys Aqueduct Authority
Utilities Commission of New Smyrna Beach
Florida Gas Utility
Lake County Water Authority

Ms. Vogelgesang also assured the Board, this company has much experience litigating any issues that may or may not come up as the Authority develops.

The Wheeler Insurance Agency will be working in conjunction with Florida Association of County Trust to serve the NFWUA, providing necessary coverage. Legal formation of the NFWUA as an Independent Special District, negates the current Suwannee & Columbia County policies from encompassing the NFWUA. Separate additional coverage must be established.

Mr. Wheeler gave several examples as to why coverage for NFWUA is an urgent concern and needs to be put in place promptly.

Those examples were as follows:

PFAS (possible injury to individual)
Upstream Lead (contamination)
Damage during construction (accidental damage to property)

Mr. Kraus posed question during presentation, as to the immediate coverage need. The concern is to ensure proper coverage during the establishment phase of NFWUA.

Mr. Wheeler advised the Board that he recommended liability to start. In order to create a policy cost projection for the Board, the insurance companies will need payroll calculations as well as other estimations to create a more detailed cost estimation. Ms. Vogelgesang recommended a policy be in place, before the execution of any legal contracts (ie hiring Executive Director).

Discussion ensued.

Motion by Commissioner Williams to have emergency proposal presentation, to include quotes pertaining to necessary insurance coverage for NFWUA. **Seconded** by Commissioner Mobley. Motion carried unanimously.

James Swisher, Clerk of Circuit Court & Columbia County Comptroller

Mr. Swisher spoke to the NFWUA Board in response to proposition, for the Columbia County Clerk of Courts to provide financial accounting services for the Authority. Some of the key points that Mr. Swisher spoke on during his proposal were:

- Implementing sound internal controls, as to ensure transparency along with accountability.
- Due to early stages of development for NFWUA, Mr. Swisher referenced generic aspects of financial assistance to the Board. However, Mr. Swisher extended complete assistance while being as customizable as possible, to ensure the maximum success of the Authority.
- A separation of duties will be implemented within the department, in order to create a checks and balance system between the accounts payable/receivable. (Example's given)
- Mr. Swisher requested funding for an additional level one staff accountant, to conduct and process fiduciary tasks for the Authority.
- The proposition from Mr. Swisher would encompass Suwannee County Utilities and Columbia County Utilities accounts receivable/payable as well as any other pecuniary tasks related to the NFWUA, be handled by the Columbia County Clerk of Court.
- Mr. Swisher will serve as the direct point of contact for Board of Directors concerning financial matters pertaining to NFWUA.
- The Columbia County Clerk office would also be available to assist in developing any procedures necessary for allocating indirect and shared expenses.
- The Columbia County Clerk office would assist in the preparation of annual audit, as well as annual budget presentation.

Discussion ensued.

NFWUA Attorney, Grady Williams asked if Suwannee County Clerk of Court would like to be considered for the handling of the fiduciary aspects of the NFWUA. Suwannee County Attorney, Adam Morrison spoke with Suwannee County Clerk of Court, Barry Baker. *“Suwannee County Clerk of Court office at the request of this board, volunteer to an interim basis, handle short term banking needs of the board as may be necessary to enable the board to move forward. However, when presented a more permanent solution, by the Columbia County Clerk of Court, Mr. Morrison spoke on behalf of Mr. Baker. Siting, it would be better to go with a more permanent solution.”*

NFWUA Attorney, Grady Williams prompted action from the board to authorize Columbia County Clerk of Court to establish banking account for the North Florida Water Utilities Authority.

Motion by Commissioner Ron Williams, to authorize Columbia County Clerk of Court to establish banking account for the North Florida Water Utility Authority. **Seconded**, by Commissioner Franklin White. Motion carried unanimously.

Discussion and Action Items:

NFWUA Board Member Selection

The board of NFWUA has advertised for the 5th board volunteer member position. At this time, due to minimum response, the board made the decision allowing the advertisement to remain in hopes of additional response and interest. A financial disclosure form is required by the applicant, when applying for this Board position.

North Florida Professional Services Consulting Services

Mr. Dale Williams requested clarification as to the role and responsibilities that the NFWUA Board members wish for him to play during the development stage of this venture. Mr. Dale Williams reiterated that he has been authorized to serve in the capacity of Consultant, to the Board of the North Florida Water Utility Authority on an interim basis. Once established, an Executive Director will be hired and assume the responsibilities and tasks of NFWUA. Until such a time, Mr. Dale Williams will consult with the Board of NFWUA pertaining to Executive decisions.

Motion by Commissioner Ford “*to approve the scope of work contract between North Florida Professional Services, Suwannee County BOCC and Columbia County BOCC, and reimburse Columbia County any money spent on this.*” **Seconded** by Commissioner Leo Mobley. Motion carried unanimously.

Selection of Executive Director

NFWUA Board will begin to advertise for the position of Executive Director for the Authority. A brief summary of outlined requirements needed for this position were discussed. They are as follows:

- Requirements of Position
- Salary Establishment
- Scope of Job Duties
- Rate Study to Cover Expenditures

Mr. Dale Williams stated that a draft will be presented by him during the next NFWUA meeting. This draft, will outline job specifics, as well as suggestions on places to advertise, said position.

Commissioner Ron Williams questioned the need for a full time employee in the infancy stages of development for NFWUA.

Discussion ensued.

USDA Development Initiative

Mr. Kraus, (CCM) addressed the Board with the opportunity to apply for USDA Rural Community Development Initiative. The awarded funding does require a 10% match.

Discussion ensued.

Mr. Roberts advised the board about seeking additional funding that does not require a financial match.

Motion by Commissioner Mobley to approve application for \$100,000 for the USDA Rural Community Development Initiative. **Seconded** by Commissioner White. Motion carried unanimously.

Budget Development Process

Budgetary development will be determined by State Law and the Columbia County Clerk of Court, Mr. Jay Swisher.

Mr. Swisher advised the Board of an established professional relationship with First Federal Bank and would ask this establishment be considered for fiduciary needs.

The Operations and Maintenance budget for the NFWUA, will be administered by Columbia County Clerk of Court.

Both Columbia and Suwannee Counties are both required by law, to reference the NFWUA Budget in their Consolidated Annual Budget.

Purchasing Policy

Mr. Staz Guntek is currently formulating a Purchasing Policy, for proposal to the Board.

North Florida Water Utility Authority Website

The NFWUA will be required, as a Special District, to establish and maintain a public website.

Discussion ensued.

Mr. Dale Williams prompted each County Manager to request cost estimate for the development and maintenance for Authority website from prospective contractors, those estimates are to be presented to the Board at the next meeting.

Reschedule August Meeting

Due to a scheduling conflict, the NFWUA Board Meeting scheduled for August 7th 2024 must be rescheduled.

Discussion ensued.

NFWUA Board Meeting was moved to Monday August 5th 2024 at 9:30 AM, in Suwannee County. The meeting is to be held in Live Oak, FL at the Judicial Annex.

Public Comments:

None

Board Comments:

Commissioner, Ronald Williams requested that name plates be created for board members, as to provide clarity to the Clerk and the public.

Mr. Ron Williams gave comment on the future of Columbia and how the Citizens of Columbia and Suwannee will benefit from NFWUA.

Commissioner Ford and Commissioner White, echoed Commissioner, Williams sentiments.

Adjournment:

There being no further business, the meeting adjourned at 11:35 AM.

ATTEST:

Rocky Ford, NFWUA Chairman
Columbia County Commissioner

James M. Swisher, Jr.

Clerk of Circuit Court & County Comptroller

North Florida Water Utilities Authority

August 12th 2024 9:30 AM

The North Florida Water Utilities Authority (NFWUA) met in a scheduled meeting, held at 971 W. Duval Street, Suite # 150 Lake City, FL 32055. The meeting was called to order with invocation followed by the Pledge of Allegiance to the Flag of the United States of America.

Board Attendance:

Chairman, Columbia Commissioner Rocky Ford

Vice-Chair, Suwannee Commissioner Franklin White

Board Member, Columbia Commissioner Ron Williams

Board Member, Suwannee Commissioner Leo Mobley

Others in Attendance:

David Kraus, Columbia County Manager

Consultant, NFPS Dale Williams

Shannon Roberts, Suwannee County Administrator

Grady Williams, NFWUA Attorney

Greg Scott, Suwannee County Manager

Staz Guntek, Columbia Project Development Manager

James Swisher, Clerk of Court & County Comptroller

Deputy Clerk, Amber Taylor

Approval of Minutes:

Motion by Commissioner White to approve NFWUA board minutes from July 1st 2024 meeting.

Seconded by Commissioner Mobley. Motion carried unanimously.

Additions and Deletions:

Addition

- Budget discussion
- Office space/location for NFWUA
- Adoption of resolution 2024-01
- Temporary signature permission

Deletion

Presentation to the Board by Mr. Mike McWaters, Suwannee Valley Electric. Mr. McWaters was unable to attend meeting.

Motion by Commissioner White to approve and adopt the Agenda as presented. **Seconded** by Commissioner Mobley. Motion carried unanimously.

Presentation to the Board:

Jay Swisher, Columbia Clerk of Court & Comptroller

Mr. Swisher gave brief presentation to the NFWUA Board. See attached.

Mr. Swisher advised that at current time, he did not feel it necessary to hire a full time position to accommodate the fiduciary needs of the Authority. Mr. Swisher advised the Board, that a Federal Tax Identification number has been established for the North Florida Water Utilities Authority, as well as a bank account, opened at First Federal Bank. A suggestion was made by Mr. Swisher to appoint a designated signee, for the purpose of signing invoices and insurance paperwork.

Discussion ensued.

Commissioner Ford brought forth motion “*to allow the chair to sign off on any invoices for approval*” **Motion** by Commissioner White, so moved. **Seconded** by Commissioner Mobley. Motion carried unanimously.

Denise Vogelgesang, Florida Assoc. of Counties Trust

Ms. Vogelgesang presented the Board with outline of projected costs for insurance for NFWUA. (See attached handout)

The proposal provided an itemized breakdown of cost for suggested insurance coverage for NFWUA.

Motion by Commissioner White, *“to adopt contract with caveat the cyber security refund if possible.”*
Seconded by Commissioner Williams. Motion carried unanimously.

Nathan Thornton, Muni Creative, Inc.

Mr. Thornton gave a proposal on services offered and the development/maintenance of the website for the NFWUA.

Discussion ensued.

Motion to approve contract as presented by Muni Creative, Inc. and to approve purposed logo for NFWUA by Commissioner White. **Seconded** by Commissioner Williams. Motion carried unanimously.

Attorney Grady Williams, read aloud Resolution NFWUA 2024-01 a Resolution of the North Florida Water Utilities Authority committing to participation in the Florida Association of County Trust.

Mr. Williams requested that the Board authorize the adoption of the resolution and authorize the chair to proceed with the execution of the Joiner to the Agreement and Declaration.

Motion by Commissioner Williams to accept Resolution NFWUA 2024-01, **Seconded** by Commissioner White. Motion carried unanimously.

Discussion and Action Items:

Appointment of 5th Board Member:

Chairman Ford called into effect a deadline for application submission for the position of the fifth board member. This deadline will be effective at 5:00 PM on August 12, 2024. Thus far, four applicants have put in for consideration for said position. Chairman Ford suggested that applicants be present and interviewed, during September meeting.

Motion by Commissioner Williams to implement a 5:00 PM August 12, 2024 cutoff for the submission of applications for the fifth board member position on the North Florida Water Utilities Authority Board of Directors. **Seconded** by Commissioner White. Motion carried unanimously.

Attorney Contract Service Agreement:

Attorney, Grady Williams reviewed proposed contract (see attached) with the Board members of the Authority. He also reviewed budgetary amounts for contract. The NFWUA year 2025 projected estimate cost for legal services would be \$72,000.

Discussion ensued.

Mr. Williams made suggestion that the Suwannee County Attorney have an opportunity to review the proposed contract, before any votes are cast. After review, the contract will be voted on at the next meeting.

Purchasing Policy:

Mr. Staz Guntek gave review of proposed purchasing policy for the North Florida Water Utilities Authority. This policy was derived in conjunction with Attorney Grady Williams, and is modeled after the current Columbia County purchasing policy. Attorney Williams, made suggestion to the Board for each member to present the proposed purchasing policy to their County Attorneys for review. Mr. Guntek & Attorney Williams will then present final format policy at the September meeting for vote of approval.

Discussion ensued.

Motion by Commissioner Williams to approve purchasing policy as presented. **Seconded** by Commissioner White. Motion carried unanimously.

Job Description- NFWUA Executive Director:

Lengthy discussion ensued pertaining to qualifications, job duties, and salary for the position of the Executive Director for the NFWUA.

Motion by Commissioner Ford to implement October 18th 2024 as deadline for submission of applications for the Executive Director position for the NFWUA. **Seconded** by Commissioner White. Motion carried unanimously.

Utility Rate Study Proposals:

Lengthy discussion on rate study ensued.

Office Space for NFWUA:

Discussion ensued pertaining to office space for the North Florida Water Utilities Authority. Suggestions were made of various locations for possibility. The old Lake City Reporter building was decided upon on a temporary basis.

Motion put forth by Commissioner Ford “*to have them temporarily located in Reporter building on East 90 in Lake City.*” **Motion** by Commissioner Williams, so moved. **Seconded** by Commissioner White. Motion carried unanimously.

NFWUA Budget:

Lengthy discussion about the creation of budget for the 2024-25 year pursued. Mr. Williams (NFPS) feels as though the fiscal year 2024-25 will be adequately funded. This conclusion is based on the information given to him which projected funding in the amount of \$375,000 for the 2024-25 year.

Discussion ensued.

Chairman Ford proposed motion “*to request each County to provide \$150,000 into their budget, for the award of utility for next year.*” **Motion** by Commissioner White, so moved. **Seconded** by Commissioner Mobley. Motion carried unanimously.

Discussion ensued.

Public Comments:

None

Board Comments:

Commissioner Williams discussed areas of economic development in Columbia County. He also would like to ensure that Utilities at Industrial Park are NFWUA.

Next Meeting Schedule:

NFWUA September meeting is to be held in Suwannee County at the Judicial Annex on September 4th 2024 at 9:30 AM.

Adjournment:

There being no further business, meeting adjourned at 11:05 AM.

ATTEST:

Rocky Ford, NFWUA Chairman

James M. Swisher, Jr.

Clerk of Circuit Court & County Comptroller

North Florida Water Utilities Authority

September 4th 2024 9:30 AM

The North Florida Water Utilities Authority (NFWUA) met a scheduled meeting in Live Oak, FL at the Suwannee County Judicial Annex. The meeting was called to order with invocation followed by the Pledge of Allegiance to the Flag of the United States of America.

Board Attendance:

Chairman, Commissioner Rocky Ford

Vice-Chairman, Commissioner Franklin White (Running Late Due to Hurricane)

Board Member, Commissioner Ron White

Board Member, Commissioner Leo Mobley

Board Member, Commissioner Ron Williams

Others in Attendance: Others in Attendance:

David Kraus, Columbia County Manager

Consultant, NFPS Dale Williams

Shannon Roberts, Suwannee County Administrator

Grady Williams, NFWUA Attorney

Greg Scott, Suwannee County Manager

Staz Guntek, Project Manager

Deputy Clerk, Amber Taylor

Due to extenuating circumstances from Hurricane Debbie, Commissioner White and Commissioner Williams joined the meeting late. Discussion took place, until Quorum was met and the meeting was called to order at 9:45 AM.

Additions and Deletions:

Deletions:

None

Addition:

Physical location and office space for North Florida Water Utilities Authority.

New Business:

Attorney, Williams advised of request for adoption, of resolution related to North Florida Water Utilities Authority, joining with insurance carriers.

Motion by Commissioner Franklin White to approve the Agenda as presented. **Seconded** by Commissioner Mobley. Motion carried unanimously.

Motion to approve the minutes from previous meeting by Commissioner White. **Seconded** by Commissioner Mobley. Motion carried unanimously.

Motion by Commissioner White to approve Budget Resolution No. 2024-002 for year 2023-24 (Partial Year) Budget. **Seconded** by Commissioner Ford. Motion carried unanimously.

Motion by Commissioner Williams to approve Budget Resolution No. 2024-003 for year 2024-25 Budget. **Seconded** by Commissioner White. Motion carried unanimously.

Commissioner White posed question pertaining to revenue. Dale Williams offered clarification.

Presentation to Board:

Mike Waters, Executive Director for Suwannee Valley Electric

Mr. Waters was unable to attend meeting, due to storm.

Ben Scott, BOCC Finance Director and

James Swisher, Jr Columbia Clerk of Court & County Comptroller

Mr. Swisher gave presentation and answered questions pertaining to the administration of the Executive Directors pay and benefit package.

Lengthy discussion ensued.

Mr. Scott gave clarification pertaining to the Florida Retirement options for the Executive Director Position for the North Florida Water Utilities Authority.

Mr. Swisher did request that until Executive Director position is filled, an individual need be appointed with signing authority on invoices.

Motion to “*allow the chair to sign off on any invoices for approval*” by Commissioner White. **Seconded** by Commissioner Mobley. Motion carried unanimously.

Nathan Thornton, MiniCreative, Inc. / The NET Group

Mr. Thornton gave presentation for final approval for the North Florida Water Utilities Authority website design. The website is complete and ready for operation.

Mr. Thornton answered questions from the board.

Mr. Dale Williams requested Mr. Thornton have a sample of the Website to present for review at the September meeting.

NFWUA logo was presented by Mr. Tom Ottum, for approval by the board.

Motion to approve NFWUA Website Design by MuniCreative, Inc. and to approve NFWUA Logo as presented by Commissioner Williams. **Seconded** by Commissioner White. Motion carried unanimously.

Discussion & Action Items:

5th Board Member for NFWUA

In an effort to fill North Florida Water Utilities Authorities 5th Board member position, applications are being accepted. Chairman Ford, suggested the board have the applicants give in person presentations during next meeting.

Motion to establish a 5:00 PM today, cutoff for entry of consideration, for the 5th NFWUA Board member position, by Commissioner Williams. **Seconded** by Commissioner White. Motion carried unanimously.

Private Attorney Contract

Approval of Private Contract Services Agreement, with Grady H. Williams, Jr. to serve as the NFWUA Attorney.

Lengthy discussion took place.

The decision was made to postpone approval of contract, permitting Suwannee County Attorney to review the contact.

Utility Rate Study

Staz Guntek and Grady Williams presented the Board with purchasing policy suggestions for NFWUA. Mr. Williams suggested modeling NFWUA purchasing policy after several suggested examples.

The earlier decision to postpone approval of the Private Contract Services Agreement, with Attorney Grady Williams was amended.

Motion by Commissioner Ford to approve the Private Attorney Contract Services Agreement with Grady H. Williams, Jr. **Seconded** by Commissioner Mobley. Motion carried unanimous.

NFWUA Review and Ranking Committee

This committee will evaluate and score applicants for the NFWUA Executive Director position.

Lengthy discussion pursued.

Motion by Commissioner Ford to establish deadline for submission of application for the position of NFWUA Executive Director position, as October 18th 2024. **Seconded** by Commissioner White. Motion carried unanimously.

NFWUA Meeting Calendar Schedule

Motion by Commissioner Mobley to approve annual NFWUA meeting schedule. **Seconded** by Commissioner White. Motion carried unanimously.

Discussion took place pertaining to office space for the NFWUA Executive Director position and other office space for the NFWUA.

Motion to approve temporary use of office space in old Lake City Reporter building for the NFWUA Executive Director position by Commissioner Ford. **Seconded** by Commissioner White. Motion carried unanimously.

Lengthy discussion pertaining to projected budget took place.

Motion to “request each county to provide \$150,000 into their budget for the award of utility for the next year” by Commissioner Ford. **Seconded** by Commissioner White. Motion carried unanimously.

Public Comment:

None

Board Comments:

Mr. Kraus will get with attorney regarding meeting schedule.

Commissioner Williams will be requesting a joint workshop with Suwannee County at the BOCC meeting.

Next Meeting

The next NFWUA Board meeting will be held October 2nd at 9:30 AM in Live Oak, FL at the Judicial Annex.

Adjournment:

There being no further business, the meeting adjourned at 11:08 AM.

ATTEST:

Rocky Ford, Chairman

Columbia County Commissioner

James M. Swisher, Jr.

Clerk of Circuit Court & County Comptroller



February 14, 2025

To the Governing Board,
North Florida Water Utilities Authority:

You have requested that we audit the financial statements of the North Florida Water Utilities Authority (the Authority) as of September 30, 2024, 2025, 2026, 2027, and 2028, and for the years then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In addition, if applicable, we will audit the Authority's compliance over major federal award programs and major state projects for the years ended September 30, 2024, 2025, 2026, 2027, and 2028. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the Authority's major federal award programs and major state projects.

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), and in accordance with Government Auditing Standards, and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the Authority complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and Government Auditing Standards, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that supplementary information, such as management's discussion and analysis (MD&A) or budgetary comparison information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's discussion and analysis

If applicable, Supplementary information other than RSI will accompany the Authority's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in

our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with GAAS. We intend to provide an opinion on whether the following supplementary information is presented fairly in all material respects in relation to the basic financial statements as a whole:

1. Schedule of expenditures of federal awards and state financial assistance (if applicable)

Data Collection Form

If applicable, prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility, if the Data Collection Form is applicable. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form, if applicable, is required to be submitted within the earlier of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audits in accordance with GAAS and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America (if applicable); the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* (Uniform Guidance) (if applicable); Section 215.97, Florida Statutes, *Florida Single Audit Act* (if applicable), and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General (if applicable). As part of an audit of financial statements in accordance with GAAS, and in accordance with Government Auditing Standards, and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of controls.
- Obtain an understanding of the system of internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America, and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Authority's basic financial statements. Our report will be addressed to the governing body of the Authority. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditors' report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

We also will issue a written report as required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General upon completion of our audit.

Reporting on Key Audit Matters

Management has not requested that we communicate key audit matters in our auditors' report for this fiscal year.

Significant Risks Identified

We have identified the following preliminary significant risks of material misstatement as part of our audit planning, which are being communicated to comply with auditing standards and do not represent any specific finding and/or concerns related to the audit:

- Override of internal controls by management
- Improper revenue recognition due to fraud
- Improper use of restricted resources

Our final communication of significant risks identified will take place upon completion of our audit.

Audit(s) of Major Program and/or Major Project Compliance

If applicable, our audit(s) of the Authority's major federal award program(s) and/or state project(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; the Uniform Guidance; and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General; and will include tests of accounting records, a determination of major programs and/or projects in accordance with the Uniform Guidance, Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, and other procedures we consider necessary to enable us to express such an opinion on major federal award program and/or major state project compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the federal programs as a whole.

Our procedures will consist of determining major federal programs and, performing the applicable procedures described in the U.S. Office of Management and Budget OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Authority's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the Authority's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the Authority's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

Chapter 10.550, Rules of the State of Florida, Office of the Auditor General requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major state projects, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS,

Government Auditing Standards, and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the state projects as a whole.

Our procedures will consist of tests of transactions and other applicable procedures described in the State of Florida State Projects Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Organization's major state projects, and performing such other procedures as we consider necessary in the circumstances. The purpose of these procedures will be to express an opinion on the Authority's compliance with requirements applicable to each of its major state projects in our report on compliance issued pursuant to Chapter 10.550, Rules of the State of Florida, Office of the Auditor General.

Also, as required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, we will obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design and perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major state project. Our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

As part of a compliance audit in accordance with GAAS, and in accordance with Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the Authority's major federal award programs and/or major state projects, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and state financial assistance expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;

5. For preparing the schedule of expenditures of federal awards and/or state financial assistance (including notes and noncash assistance received) in accordance with the Uniform Guidance (if applicable) and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General requirements (if applicable);
6. For the design, implementation, and maintenance of internal control over federal awards, state financial assistance, and compliance;
7. For establishing and maintaining effective internal control over federal awards and state financial assistance that provides reasonable assurance that the Authority is managing federal awards and state projects in compliance with federal and state statutes, regulations, and the terms and conditions of the federal awards and state financial assistance;
8. For identifying and ensuring that the Authority complies with federal laws and state statutes, regulations, and the terms and conditions of federal award programs and state financial assistance projects and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs and state financial assistance projects;
9. For disclosing accurately, currently, and completely the financial results of each federal award and major state project in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package and data collection form to the appropriate parties;
15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
16. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, including the disclosures, and relevant to federal award programs and state financial assistance projects, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the Authority and others from whom we determine it necessary to obtain audit evidence.
 - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditors' report
17. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
20. For informing us of any known or suspected fraud affecting the Authority involving management, employees with significant role in the system of internal control and others where fraud could have a material effect on compliance;

21. For the accuracy and completeness of all information provided;
22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information;
23. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter; and
24. For identifying and ensuring that the Authority complies with applicable laws, regulations, contracts, agreements, and grants.
25. Additionally, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review on the first day of fieldwork.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

Additional Examination Engagements

You have requested that we examine the Authority's compliance for the fiscal years ended September 30, 2024, 2025, 2026, 2027, and 2028, with the following statutes (collectively, "the Statutes"):

- Section 218.415, Florida Statutes, *Local Government Investment Policies*

We are pleased to confirm our acceptance and our understanding of this direct examination engagement by means of this letter. Our examination will be conducted with the objective of obtaining reasonable assurance by evaluating whether the Authority complied in all material respects with the Statutes and performing other procedures to obtain sufficient appropriate evidence to express an opinion in a written practitioner's report that conveys the results of our evaluation.

Practitioner Responsibilities

We will conduct our examination in accordance with the attestation standards established by the AICPA. An examination involves performing procedures to obtain attest evidence about whether the Authority complied with the Statutes, in all material respects. An examination involves performing procedures to obtain evidence about the Authority's compliance with the Statutes. The nature, timing, and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement of the underlying subject matter, whether due to fraud or error.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

However, we will inform you of any material noncompliance with laws or regulations, uncorrected misstatements, fraud, and when relevant to the underlying subject matter or subject matter information, internal control deficiencies that comes to our attention, unless clearly inconsequential.

Management Responsibilities

Our examination will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For ensuring the Authority complies with the Statutes;
2. For the design, implementation, and maintenance of internal control to prevent, or detect and correct, misstatement of or noncompliance with the Statutes, due to fraud or error;
3. For selecting the criteria for the evaluation of the Authority's compliance with the Statutes;
4. Determining that such criteria are suitable, will be available to the intended users, and are appropriate for the purpose of the engagement; and
5. To provide us with:
 - a. Access to all information of which management is aware that is relevant to compliance with the Statutes, such as records, documentation, and other matters and that you are responsible for the accuracy and completeness of that information;
 - b. Additional information that we may request from management for the purpose of the examination; and
 - c. Unrestricted access to persons within the Authority from whom we determine it necessary to obtain attest evidence.

As part of our examination process, we will request from you written confirmation concerning representations made to us in connection with the examination.

Reporting

We will issue a written report upon completion of our examination of the Authority's compliance with the Statutes. Our report will be addressed to the governing body. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

Nonattest Services

We will perform the following nonattest services: preparation of financial statements, preparation of schedule of expenditures of federal awards and state financial assistance and data collection form (if applicable). With respect to any nonattest services we perform, we will not assume management responsibilities on behalf of the Authority. However, we will provide advice and recommendations to assist management of the Authority in performing its responsibilities. The Authority's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual (David Kraus) to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) designing, establishing, and maintaining the system of internal control, including the process used to monitor the system of internal control.

Our responsibilities and limitations of the engagement are as follows. We will perform the services in accordance with applicable professional standards. This engagement is limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm may advise

the Authority with regard to different matters, but the Authority must make all decisions with regard to those matters.

Any nonattest services performed by us do not constitute an audit performed in accordance with *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents or support for any other transactions we select for testing.

We do not host, are not the custodian of, and accept no responsibility for your financial and non-financial data. You acknowledge that you have sole responsibility for the storage and preservation of your financial and non-financial data.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditors' report to the date the financial statements are issued.

Zach Chalifour is the service leader for the audit services specified in this letter. The service leader's responsibilities include supervising the services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the reports.

Our fees for the audit of the financial statements and related services, including expenses, for each of the fiscal years included in this engagement are as follows:

<u>Year Ending September 30,</u>	<u>Base Audit Fee*</u>
2024	\$15,000
2025	\$16,000
2026	\$17,000
2027	\$18,000
2028	\$19,000

*Our fees for services are based on the existing state of the Authority, whereby no capital assets have been acquired by the Authority and there are no utility customers. We estimate the following future fee adjustments to be applicable if and when such events take place:

- Acquisition of utility system: one-time fee of \$3,500 per utility system acquired
- Scale-up of customer activity: 75-100% increase to base audit fee
- Applicability of federal or state single audit: \$4,000 fee per major program tested

Our ability to provide services in accordance with our estimated fees depends on the quality, timeliness, and accuracy of the Authority's records, and, for example, the number of general ledger adjustments required as a result of our work. We will also need your personnel to be readily available during the engagement to respond in a timely manner to our requests. Lack of preparation, poor records, general ledger adjustments and/or untimely assistance may result in an increase of our fees.

Except for the above reasons outlined related to the upward scaling of the Authority's activity, we will not increase the fee over the agreed amount as long as the scope of the audit is consistent with the scope outlined in the Request for Proposal. The Authority is not completely in control of the scope of work for future years. Significant required changes may be mandated by federal, state, other regulatory agencies or accounting and auditing standards boards or by significant staff changes within the Authority. For these reasons, if the scope of the audit changes significantly from the scope outlined in the RFP, we would present for approval, prior to commencing work, why an adjustment in fee is warranted.

This engagement may be terminated by either party for noncompliance with the terms as noted in this engagement letter. The parties will provide 60 days' notice of their intention to terminate the engagement. Upon completion of this engagement with the audit for the year ended September 30, 2028, new engagements can be entered into for up to two additional three-year periods, at the option of both parties. Any such engagements will be evidenced by a new engagement letter.

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the Authority's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

The audit documentation for this engagement is the property of James Moore & Co., P.L. and constitutes confidential information. However, we may be requested to make certain audit documentation available to a grantor or their designee, a federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office pursuant to authority given to it by laws or regulation, or to peer reviews. If requested, access to such audit documentation will be provided under the supervision of James Moore & Co., P.L. personnel. We will notify you of any such request. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

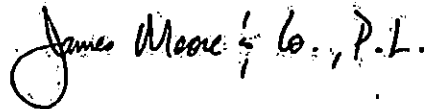
In the normal course of business, we use the services of third parties and individual contractors, which are not employees of James Moore & Co., P.L. Those services are performed at various levels and in various aspects our engagements including bookkeeping, tax return preparation, consulting, audit and other attest services and clerical and data entry functions. It is possible that during the course of the engagement we may utilize such third-party and individual contractor sources. Additionally, the engagement will, of necessity, require us to handle confidential information and we expect third-party service providers and individual contractors to maintain the confidentiality of such information. To be reasonably assured that unauthorized release of confidential client information does not occur, we require those individuals and third-party service providers to enter into a written agreement to maintain the confidentiality of such

North Florida Water Utilities Authority
February 14, 2025
Page 11

information. Your acceptance of this arrangement acknowledges and accepts our handling of confidential information including access by third-party and individual service providers.

We appreciate the opportunity to be of service to the North Florida Water Utilities Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



JAMES MOORE & CO., P.L.

RESPONSE:

This letter correctly sets forth the understanding of the North Florida Water Utilities Authority.

By _____

Title _____

Date _____

WARREN, STONE & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

Report on the Firm's System of Quality Control

April 23, 2024

To the Members of
James Moore & Co., P.L.
and the Peer Review Committee of the Florida Institute of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of James Moore & Co., P.L. (the firm) in effect for the year ended October 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, and audits of employee benefit plans. As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of James Moore & Co., P.L. in effect for the year ended October 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. James Moore & Co., P.L. has received a peer review rating of *pass*.

Warren, Stone & Associates, LLC

Warren, Stone & Associates, LLC