NORTH FLORIDA WATER UTILITIES AUTHORITY

MEETING AGENDA

June 15, 2026, Columbia County Tourist Development Conference Room, 971 W. Duval Street, Lake City, FL 32055.

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Additions & Deletions
5. Adoption of the Agenda

Public Comments

Discussion/Action Items

6. Approval of Meeting Minutes
7. Bills & Vouchers
8. Financial Report
9. FY 2024-2025 Annual Audit
10. Authorized Organization Representative
11. Annual Review of Executive Director
12. FY 2026-2027 Budget Schedule
13. Adoption of New Utility Rates
14. Asset Transfer

Board Comments:

Attorney Comments:

Director Comments:

Adjournment:

Agenda Items #1-5

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Additions & Deletions
5. Adoption of the Agenda

Note: no backup documentation required for these items

Agenda Item #6 - Meeting Minutes

OBJECTIVE:

Approval of meeting minutes from previous meeting(s)

CONSIDERATIONS:

- See attached meeting minutes for the 5/18/2026 board meeting

BUDGET IMPACT:

No budget impact

RECOMMENDATION:

Request approval for 5/18/2026 meeting minutes

North Florida Water Utilities Authority

May 18, 2026 at 09:30 A.M.

The North Florida Water Utilities Authority (NFWUA) met in a scheduled meeting at the Judicial Annex Building 218 Parshley Street Southwest, Live Oak Fla. 32064. The meeting was opened with the Pledge of Allegiance to the Flag of the United States of America.

Board Attendance:

Chairman, Rocky Ford

Vice-Chairman, Commissioner Franklin White

Board Member, Commissioner Timothy Murphy

Board Member, Commissioner Leo Mobley

Board Member, Commissioner Steven Dicks

Others in Attendance:

County Manager, David Kraus

County Assistant Manager, Kevin Kirby

County Commissioner, Robby Hollingsworth

County Commissioner, Kevin Parnell

Suwannee County Administrator, Jason Furry

NFWUA Attorney, Grady Williams

Executive Director, Shannon Roberts

Deputy Clerk, Melissa Williams

Powell Consulting CPA- Richard Powell

Customer Service Support Specialist, Wendy Parnell

Additions and Deletions: None

Approval of Agenda

MOTION by Commissioner, Franklin White to approve agenda. SECOND by Commissioner, Timothy Murphy. The motion carried unanimously.

Public Comment:

Chairman, Rocky Ford requested to hold public comments till the end.

Discussion and Actions:

1. Approval of Minutes:

Meeting minutes approval for 04/20/2026 - NFWUA Board Meeting

MOTION by Commissioner, Timothy Murphy to approve the minutes from 04/20/2026 for the NFWUA meeting. SECOND by Commissioner, Franklin White. The motion carried unanimously.

2. Bills & Vouchers:

Requesting approval of the payments for bills and vouchers during period from April 8 – May 13,2026 -Richard Powell, (Powell Consulting)

Approval of Bills and Vouchers

See attached documents:

- The bill payment list, totaling $77,968.86 for checks issued since the last meeting, was presented.
- The Board had no concerns after reviewing the list.
- **Conclusion**: The bill payment list was approved by a motion.

MOTION by Commissioner, Franklin White to approve the payment of bills and vouchers in the amount of $77,968.86 during the period from April 8 – May 13,2026. SECOND by Commissioner, Steven Dicks. The motion carried unanimously.

3. NFWUA Financial Report- Richard Powell, (Powell Consulting)

Financial Report Review (April)

See attached documents:

- The financial report for the end of April, seven months into the fiscal year, was presented.
- The balance sheet shows total assets of $608,265, with $527,990 in cash.
- Liabilities, mainly customer deposits and accounts payable, total $85,716. The net equity is $522,549.
- The revenue and expense statement (October through April) shows total revenue of $1,044,038 and total expenditures of $718,142, resulting in a net profit of $324,553.
- Commissioner, Tim Murphy asked a question regarding a $750 vehicle usage charge. Powell Consulting, Richard Powell explained as a required charge for employees' commute value per IRS regulations.
- **Conclusion**: The financial report was approved by a motion.

MOTION by Commissioner, Leo Mobley to approve the NFWUA Financial Report October 1, 2025 – April 30, 2026. SECOND by Commissioner, Steven Dicks. The motion carried unanimously.

4. NFWUA continuing services award principles- Executive Director, Shannon Roberts

Engineering Services Selection and Procurement

See attached documents:

A new process for assigning projects under continuing professional services contracts was discussed and approved. The goal is to ensure compliance with Florida statutes requiring selections based on qualifications, not cost.

- The approved principles aim to base assignments on qualifications, promote fair work distribution, maintain transparency, and document decisions. Key criteria include ability, past performance, location, workload, and volume of prior work.
- Executive Director, Shannon Roberts stated it is a good outline and to go see the process.
- Chairman, Rocky Ford spoke about the qualification.
- The purpose of this document is to formally establish how NFWUA assigns engineering projects under the continuing professional services contracts.
- Commissioner, Timothy Murphy spoke about the continuing contract and the different in the amount for Columbia County-$4 million and Suwannee County at $7 ½ million.
- NFWUA Attorney, Grady Williams spoke about the five professional engineers plus one. He spoke about the attached contract. Please look at the Selection Principles area one and five and in the attached documents. See area (F) that talks about the safe harbor and references to initial ranking of successful responding firms.
- Stew Lilker made a comment about the agenda.
- The approach outlined in the document seeks to achieve the following:

  Ensure Assignments are based on qualifications not price competition

Promote fairness and equitable distribution among qualified firms.

Maintain transparency and consistency in assignment decisions

Document decision-making to withstand audit, protest, or public scrutiny

Avoid any appearance that NFWUA is circumventing competitive procurement laws.

The Executive Director, Shannon Roberts will use RFQ rankings to make recommendations to the Board for final approval.

- Discussion also covered Florida statute 287.055, which states firms "may not be required to bid against one another." This allows the Board to negotiate with one firm and, if unsuccessful, move to another, but not solicit competing bids for the same project. A suggestion was made to explore an expansive vendor list to improve the procurement process.
- Moses Clepper spoke about the Florida Statue 287.055 and save the qualification and change to rebid would save money.
- Chairman, Rocky Ford spoke about once they talk, it moves to the next contractor.

MOTION by Commissioner, Franklin White to approve of NFWUA continuing service award principles and incorporation into procurement policy. SECOND by Commissioner, Steven Dicks. The motion carried unanimously.

5. Arcadis Work Order for Ellisville Lift Station – Executive Director, Shannon Roberts

Work Order for Arcadis: Ellisville Lift Station & Force Main Project

See attached documents:

- A work order for Arcadis was presented for professional engineering services for the Ellisville Lift Station and Force Main project, which supports the BISD implementation.
- The project will analyze the existing lift stations' capacity and determine necessary upgrades.
- The total cost is $248,866, which is under the $350,000 budget. The work is fully funded by DEP Grant # L0288.
- The project has a four-month duration, with an estimated construction cost expected at the two-month mark.
- Chairman, Rocky Ford likes the time frame.
- Commissioner, Timothy Murphy spoke about the time frame being good with the budget coming up.
- Chairman, Rocky Ford made a comment about the grant and the amount which is $2 million dollars.
- Executive Director, Shannon Roberts spoke about applying the unspent money from the grant in Ellisville. Maybe on train 1 and 2 to keep Busy Bee on track.

- Chairman, Rocky Ford made a comment that NFWUA are working for both counties Columbia and Suwannee.
- Arcadis was selected based on their qualifications, past performance, and ability to work quickly.

MOTION by Commissioner, Steven Dicks to approve the work order for Arcadis for the Ellisville lift station upgrades. SECOND by Commissioner, Timothy Murphy. The motion carried unanimously.

6. Hazen – Sawyer work order for NFWUA Engineering Services- Executive Director, Shannon Roberts

Review and approval of work order for NFWUA Engineering Services

See attached documents:

- A work order was proposed for Hazen and Sawyer to provide a dedicated staff engineer to the utility authority.
- The engineer will handle plan reviews, technical document reviews, GIS mapping, and policy development.
- The contract is on a "not to exceed" basis of $100,000 ($50,000 for the engineer's time and $50,000 for other resources within their firm).
- Hazen and Sawyer were selected as the top-ranked firm from thirteen respondents.
- Chairman, Rocky Ford spoke about Hazen having their price sheet rates signed.
- Commissioner, Timothy Murphy spoke about the CEI work.
- Executive Director, Shannon Roberts stated he would go to another firm for the CEI.
- It was clarified that this work, including CEI, is typically covered by grant funding.
- Moses Clepper made a comment about his support was to have Columbia and Suwannee on this Utility Board, any employee I object to. Do not add any more financial burden and keep a record. One million dollars or close to it for the tax payors, going in the wrong direction.
- Chairman, Rocky Ford made a comment to Moses Clepper that this is a grant.
- Moses Clepper made a comment to use the grant.
- Stew Lilker made a comment about CEI doing engineering or construction. Spoke about Fort White and the problems.
- Executive Director, Shannon Roberts spoke about the utility approach-separate firm.
- Chairman, Rocky Ford made a comment that DOT recommends separate.
- Executive Director, Shannon Roberts made a comment about separate firms.
- Stew Lilker made a comment about is there a policy in writing.
- Conclusion: A motion was made to approve the work order for Hazen and Sawyer.

MOTION by Commissioner, Franklin White to approve the work order for Hazen and Sawyer. SECOND by Commissioner, Timothy Murphy. The motion carried unanimously.

7. NFWUA review of formation agreement – Executive Director, Shannon Roberts

Review and discussion of NFWUA formation agreement language with possible Board action

See attached documents:

- Sale of the NFMIP Wastewater Plant: A major point of contention was Columbia County's recent sale of the NFMIP water and wastewater plant to the City of Lake City. Suwannee County Board members expressed frustration over a lack of communication and collaboration, feeling it violated the spirit of the interlocal agreement.
- Commissioner, Franklin White spoke about how he represents Suwannee County and this Board. The agreement should be combined not discussed, no payment or brought to NFWUA. When you give up the plant, does the water go with it?
- Chairman, Rocky Ford stated yes.
- County Manager, David Kraus spoke about water use.
- Commissioner, Franklin White asked if there was revenue or was this a one-time sale.
- Columbia County's Rationale: The decision was defended as financially sound, as the plant was always intended to be turned over to the city, falls within the city's utility service area, and the agreement has the city assume debt. This avoids future operational costs for a plant with no current customers and saves the county money.
- County Manager, David Kraus stated that this was a one-time sale, the county wants to get out of the utilities business.
- Commissioner, Franklin White asked why the revenue could not come to the NFWUA?
- County Manager, David Kraus stated that this was a 3-party plant and city territory growth. NFWUA could not do it themselves.
- Discussion ensued:
- Counterarguments: Critics argued the authority had significant bargaining power that was not used, as the city was under a consent order. The deal was seen as rushed and "poorly negotiated."
- Stew Lilker spoke about the County Manager, David Kraus and that was no secret, there is 2 Columbia County Commissioner every opportunity to bring it to this Board. A vote of confidence is only done in Europe on election day.
- Moses Clepper spoke about needing more proof, NFWUA not moving in the right direction. Public does not know about the agreements. There are grounds to dissolve this Board, talking about Executive Director Shannon Roberts.
- Bo Hancock made a comment about providing wastewater for both counties.

- Wayne Hannaka raised concerns about the authority's lack of a clear return on its $1.5 million investment and agreed with Chairman Rocky Ford. The public does not know about the NFWUA and rather it will work or not.
- Chairman, Rocky Ford spoke about Columbia County and Suwannee County was being fined. NFWUA is handling the problems.
- County Manager, David Kraus made a comment about the NFWUA running the utilities and that is your return on your investment.
- Commissioner, Franklin White made a comment and was upset the sale was not discussed.
- Chairman, Rocky Ford spoke about that the county was negotiating with the city. Why did we do it overnight? Had a year for a payment, whole thing makes Columbia County look bad.
- Commissioner, Timothy Murphy stated that County Manager, David Kraus and Assistant County Manager, Kevin Kirby backed the sell of the Mega Park Wastewater Plant.
- Chairman, Rocky Ford made a comment that the County Manager, David Kraus should have come to the NFWUA.
- Chairman, Rocky Ford stated that was a financial situation and was not informed, million and a half for the plant being built to hand over to the city. Everybody is having trouble dumping sewers in Florida, handing it over to the city debt paid.
- Commissioner, Timothy Murphy supports when it is a financial good decision, Mega Park wastewater has only one customer.
- Discussion ensued:
- Chairman, Rocky Ford made a comment about being under a consent order to Margaret Street, millions of dollars we had other choices.
- Commissioner, Robby Hollingsworth spoke about there being no customer and do not have one coming either to the Mega Park will have to clean it and shut it down. When are we getting a customer, maybe in 3 plus years. The plant was built to the city's spec. Ellisville will make money from day one for NFWUA. Thanking Suwannee County and Columbia County, NFWUA does a good job. Politics will hurt a Board, appoint people to the Board like Waler Graham who worked in Dade County in utilities. Need to do it in 30 days
- Chairman, Rocky Ford asked the question do you think a separate Board would have a difference opinion?
- Commissioner, Franklin White asked the question why was it rushed?
- Commissioner, Robby Hollingsworth stated that it was built to the city's specs.
- Chairman, Rocky Ford asked the question could NFWUA negotiate with the city, we were paying the city.
- Discussion ensued:

- Commissioner, Franklin White spoke about maybe we should negotiate with the city, it is not political it is financial. We needed a discussion.
- Commissioner, Steven Dicks spoke about the NFWUA has taken on projects that have problems. Give it to someone to fix and clean up the problems in Ellisville with DEP. It was never expressed about Mega Park, why was it put on the Raftelis/ Interlocal agreement. Concerns were raised that a precedent was being set where the authority fixes problematic projects (like Ellisville) only for the counties to sell them off.

  NFWUA Attorney, Grady Williams made a comment about the input on the Interlocal.
- Future of the Authority: The conflict led to a broader debate on the authority's viability. One member suggested the lack of cooperation could be grounds to dissolve the two-county authority. In contrast, it was noted the authority recently secured a two-million-dollar grant, demonstrating its potential value. A request was made for both counties to conduct a "vote of confidence" to reaffirm their commitment, though this was met with some opposition.
- Board Composition: A suggestion was made to remove county commissioners from the Board and replace them with experienced, non-political individuals. Columbia County is reportedly advertising to replace commissioners on the Board.
- Commissioner Timothy Murphy made a comment about needing to do better job to communicate with the Board. He talked about Walter Graham would do a good job for NFWUA and also talking about the payment of the future Board members and going public with it.
- Executive Director, Shannon Roberts stated we deferred it and there were no instructions to move forward.
- Commissioner, Timothy Murphy stated to go public.
- NFWUA Attorney, Grady Williams asked a question about will this be the BOCC Board?
- Commissioner, Timothy Murphy stated to decide, so County Manager David Kraus can move forward.
- Executive Director, Shannon Roberts stated that NFWUA will pay the new members of the Board.

Asset Transfer and Financial Independence

- The transfer of assets from the counties to the utility authority was identified as a critical step toward financial independence. Once assets are transferred, the authority can set its own rates and manage its finances without county subsidies.
- Commissioner, Franklin White stated he does not disagree to get off the Board and transfer the assets and move forward.
- Suwannee County noted it has an $8 million shortfall for one of its plants and assumes that debt will be transferred along with the asset.
- Chairman, Rocky Ford made a comment
- Concerns were raised that a precedent was being set where the authority fixes problematic projects (like Ellisville) only for the counties to sell them off.

Public Comments:

- Stew Lilker made a comment and pointed out a discrepancy between the contract for the NFMIP plant sale approved by Columbia County and the version approved by the City of Lake City. With a closing date of May 29th, it was suggested that an injunction or re-holding public hearings were needed to align the contracts.
- Moses Clepper made a comment and cautioned against rushing the asset transfer, as it could be difficult to undo if the authority fails. And making sure that all the boxes are checked.

Board Comments:

Chairman, Rocky Ford made a comment about it being a financial independent to transfer assets.

Commissioner Franklin White made a comment about the Suwannee County it has an $8 million shortfall for one of its plants and assumes that debt will be transferred along with the asset.

Attorney Comments: None.

Director Comments: None.

Adjournment:

There being no further business, meeting was adjourned at 11:27 A.M.

ATTEST:

Rocky Ford, Chairman

Columbia County Commissioner

James M. Swisher, Jr.

Clerk of Court & County Comptroller

Agenda Item #7 - Bills and Vouchers

OBJECTIVE:

Approval of the payments for bills and vouchers in batch file #9.

CONSIDERATIONS:

See attached documentation

BUDGET IMPACT:

Budgeted items

RECOMMENDATION:

Requesting approval of the payments for bills and vouchers in batch file #9.

North Florida Water Utilities Authority

Bill Payment List

May 15-June 2, 2026

DATE	NUM	VENDOR	AMOUNT
101.000 First Federal Checking			
05/29/2026	5191	Suwannee County Board of County Commissioners	-7,690.87
05/29/2026	5192	RING POWER CORP.	-707.81
05/29/2026	5193	HAWKINS, INC.	-2,404.16
05/29/2026	5194	SMITH & SONS SOD CO, INC	-220.00
05/29/2026	5195	POWELL CONSULTING	-4,138.00
05/29/2026	5196	U.S. WATER SERVICES CORPORATION	-12,417.78
05/29/2026	5197	LAKE CITY REPORTER, INC.	-250.80
05/29/2026	5198	HAWKINS, INC.	-2,404.16
05/29/2026	5199	INTERGRATED POWER SERVICES	-6,064.54
05/29/2026	5200	G.W. HUNTER, INC.	-1,194.85
05/29/2026	5201	CLAY ELECTRIC COOPERATIVE,INC.	-3,455.94
05/29/2026	5202	RAFTELIS	-7,665.00
05/29/2026	5203	CORE & MAIN LP	-4,395.00
05/29/2026	5204	DATAINTEGRITY SERVICES	-202.58
05/29/2026	5205	NEXBILLPAY, LLC	-100.00
05/29/2026	5206	TWO FOLD WATER ENGINEERING, INC.	-2,700.00
05/29/2026	5207	D & B HEAVY EQUIPMENT, INC	-1,500.00
05/29/2026	5208	EUROFINS ENVIRONMENTAL TESTING SOUTHEAST LLC	-470.00
05/29/2026	5209	IN DEPTH INC	-14,000.00
05/29/2026	5210	GRADY H WILLIAMS JR LLM	-6,250.00
05/29/2026	5214	AMERICAN BUSINESS SYSTEMS INC	-934.00
05/29/2026	5215	AMERICAN PIPE AND TANK, INC	-2,240.00
05/29/2026	5213	ENTERPRISE FM TRUST	-5,394.51
05/29/2026	5216	DAVE SYMONDS & ASSOCIATES, INC.	-569.47
05/29/2026	5212	AEL	-280.05
05/29/2026	5211	JEL H2O	-5,841.60
05/29/2026	5216	A&B WELL DRILLING & PUMP SERVICES INC	-1,645.00
Total for 101.000 First Federal Checking			**-$95,136.12**

Agenda Item #8 - NFWUA Financial Report

OBJECTIVE:

Presentation and review of financial information

CONSIDERATIONS:

- Current period financial results will be presented by Powell Consulting

  (See attached documentation)

BUDGET IMPACT:

Not applicable

RECOMMENDATION:

Not applicable

North Florida Water Utilities Authority

Statement of Financial Position

As of May 31, 2026

	TOTAL
Assets	
Current Assets	
Bank Accounts	
101.000 First Federal Checking	503,072.86
Total for Bank Accounts	**$503,072.86**
Other Current Assets	
115.000 Accounts Receivable	85,527.22
116.000 Due from Columbia County	0.00
QuickBooks Tax Holding Account	2,541.91
Total for Other Current Assets	**$88,069.13**
Total for Current Assets	**$591,141.99**
Total for Assets	**$591,141.99**
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	-1,677.64
Total for Accounts Payable	**-$1,677.64**
Other Current Liabilities	
220.000 Customer Deposits	24,480.00
Direct Deposit Payable	0.00
Payroll Liabilities	
FL Unemployment Tax	0.00
FRS Contribution	4,161.06
Vehicle Usage	930.00
Total for Payroll Liabilities	**$5,091.06**
Total for Other Current Liabilities	**$29,571.06**
Total for Current Liabilities	**$27,893.42**
Total for Liabilities	**$27,893.42**
Equity	
276.000 Retained Earnings	197,995.37
Net Revenue	365,253.20
Total for Equity	**$563,248.57**
Total for Liabilities and Equity	**$591,141.99**

North Florida Water Utilities Authority

Statement of Activity

October 1, 2025-May 31, 2026

	TOTAL
Revenue	
335.100 County Grant- Columbia County	390,486.27
335.110 Columbia County Grant- Repairs	0.00
335.200 County Grant- Suwannee County	390,686.27
335.210 Suwannee County Grant- Repairs	50,000.00
343.300 Sales	
343.330 Ellisville Water Sales	90,753.54
343.340 Fort White Water Sales	166,097.21
343.350 Mason City Water Sales	6,603.66
343.360 Ellisville Sewer Sales	71,753.68
343.370 I-75 Sewer Sales	47,502.99
343.380 Suwannee County Water Sales	8,438.95
Total for 343.300 Sales	**$391,150.03**
361.000 Interest Earnings	20.32
Total for Revenue	**$1,222,342.89**
Gross Profit	**$1,222,342.89**
Expenditures	
001 535.110 Plant Payroll- Unallocated	0.00
001 Administration	
533.121 Salaries	100,827.05
533.211 FICA Taxes	10,347.86
533.231 Health and Life Insurance	8,926.88
533.351 Contractual Services	193,573.11
533.4061 Legal Ads	2,933.28
533.4506 Fuel	2,218.61
533.451 Office Supplies	10,781.40
533.6061 Capital Outlay- Equipment	18,750.11
Total for 001 Administration	**$348,358.30**
002 Ellisville Water	
533.122 Salaries	12,942.34
533.212 FICA Taxes	697.34
533.222 Retirement	809.82
533.232 Health and Life Insurance	913.37
533.312 Professional Services	13,445.81
533.342 Contractual Services	629.00
533.412 Communications	450.00
533.432 Utilities	8,557.07
533.462 Repairs and Maintenance	15,462.32
533.522 Operating Supplies	7,196.96
533.562 Gas and Oil	2,426.06
533.642 Non-capital Equipment	656.00
533.652 Capital Equipment	2,909.17
Total for 002 Ellisville Water	**$67,095.26**

North Florida Water Utilities Authority

Statement of Activity

October 1, 2025-May 31, 2026

	TOTAL
003 Fort White Water	
533.123 Salaries	12,942.34
533.213 FICA Taxes	697.34
533.224 533.224	809.82
533.229 Retirement Exp	0.00
533.233 Health and Life Insurance	913.37
533.313 Professional Services	2,701.00
533.343 Contractual Services	22,620.47
533.413 Communications	450.00
533.433 Utilities	14,157.10
533.463 Repairs and Maintenance	3,231.28
533.523 Operating Supplies	11,259.94
533.563 Gas and Oil	1,921.34
533.653 Capital Equipment	2,909.17
Total for 003 Fort White Water	**$74,613.17**
004 Mason City Water	
533.124 Salaries	12,942.34
533.214 FICA Taxes	697.34
533.223 Retirement	809.82
533.234 Health and Life Insurance	913.37
533.344 Contractual Services	360.44
533.434 Utilities	377.47
533.464 Repairs and Maintenance	1,000.00
533.524 Operating Supplies	310.95
533.654 Capital Equipment	2,909.17
Total for 004 Mason City Water	**$20,320.90**
005 CIP Water	
533.125 Salaries	12,942.34
533.215 FICA Taxes	697.34
533.225 Retirement	809.82
533.235 Health and Life Insurance	1,134.44
533.315 Professional Services	22,278.94
533.336 Security Monitoring	809.94
533.415 Communications	430.55
533.435 Utilities	3,198.70
533.475 Repairs and Maintenance	7,714.28
533.525 Operating Supplies	752.86
533.535 Chemicals	1,514.42
533.655 Capital Equipment	5,818.41
Total for 005 CIP Water	**$58,102.04**
006 CR-137 Water	
533.126 Salaries	12,942.34
533.216 FICA Taxes	697.34
533.226 Retirement	809.82
533.236 Health and Life Insurance	485.82
533.316 Professional Services	12,287.78

North Florida Water Utilities Authority

Statement of Activity

October 1, 2025-May 31, 2026

	TOTAL
533.416 Communications	85.56
533.436 Utilities	4,049.96
533.476 Repairs and Maintenance	5,267.21
533.526 Operating Supplies	1,474.97
533.536 Chemicals	2,294.00
533.556 Propane	221.25
533.656 Capital Equipment	5,818.34
Total for 006 CR-137 Water	**$46,434.39**
007 Ellisville Sewer	
533.127 Salaries	12,942.33
533.217 FICA Taxes	697.34
533.227 Retirement	703.14
533.237 Health and Life Insurance	913.37
533.317 Professional Services	41,197.43
533.347 Contractual Services	81,413.79
533.417 Communications	1,800.00
533.437 Utilities	9,953.80
533.467 Repairs and Maintenance	22,981.98
533.527 Operating Supplies	6,310.94
Total for 007 Ellisville Sewer	**$178,914.12**
008 I-75 Sewer	
533.128 Salaries	12,943.75
533.218 FICA Taxes	697.36
533.228 Retirement Exp	809.83
533.238 Health and Life Insurance	933.22
533.318 Professional Services	15,988.98
533.438 Utilities	17,655.23
533.468 Repairs and Maintenance	910.00
533.469 Repairs, Emergency	10,975.00
533.558 Propane	995.86
Total for 008 I-75 Sewer	**$61,909.23**
Total for Expenditures	**$855,747.41**
Net Operating Revenue	**$366,595.48**
Other Expenditures	
535.231 Other Expenses	1,342.28
Total for Other Expenditures	**$1,342.28**
Net Other Revenue	**-$1,342.28**
Net Revenue	**$365,253.20**

Agenda Item #9 – FY 2024-2025 annual audit

OBJECTIVE:

Review and approve FY 2024-2025 annual audit

CONSIDERATIONS:

- FY 2024-2025 annual audit is complete
- FY 2024-2025 annual audit was not complex due to low number of financial transactions

(See attached document)

BUDGET IMPACT:

Not applicable

RECOMMENDATION:

Approval of the FY 2024-2025 annual audit

NORTH FLORIDA WATER UTILITIES AUTHORITY

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NORTH FLORIDA WATER UTILITIES AUTHORITY
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SEPTEMBER 30, 2025

JAMESMOORE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
North Florida Water Utilities Authority:

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the North Florida Water Utilities Authority (the Authority), as of and for the year ended September 30, 2025, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority, as of September 30, 2025, and the changes in financial position and cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance 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.

In preparing the financial statements, management is required to evaluate 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. 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 internal control. Misstatements 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.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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. Accordingly, no such opinion is expressed.
- 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.
- Conclude whether, in our judgment, 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.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Gainesville, Florida
June 5, 2026

NORTH FLORIDA WATER UTILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

We offer readers of the North Florida Water Utilities Authority's (the Authority) financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2025.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year and prior year is required to be presented in the MD&A and is presented in the Financial Highlights.

Financial Highlights

Our financial statements provide these insights into the results of this year's operation:

- At September 30, 2025, the Authority's statement of net position reported an ending net position balance of $218,504, with limited expenditures of grant revenues during the second year since inception.

- The Authority's assets exceeded its liabilities at September 30, 2025 by $218,504. The full amount (unrestricted net position) may be used to meet the Authority's ongoing obligations.

- Total revenues were $300,029 for the fiscal year ending September 30, 2025, primarily derived from funding contributions by the member counties.

- Total expenses were $199,048 for September 30, 2025, which consisted of various professional service costs related to the inception of the Authority.

Overview of the Financial Statements

This annual report contains financial statements that report on the Authority, which is a proprietary fund-enterprise fund that provides the community with adequate water and wastewater treatment facilities. Enterprise funds are used to account for activities in a manner similar to private-sector business enterprises and use the accrual basis of accounting.

The first financial statement is the Statement of Net Position. This statement includes all of the Authority's assets and liabilities using the accrual basis of accounting. All of the current year transactions are recorded, regardless of when cash is received or paid. Net position – the difference between assets, liabilities and deferred items – can be used to measure the Authority's financial position.

The second financial statement is the Statement of Revenues, Expenses and Changes in Net Position. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in net position during the fiscal year. Over time, the increases or decreases in net position are useful indicators of whether the Authority's financial health is improving or deteriorating. However, other non-financial factors must also be considered when assessing the overall health of the Authority.

The Statement of Cash Flows reports cash receipts and cash payments, and classifies the Authority's cash transactions in four categories: operating, noncapital financing, capital and related financing, or investing activities.

In these statements, all of the Authority's activities are considered to be business-type activities, which are generally financed in whole or in part by fees charged to external parties for goods or services. The Authority has no governmental activities.

Condensed Statement of Net Position

	2025
Assets	
Current and other assets	$ 218,504
Total assets	$ 218,504
Liabilities	
Accounts payable and other liabilities	$ -
Total liabilities	$ -
Net Position	
Unrestricted	$ 218,504
Total Net Position	$ 218,504

The Statement of Net Position column shows the Authority's assets less its liabilities. The difference between these assets and liabilities is reported as net position. Changes in net position over time may be helpful in indicating an improving or deteriorating financial position.

Condensed Statement of Revenue, Expenses and Changes in Net Position

	2025
Revenues:	
Program revenues:	
Grants	$ 300,000
General revenues:	
Investment income	29
Total revenues	300,029
Expenses:	
Operating costs	199,536
Personnel costs	32,885
Total expenses	232,421
Change in net position	67,608
Net Position – beginning	150,896
Net Position - ending	$ 218,504

The Statement of Revenue, Expenses, and Changes in Net Position presents information showing how the net position changed during the fiscal year. The statement presents all underlying events, which give rise to the change, regardless of the timing of the related cash flows.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the statements.

Contacting the Authority

This financial report is designed to provide a general overview of the Authority's finances and to show the Authority's accountability for the management of the financial resources of the Authority. If you have any questions about this report or need additional financial information, you may contact the North Florida Water Utilities Authority by mail at P.O. Box 1529, Lake City, FL, 32056.

NORTH FLORIDA WATER UTILITIES AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

ASSETS		
Current assets:		
Cash and cash equivalents	$	197,964
Prepaids		20,540
Total assets	$	218,504
LIABILITIES		
Total liabilities	$	-
NET POSITION		
Unrestricted	$	218,504
Total net position	$	218,504

The accompanying notes to financial statements are an integral part of this statement.

NORTH FLORIDA WATER UTILITIES AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Operating revenues	
Charges for services	$ -
Total operating revenues	-
Operating expenses	
Personnel services	32,885
Operating expenses	199,536
Total operating expenses	232,421
Operating income (loss)	(232,421)
Nonoperating revenues (expenses)	
Investment income (loss)	29
Operating grants	300,000
Total nonoperating revenues (expenses)	300,029
Change in net position	67,608
Net position, beginning of year	150,896
Net position, end of year	$ 218,504

The accompanying notes to financial statements are an integral part of this statement.

NORTH FLORIDA WATER UTILITIES AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Cash flows from operating activities	
Cash payments to employees	$ (32,885)
Cash payments to suppliers	(210,101)
Net cash provided by (used in) operating activities	(242,986)
Cash flows from noncapital financing activities	
Operating grants	300,000
Net cash provided by (used in) noncapital financing activities	300,000
Cash flows from investing activities	
Interest received	29
Net cash provided by (used in) investing activities	29
Net change in cash and cash equivalents	57,043
Cash and cash equivalents, beginning of year	140,921
Cash and cash equivalents, end of year	$ 197,964
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	$ (232,421)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Changes in assets and liabilities	
Decrease (Increase) in inventory and prepaid expenses	(10,472)
Increase (Decrease) in accounts payable and accrued expenses	(93)
Total adjustments	(10,565)
Net cash provided by (used in) operating activities	$ (242,986)

The accompanying notes to financial statements are an integral part of this statement.

(1) **Summary of Significant Accounting Policies:**

The accounting policies of the North Florida Water Utilities Authority (the Authority) conform to generally accepted accounting principles applicable to governmental units. The following is a summary of significant policies.

(a) **Reporting entity**—The Authority is a special-purpose local government operating pursuant to an interlocal agreement dated April 16, 2024, between Columbia County, Florida, and Suwannee County, Florida, (the Counties) to contract for and to provide for the operation and maintenance of their respective water, wastewater, and reclaimed water facilities located within the Counties. The Authority is governed by a five-person board including two individuals from each of the Counties, plus a fifth individual who is appointed by the other four members and must be a resident of one of the Counties. Each of the Counties funded the Authority’s operations with $150,000 operating grants in 2025.

The Authority uses the criteria established in GASB Statement No. 14, as amended, to define the reporting entity and identify component units. Component units are entities for which the Authority is considered to be financially accountable or entities that would be misleading to exclude. There are no other entities that qualify for inclusion as a component unit within the Authority's reporting entity.

(b) **Basis of presentation**—The financial transactions of the Authority are reported as a proprietary fund type - Enterprise Fund. Enterprise Funds are used to account for activities in a manner similar to private-sector business enterprises. The Authority's future operating revenues will result from exchange transactions. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment earnings and operating grants from member counties, result from nonexchange transactions or ancillary activities.

(c) **Measurement focus and basis of accounting**—The Authority utilizes the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows.

(d) **Cash and cash equivalents**—The Authority's cash consists of legally authorized demand deposits. The institutions in which such deposits are kept are certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, the total bank balances on deposit at September 30, 2025 are insured or collateralized pursuant to Chapter 280, Florida Statutes. For purposes of the statement of cash flows, the Authority considers only highly liquid investments with original maturities of less than three months to be cash equivalents.

(e) **Inventories and prepaids**—Prepaid items consist of insurance premiums, which have been paid prior to the end of the fiscal year, but represent expenses which are applicable to future accounting periods.

(1) **Summary of Significant Accounting Policies:** (Continued)

(f) **Capital assets—**Capital assets are recorded at cost less accumulated depreciation, except contributed assets which are recorded at acquisition value on the date of contribution. Expenditures of $5,000 or more are capitalized. The Authority did not own any capital assets at September 30, 2025.

(g) **Net position flow assumption—**Sometimes the Authority will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the Authority's policy to consider restricted net position to have been used before unrestricted net position is applied.

(h) **Use of estimates—**The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(2) **Deposits and Investments:**

All deposits are placed in a bank that qualifies as a public depository, as required by law (Florida Security for Public Deposits Act). Accordingly, all deposits are insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes. The Authority only invests excess public funds in certificates of deposit with qualified public depositories, which is an authorized form of investment pursuant to the provisions of Section 218.415, Florida Statutes. Such investments are stated at cost and are entirely insured or collateralized. The Authority does not have any investments recorded at fair value.

(3) **Risk Management:**

The Authority is exposed to various risks of loss for which it carries commercial insurance. Settled claims have not exceeded insurance coverage in any of the past three years.

(4) **Contingencies and Uncertainties:**

The Authority is sometimes a party to lawsuits and claims arising out of the normal conduct of its activities. While the results of lawsuits or other proceedings against the Authority cannot be predicted with certainty, management does not expect that these matters will have a material adverse effect on the financial condition of the Authority.

(5) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board ("GASB") has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the Authority's financial statements:

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.

GASB issued Statement No. 105, *Subsequent Events*, in December 2025. GASB Statement No. 105 clarifies the subsequent events time frame and establishes accounting and disclosure requirements for recognized and nonrecognized subsequent events. The provisions of GASB Statement No. 105 are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors,
North Florida Water Utilities Authority:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of North Florida Water Utilities Authority (the Authority) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 5, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Moore & Co., P.L.

Gainesville, Florida
June 5, 2026

JAMESMOORE

INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA OFFICE OF THE AUDITOR GENERAL

To the Board of Directors,
North Florida Water Utilities Authority:

Report on the Financial Statements

We have audited the basic financial statements of the North Florida Water Utilities Authority (the Authority), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 5, 2026.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 5, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no comments in the preceding audit report.

Official Title and Legal District

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The North Florida Water Utilities Authority was established via interlocal agreement described in Note (1) to the financial statements. There are no component units related to the Authority.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audits, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had no such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Special District Information – North Florida Water Utilities Authority

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Authority reported the following unaudited data:

a) The total number of district employees compensated in the last pay period of the district's fiscal year: 1 employees.

b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: 0 independent contractors.

c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: $27,643.

d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: $-0-.

e) Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as: None.

f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: there were no amendments between the original and final total district expenditure budget.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co., P.L.

Gainesville, Florida
June 5, 2026

JAMESMOORE

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors,
North Florida Water Utilities Authority:

We have examined the North Florida Water Utilities Authority's (the Authority) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2025. The Authority's management is responsible for the Authority's compliance with those requirements. Our responsibility is to obtain reasonable assurance by evaluating against the requirements and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain reasonable assurance by evaluating against the aforementioned statutes during the year ended September 30, 2025 and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation of the Authority's compliance during the year ended September 30, 2025. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks that were not in accordance with those requirements in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the Authority's compliance for the year ended September 30, 2025, was in accordance with the aforementioned requirements in all material respects.

James Moore & Co., P.L.

Gainesville, Florida
June 5, 2026

Agenda Item #10 – Authorized Organization Representative

OBJECTIVE:

Designate Authorized Organization Representative (AOR) for Federal Grant Applications

CONSIDERATIONS:

- Suwannee County is applying for a $5M grant from US Commerce to obtain additional funding for the construction of a 1M Gal water tower at their Catalyst Industrial Park.
- Suwannee currently has $3M from FDEP for the water tower but needs the additional $5M in funding to complete the project.
- In consideration of the coming asset transfer, EDA/Commerce requested that NFWUA join the application process as a “co-applicant”.
- NFWUA had to submit application forms last Thursday, June 11, 2026, to meet the EDA/Commerce deadline of Friday, June 12, 2026.
- To respond to the extremely short submission deadline, the Executive Director had to sign off as the authorized representative.

BUDGET IMPACT:

Not applicable

RECOMMENDATION:

Approval of Shannon Roberts, Executive Director as AOR for Federal Grant applications

Agenda Item #11 – Annual review of Executive Director

OBJECTIVE:

Conduct annual review of Executive Director

CONSIDERATIONS:

- Executive Director completed first year with NFWUA
- Executive Director's employment agreement allows for semi-annual review with possible salary increases
- Requesting guidance on how NFWUA board would like to complete the review process

  (See attached document)

BUDGET IMPACT:

Not applicable

RECOMMENDATION:

Provide guidance on how Board would like to conduct annual review of Executive Director

Section 5. Compensation and Semiannual Review.
A. The Authority shall pay Roberts for his services as the Executive Director an annual base salary of $125,000.00 payable in equal installments pursuant to Authority policy and may increase Roberts's compensation from time to time as herein provided. This Agreement shall not be construed as limiting the authority of the Authority to increase the base salary or other benefits paid to Roberts under this or any other agreement.

B. The Authority shall periodically review and evaluate the performance of Roberts as provided by this Agreement and the lnterlocal Agreement. Without limitation to the generality of the foregoing, the Board of the **Authority shall review Roberts' performance as Executive Director not less than semiannually for the first two (2) years of his employment with the Authority, with a view of increasing his annual base salary to an amount not to exceed $150,000.00 by the end of that two (2)year period.** Such increase in Roberts' annual base salary shall be in the sole discretion of the Board of the Authority, and each such increase shall be based on the Authority's Board's evaluation of Roberts' overall performance as Executive Director, including, but not limited to consideration of Roberts' (i) oversight and administration of all utility grants or loans for Columbia County, Suwannee County, and the Authority, (ii) transit/on, taking over, and running all utility billings and collections for Columbia County, Suwannee County, and the Authority, (iii) providing needed leadership, information, and responses, coordinating completion and delivery of pending rate study for the Authority by Raftelis, and implementing the completed rate study and its findings and recommendations, (iv) transitioning of all utility assets of Columbia County and Suwannee County to the Authority to the ownership, operation, and management of the Authority, and (v) discharge of the powers and duties of"Administrator" of the Authority, as specifically provided for under Article VIII.b.i. through vi., inclusive, of the Interlocal Agreement, which provisions are hereby incorporated by this reference.

Agenda Item #12- FY 2026-2027 Budget Schedule

OBJECTIVE:

Discuss and decide when and where to conduct FY 2026-2027 budget workshop

CONSIDERATIONS:

- Last year, the budget was formulated and adopted in a short timeframe based on the newly hired executive director
- With more planning and review time available, Board members have expressed a desire to have a budget workshop prior to considering approval of a tentative budget.
- To create a schedule for the various milestones in the budget process, discussion and input from the Board is needed for staff to manage the work activities.

  (See attached document)

BUDGET IMPACT:

Not applicable

RECOMMENDATION:

Decision on when and where to conduct the FY 2026-2027 budget workshop

Draft NFWUA Board Budget/Rate Schedule for Discussion

June 15, 2026 9:30 A.M. NFWUA Board Meeting Lake City

July 13, 2026 Requested NFWUA Board Workshop for Budget

July ??, 2026 Requested NFWUA Board Workshop for Utility Rates

- One meeting or two separate meetings?
- *Requested NFWUA Board Workshop for Budget/Rates; Needs to be Advertised in Legal Sections of Lake City Reporter and, if possible, also RiverBend News, at least once 7 days in advance of Public Workshop per s. 189.015(1).*
- *Q: Time, date and Location of same?*
- *Staff workup needed in advance of Workshop.*

July 20, 2026 9:30 A.M. NFWUA Board Meeting Live Oak

Agenda Item in board mtg- NFWUA Board Meeting Live Oak: Tentative Budget Approval

NOTE: Budget submission to Counties

[On or before] August 1, 2025 Per the Interlocal Agreement, Executive Director's Proposed Budget for FY 2026/2027, with County breakdowns, is due to the NFWUA Board. *[Provide tentative proposed Budget to County Managers/Administrators for Columbia County and Suwannee County BOCC Budget Purposes.]*

August 13, 2026 X:XX time, location Columbia County Budget Workshop

August 5 & 6, 2026 9:00 A.M., Judicial Annex Suwannee County Budget Workshop

Need time and location for all County budget workshops

August 17, 2026 9:30 A.M. NFWUA Board Meeting Lake City

- Possible budget refinement or County feedback that necessitates a budget change

Legal Notification/Advertisements for Final Budget & Rate Adoption
August/September ____, 2026 Optional Alternative NFWUA Annual Public Budget/Rate Hearing. Advance notice of the Annual Public Budget/Rate Hearing needs to be advertised for two consecutive weeks in advance in the Legal Sections of Lake City Reporter and, if possible, also RiverBend News. *Q: Time, date, and location of same?*

NOTE: Since s. 200.065 applies specifically to taxing authorities, which NFWUA is not, we have flexibility under s. 189.016. However, it is recommended on general law principles that the public notice run twice weekly, with the last such legal notice of public hearing running at least 7 days prior to the scheduled public hearing time and date, in order to comply with the standard public notice requirements of s. 189.015(1), applicable to independent special districts. So, for example, a notice of the Annual Public Budget/Rate Hearing should run for the initial week at least 14 days in advance of the scheduled time and date of the public hearing, and for the second and last week at least 7 days in advance of the scheduled time and date of the public hearing.

September 21, 2026 9:30 A.M. NFWUA Board Meeting Live Oak; Annual Public Budget/Rate Hearing may be held at the beginning of this meeting, if desired. Advance notice of the Annual Public Budget/Rate Hearing needs to be advertised for two consecutive weeks in advance in the Legal Sections of Lake City Reporter and, if possible, also RiverBend News. Recommend that the final Budget and Rates for FY 2026/2027 be approved by resolution by the Board not later than this Regular Board meeting.

October 1, 2026 Beginning of FY 2026-2027; Possible Closing Date on Considered Abbreviated Closing on Legal Transfer of Ownership of Columbia County, Florida and Suwannee County, Florida, public water, reclaimed and recharge water, and wastewater facilities, assets, obligations, and all related operations, to NFWUA. Closing documentation to include additional Interlocal Agreement re transfer of assets, continued financial support and indemnification from pre-existing liabilities and compliance issues, and closing documents to reflect change of ownership in public records and with SRWMD/FDEP, etc., to document same at basic level, likely with limited engineering/consulting study, report, and identified recommendations to be documented.

Agenda Item #13- Adoption of new utility rates

OBJECTIVE:

Discuss and determine the best approach for adoption of new utility rate

CONSIDERATIONS:

- Since NFWUA currently does not own water/wastewater treatment facilities, it therefore has no rate setting authority for those systems. That authority rests with each county.
- Staff are currently working to include new rates and charges for the FY 2026-2027 budget revenue projections.
- The process of implementing the associated utility rate adjustment has not been clearly defined.
- Asking board to discuss and review the following approach to determine how new utility rates/charges may be adopted:
    - NFWUA board adopts a formal rates and charges resolution that includes the Raftelis rate study information.
    - The NFWUA makes a recommendation to each county board to adopt the NFWUA rates and charges resolution.
    - Each county commission creates their own rate resolution for adoption and implementation.

  (See attached document)

BUDGET IMPACT:

Not applicable

RECOMMENDATION:

Determination and approval of the approach to implement utility rate adjustments

Draft NFWUA Board Budget/Rate Schedule for Discussion

June 15, 2026 9:30 A.M. NFWUA Board Meeting Lake City

July 13, 2026 Requested NFWUA Board Workshop for Budget

July ??, 2026 Requested NFWUA Board Workshop for Utility Rates

- One meeting or two separate meetings?
- *Requested NFWUA Board Workshop for Budget/Rates; Needs to be Advertised in Legal Sections of Lake City Reporter and, if possible, also RiverBend News, at least once 7 days in advance of Public Workshop per s. 189.015(1).*
- *Q: Time, date and Location of same?*
- *Staff workup needed in advance of Workshop.*

July 20, 2026 9:30 A.M. NFWUA Board Meeting Live Oak

Agenda Item in board mtg- NFWUA Board Meeting Live Oak: Tentative Budget Approval

NOTE: Budget submission to Counties

[On or before] August 1, 2025 Per the Interlocal Agreement, Executive Director's Proposed Budget for FY 2026/2027, with County breakdowns, is due to the NFWUA Board. *[Provide tentative proposed Budget to County Managers/Administrators for Columbia County and Suwannee County BOCC Budget Purposes.]*

August 13, 2026 X:XX time, location Columbia County Budget Workshop

August 5 & 6, 2026 9:00 A.M., Judicial Annex Suwannee County Budget Workshop

Need time and location for all County budget workshops

August 17, 2026 9:30 A.M. NFWUA Board Meeting Lake City

- Possible budget refinement or County feedback that necessitates a budget change

Legal Notification/Advertisements for Final Budget & Rate Adoption
August/September ____, 2026 Optional Alternative NFWUA Annual Public Budget/Rate Hearing. Advance notice of the Annual Public Budget/Rate Hearing needs to be advertised for two consecutive weeks in advance in the Legal Sections of Lake City Reporter and, if possible, also RiverBend News. *Q: Time, date, and location of same?*

NOTE: Since s. 200.065 applies specifically to taxing authorities, which NFWUA is not, we have flexibility under s. 189.016. However, it is recommended on general law principles that the public notice run twice weekly, with the last such legal notice of public hearing running at least 7 days prior to the scheduled public hearing time and date, in order to comply with the standard public notice requirements of s. 189.015(1), applicable to independent special districts. So, for example, a notice of the Annual Public Budget/Rate Hearing should run for the initial week at least 14 days in advance of the scheduled time and date of the public hearing, and for the second and last week at least 7 days in advance of the scheduled time and date of the public hearing.

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Agenda Item #14 – Asset transfer

OBJECTIVE:

Discuss and decide on when and how to proceed with transfer of assets from Columbia and Suwannee County to NFWUA

CONSIDERATIONS:

- Executive Director presented plan for asset transfer at the January 20, 2026, board meeting that included an engineering evaluation, workshop, and 16 step process to transfer assets.
- The approach presented at that board meeting will require time and additional funding to execute such a plan.
- Board chairman and members have expressed interest in expediting the transfer of assets with a functional process but with a shorter timeline.
- Need to discuss how to proceed and get consensus from board so staff can be directed to do the work

(See attached document)

BUDGET IMPACT:

Not applicable

RECOMMENDATION:

Decision on when and how to proceed with transfer of assets from Columbia County and Suwannee County to NFWUA

Discussion Items for Accelerated Asset Transition

1. Any engineering/consulting/operator's report and summary we can get describing specifically what is coming over, key issues, and critical concerns.

2. Amendment and supplement to prior maintenance and operation Interlocal Agreement with the two Counties, this time calling for the legal transfer of all of each such County's right, title and interest in said utility assets. Further financial support, any needed administrative or related services support, indemnification of NFWUA by each County for that County's system, and any identified additional future actions should be included in agreement.

3. Agreement Regarding Funds Held in Trust. This would primarily be for any segregated funds held in connection with the water, reclaimed and recharge water, and wastewater assets, operations, and utility systems, or the financing or capital investment funds for those systems, if any.

4. Since NFWUA is already operating the systems, no separate Agreement for Temporary Operation of Utility should be required.

5. Quit Claim Deeds from each of the two Counties covering all plant sites, lift stations, pump houses, and other real estate parcels owned and operated exclusively in connection with that County's water, reclaimed or recharge water, and wastewater utilities. Note: Any "shared" locations should come with some form of a lease of the land and utilities facilities, or an acceptable alternative. Ensure public access for all sites and also no "gaps" in utility facility easements from each plant site or other permanent infrastructure parcels. Typically title insurance and surveys would be ordered and included in the transition to ensure title is actually passing to NFWUA as the transferee. I don't have a budget number for those at this time.

6. Assignment of Easements to NFWUA from each of the Counties as that County's water, reclaimed or recharge water, and wastewater utility easements, construction easements, licenses, permits, and rights of way. It would be best to identify as many of these as possible. If that cannot be done, perhaps it would be picked up under 1. above, or at least a quit claim of such interests could be obtained.

7. Bill of Sale/Assignment of Intangibles from each County to NFWUA for those assets of each County's utility system to NFWUA. Again, the more specific the better,and this may be able to be determined in part from 1. above, or at least a quit claim of such interests in such assets could be obtained.

8. Assignment/Assumption of Developer Agreements, applicable leaseholds, customer deposits, balances, and accounts.

9. Joinder/Transfer/Assumption/Consent Agreements as to loans and grants in the Counties' names, transferring to NFWUA.

10. Such closing statement as necessary or helpful for audit/finance purposes.

May also want to think about future public finance and Fort White implications. I lean towards the future need for a Special Act, but a temporary amendment and restatement of the original forming Interlocal Agreement may be a temporary fix if a NFWUA public finance transaction/bond issue is contemplated now or later.

The above is a non-exclusive list. Let me know if you would like to further discuss.

Best Regards,

/s/Grady H. Williams, Jr.

Board Comments:

Attorney Comments:

Director Comments:

Adjournment: