

**Official Minutes of  
MARION COUNTY  
BOARD OF COUNTY COMMISSIONERS**

April 29, 2026

**CALL TO ORDER:**

The Marion County Board of County Commissioners (BCC) met in a workshop session in Commission Chambers at 2:02 p.m. on Wednesday, April 29, 2026 at the Marion County Governmental Complex located in Ocala, Florida.

**INTRODUCTION OF WORKSHOP BY CHAIRMAN CARL ZALAK III**

Chairman Zalak advised that the workshop was scheduled this afternoon to discuss the Utilities' Capital Improvement Program.

**PLEDGE OF ALLEGIANCE**

The meeting opened with the Pledge of Allegiance to the Flag of our Country.

**ROLL CALL**

Upon roll call the following members were present: Chairman Carl Zalak, III, District 4; Vice-Chairman Matthew McClain, District 3; Commissioner Kathy Bryant, District 2; and Commissioner Michelle Stone, District 5. Commissioner Craig Curry, District 1, was absent due to a prior commitment. Also present were County Attorney Matthew G. Minter, County Administrator Mounir Bouyounes and Assistant County Administrator (ACA) Angel Roussel.

It was noted for the record that the Deputy Clerk was in receipt of a 12 page Agenda packet to follow along with the PowerPoint presentation and a 74 page handout entitled "Marion County Florida Utilities CIP Workshop FY 2027-2031".

**WORKSHOP PRESENTATION**

1. Present Utilities Capital Improvement Program

Utilities Director Tony Cunningham advised that today's workshop will provide an update relating to the Utilities Capital Improvement Program. He stated also present today are newly hired engineers Kevin Atchley and Nethra Edula, as well as Deputy Director Josh Kramer and several other members of staff. Mr. Cunningham advised that some projects are able to be done in-house at a reduced rate rather than paying outside consultants.

Mr. Cunningham provided a brief overview of the County's utilities. There are 913 miles of water mains, which is 31 more miles than the previous year. He stated over time the goal is to reduce the number of water plants, noting as they interconnect the systems it reduces operation and maintenance (O&M) costs and provides a more consistent water supply to customers. Mr. Cunningham advised of growth in the sewer and force mains, as well as the additional 6 lift stations. There were approximately 2,100 customers added to the water system and over 800 customers to the wastewater system. He stated the Department delivered over 18,000,000 gallons per day (gpd) of water to customers, which is an increase of roughly 1,900,000 gpd. Approximately 3,100,000 gpd of wastewater was treated.

Mr. Cunningham advised that the County has six wastewater treatment plants (WWTP), noting there is a need for added capacity to the system. He stated as the permitted capacity approaches and goes beyond 70 percent (%) the Department starts planning for

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next level of capacity, noting it takes several years to go through the design and construction process.

Mr. Cunningham commented on the Departments accomplishments in 2026. He stated staff will substantially complete Phase II of the Septic to Sewer project in the next month and Phase I should be completed in August 2026, noting additional scope is being added to utilize all funding.

In response to Chairman Zalak, Mr. Cunningham advised that the Department would make water and sewer available to approximately 1,000 homes, but staff is still calculating how many are connecting at this time.

Deputy Director Josh Kramer, Utilities, stated water and sewer was made available to 1,000 parcels, noting within those parcels are 500 developed homes that should be connecting.

Mr. Cunningham advised of the project connecting the Irish Acres system to Silver Springs Shores (SSS).

Commissioner Bryant commented on the amount of time it has taken to accomplish the Irish Acres to SSS project.

Mr. Cunningham stated customers who were receiving water from a private system were prioritized and connected first. He stated the entire Phase I of the project is anticipated to be complete by September 2026. Then staff will move onto Phase II of the project. He stated approximately 52% of the Department's budget is capacity related projects and 30% is renewal/replacement (R&R) projects. Mr. Cunningham advised that the Northwest Regional WTP, Southwest Regional Water Reclamation Facility (WRF), and the Southwest Regional WTP are all big projects that will add capacity to the County's system for the next 30 years.

In response to Chairman Zalak, Mr. Cunningham advised that there are 2 Phases in the Irish Acres to SSS project.

Mr. Kramer provided a brief overview of the boundaries of the project.

Chairman Zalak questioned the timeline of the project. ACA Angel Roussel advised of an issue relating to an easement right-of-way (ROW) on the north side of Coehadjoe Park, noting until Legal was able to clear the easement staff were not able to move forward with Phase II.

General discussion ensued.

Mr. Cunningham advised that funds will be available to start Phase II for the project this year and finish it in fiscal year (FY) 2027. He commented on the easement issues.

Mr. Cunningham advised that the Lowell water main project is progressing, noting staff is completing the water on Highway 326 and starting the design for the rest of the project. He stated there are funds to go up the road approximately 1.5 miles, noting staff will continue to try to obtain funds to go the rest of the way.

Mr. Cunningham addressed grant funding. For the Lowell Water Main Extension, the State appropriations were \$4,500,000.00. The Department also received the money to design the rest of the system and are moving forward with the project. He stated it is a loan with loan forgiveness; therefore, there is no cost to the County. Mr. Cunningham advised of a septic to sewer project along State Road (SR) 200, noting a grant was received for this project to connect a couple of entities to the system. He stated the County received grant funding for generators for the WTPs. He stated staff continue to go after other grants to support other State and County priority projects such as the Springs Restoration Grants for SSS Septic to Sewer Phase 3 and 4; Alternative Water Supply

Grants for WTP Lower Floridan Aquifer Test Well and Second Lower Floridan Aquifer Production Well for Southeast Regional WTP; and the Lowell Water Extension project. Chairman Zalak questioned if the County has plans to place wells in other areas such as down Highway 40 in the Ocala National Forest. Mr. Cunningham advised that the Department does not have plans to pursue that area. He stated the Southeast Regional test well in the Lower Floridan received phenomenal results relating to water quality and quantity, noting this is the most efficient path to provide water. General discussion ensued.

Mr. Cunningham provided a brief update on the American Rescue Plan Act (ARPA) projects. He stated the funds will expire; therefore, additional scope is being added to the projects to ensure all funds are utilized before the deadline.

Mr. Cunningham referred to the construction project list on slides 9 and 10 (shown on the overhead screens), noting some of the projects will continue to be seen for the next several years and some will always be on the list. He stated capacity projects take several years and R&R projects are ongoing. Mr. Cunningham advised that the replacement value of the Utilities assets is north of 1,000,000,000.00, noting the department has to continue to provide maintenance. He stated there is depreciation of approximately 16,000,000.00 to 18,000,000.00 annually. Typically, the R&R budget is a little more or at the depreciation rate. Mr. Cunningham advised that there are some well additions in Marion Oaks and Summer Glen, as well as the Department is adding the maintenance buildings.

Mr. Cunningham advised that the Capital Improvement Projects (CIP) is a living document and updated throughout the year based on data collected, things happening in the system, and regulatory changes. He stated staff are always trying to rebalance and update costs, noting one of the things about this year compared to last year is a lot of the same projects with updated costs. Staff have been able to obtain closer cost estimating. Unfortunately, everything is more expensive. Mr. Cunningham advised that projects are being added as different things occur in the system and they are prioritizing those projects.

Mr. Cunningham advised that the major construction project categories are as follows: water mains and fire hydrants; water treatment plant additions/improvements; lift stations and sewer mains; wastewater treatment plant improvements; utility relocations due to construction; and reclaimed water stations and mains.

Mr. Cunningham referred to slides 14 through 16, which contain the 5-Year CIP summary. He stated the list contains projects that are either adding capacity or R&R projects, noting the larger projects are the Southeast Regional WTP and Northwest Regional WTP. Mr. Cunningham advised that the line crew, also known as "The Avengers", project is a consistent investment in extending the water mains to homes that either exist and do not have County water or empty lots. He stated another larger project is the Southwest Regional WTP. The Department has already collected funds for this project, but additional funds are needed.

Mr. Cunningham advised that the automated meter reading project is basically meter replacement, noting the name of this project will be modified next year. He stated as meters age, they become less accurate.

In response to Commissioner Bryant, Mr. Cunningham stated there is some controversy relating to the life span of a meter, but it is between 10 to 20 years. He opined that the accuracy starts to fall off closer to the 15/16 year mark. There is testing that can be done to verify the accuracy of a meter.

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Commissioner McClain questioned if staff is giving any thought to moving towards the better meter technology that allows them to be read without having to physically go by the meter. Mr. Cunningham advised that the new meters being installed have that capability, but the communication network is not in place to receive the information. He stated there are a few issues making it difficult for the County such as the lack of power supply and how spread out everything is in Marion County. Mr. Cunningham opined that there could be some areas they could focus on, but not implementing it system wide. He stated it would be a value add, but not a cost reduction.

Commissioner McClain questioned if there is a way to partner with the electric utility. Mr. Cunningham advised that he is unsure if any of the local electric companies are utilizing this technology, but it is worth further research.

Mr. Cunningham advised that as road work is being done in Marion County the Board has to decide whether they want to install water and sewer along that road at the time of construction. He stated several of the roadway projects are ones where the Department is going to install it now as the roads are developed.

Chairman Zalak advised that the Board's direction has always been to try and put the lines in when they can, especially along commercial corridors, not necessarily all residential. He stated it costs too much to try and go back and install the lines after the roadway is built.

Mr. Cunningham advised that the Department is making sure they have allocation for the future should it be needed.

Mr. Cunningham stated Salt Springs WTP is being relocated in FY 2027/28. He commented on the large investments being made into the utility, which are primarily driven by the large capacity projects. As a result of these large capacity projects the Department is not finished with the rate sufficiency analysis because staff has been talking through the possibility of borrowing funds for some of the projects. Mr. Cunningham stated if the County borrows the funds for capacity then the people using that capacity will be paying for it over time, noting it will also take pressure off the rates. He advised that more information relating to funding the projects will be brought back for Board consideration.

Mr. Cunningham advised that the County has a lot of infrastructure with different ages and conditions; therefore, they need to be continuously investing in the infrastructure. He stated there are 205 lift stations, which means each year staff select and prioritize a number of lift stations to focus on. The same process is done for manholes, lining of manholes, keeping infiltration and inflow out of the sewer system.

Mr. Cunningham advised that it is a little different on the water side, noting the funding is split 50/50. He stated 50% goes to the line extensions where owners come forward to extend the line and a share agreement is executed. The County receives revenue from those agreements as people connect. Mr. Cunningham advised that the rest of it is for R&R activities in the water system.

Mr. Cunningham stated the CIP meets these five goals: protect system reliability; support County growth; reduce emergency repairs; maintain regulatory compliance; and balance customer affordability. He commented on the low rates in Marion County compared to other areas, noting the County has not raised utility rates in the past 11 years. The rate efficiency analysis is not showing a rate change for next year, but it is something that will need to be considered in the future.

## **BOARD DISCUSSION AND CLOSING COMMENTS**

Commissioner Stone advised that the County has received awards in the past for the quality of the water and questioned if any of that information has been published. Mr. Cunningham advised that some public relation (PR) information has gone out, but more could be done. He stated there are plans to bring forward some awards that were recently received relating to the wastewater systems, as well as water.

Commissioner Stone advised that citizens have 12 months to connect to the lines that were run with the ARPA funding, noting the County was assisting with the financial obligations.

Mr. Cunningham stated notices went out giving the individual 90 days to connect. If they choose not to connect, they will still be able to in the future, but they will have to pay the extension cost and capital charge. He advised that an undeveloped lot will have to connect when it is built.

In response to Commissioner Stone, Mr. Cunningham advised that he does not have any concerns with being able to meet the ARPA deadline. He commented on staff's hard work. Chairman Zalak advised that the Utilities Department only has \$700,000.00 above operation free and about \$10,000,000.00 in funds coming back from developers as they connect. He questioned how staff plans to fill the gap. Mr. Cunningham advised that there are funds available in Capital Reserves in the amount of approximately \$80,000,000.00 to \$90,000,000.00, noting those funds are allocated for projects. He stated every time someone connects they have to pay somewhere in the neighborhood of \$5,500.00, between water and wastewater capital charge, per ERC, noting those funds collected are specifically for capital improvement. A portion of the Utilities rates are set to cover all O&M expenses, as well as R&R.

Chairman Zalak advised that the current funds would get them to FY 28/29, but there could be issues in future years.

Mr. Cunningham stated borrowing funds would be an option for those large capital projects, primarily for Southwest Regional WTP and the Southeast Regional WTP. He stated the Department is currently paying off older debt, which will make room to increase the debt service.

In response to Chairman Zalak, Mr. Cunningham advised that the debt service payment is approximately \$7,000,000.00 to \$8,000,000.00. He stated a few of those debts will be completely paid off in FY 2028.

Mr. Cunningham stated the Department has to continue to evaluate the capital charges and rates to ensure they are keeping up with costs.

Chairman Zalak advised that the funds received from the development side should be reinvested into the system. He opined that a bond should only be obtained for things that the County is receiving a return/repayment.

Mr. Cunningham stated a bond would be for building those two plants, which would be paid overtime through capital charges as folks connect to the system.

Chairman Zalak expressed concern with not having a clear ability to maintain the system. He stated if development falls off the County will not be able to provide the maintenance it does today.

Chairman Zalak questioned if the operational budget has enough funds to maintain the system without other dollars coming in. Mr. Cunningham advised that the O&M budget and the Capital budget are what is needed to continue to operate and maintain the system.

In response to Chairman Zalak, Mr. Cunningham advised that approximately 30% of the proposed capital is for repairing lift stations, lines, etc. He stated the numbers are a little

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skewed because of the large capacity projects. Mr. Cunningham advised that when it is just the R&R, the Department will only need approximately \$20,000,000.00 that is continuously reinvested into the system.

Chairman Zalak opined that the Repairs and Maintenance budget needs to be a part of the Operating budget more than it needs to be a part of the Capital budget.

General discussion ensued.

Mr. Cunningham advised that the base rate to customers should cover all the O&M, as well as the R&R portion of the CIP. He stated the capital charges should cover the capacity projects.

Chairman Zalak concurred.

Mr. Cunningham advised that this is how it currently works, but if things remain the way they are today it will not over the next 10 years.

Commissioner Stone commented on the need to review the revenue stream.

Commissioner Bryant reiterated that the rate studies show that they are stable, but a rate increase will be needed in the coming years.

Chairman Zalak advised that the current development is what is what is stabilizing the rate.

There being no further business to come before the Board, the meeting thereupon adjourned at 2:58 p.m.

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Carl Zalak, III, Chairman

Attest:

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Gregory C. Harrell, Clerk