

MINUTES OF THE MEETING

GOVERNING BOARD SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

BROOKSVILLE, FLORIDA

JULY 26, 2016

The Governing Board of the Southwest Florida Water Management District (District) met for its regular meeting at 9:00 a.m. July 26, 2016, at the District's Tampa Office. The following persons were present:

Board Members Present

Randall S. Maggard, Chair
Jeff M. Adams, Vice Chair
Bryan K. Beswick, Secretary
H. Paul Senft, Member
Michael A. Babb, Member
George W. Mann, Member
Wendy Griffin, Member*
Michael A. Moran, Member
John Henslick, Member

*via Telephone

Board Members Absent

Ed Armstrong, Treasurer
Thomas E. Bronson, Member
Kelly S. Rice, Member

Staff Members

Brian J. Armstrong, Executive Director
David T. Rathke, Chief of Staff
Karen E. West, General Counsel
Kurt P. Fritsch, Inspector General
John J. Campbell, Division Director
Ken L. Frink, Division Director
Mark A. Hammond, Division Director
Alba E. Más, Division Director

Board's Administrative Support

Cara Martin, Board & Executive Services Manager
Lori Manuel, Administrative Assistant

A list of others present who signed the attendance roster is filed in the permanent records of the District. This meeting was available for viewing through Internet streaming. Approved minutes from previous meetings can be found on the District's Web site (www.WaterMatters.org).

PUBLIC HEARING (Audio – 00:00)

1. Call to Order

Chair Randall Maggard called the meeting to order and opened the public hearing. Secretary Bryan Beswick stated a quorum was present.

2. Invocation and Pledge of Allegiance

Vice Chair Jeff Adams offered the invocation. Chair Maggard led the Pledge of Allegiance to the Flag of the United States of America.

Chair Maggard introduced each member of the Governing Board. He noted that the Board meeting was recorded for broadcast on government access channels, and public input was only taken during the meeting onsite.

Chair Maggard stated that anyone wishing to address the Governing Board concerning any item listed on the agenda or any item that does not appear on the agenda should fill out and submit a "Request to Speak" card. To assure that all participants have an opportunity to speak, a member of the public may submit a speaker's card to comment on agenda items only during today's meeting. If the speaker wishes to address the Board on an issue not on today's agenda, a speaker's card may be submitted for comment during "Public Input." Chair Maggard stated that comments would be

limited to three minutes per speaker, and, when appropriate, exceptions to the three-minute limit may be granted by the chair. He also requested that several individuals wishing to speak on the same issue/topic designate a spokesperson.

3. Employee Recognition

Chair Maggard recognized employees who have reached at least 20 years of service with the District and thanked them for their service. The following staff were recognized: Dave Testerman; Robert Parker; Jack Moore and Steve Camp.

This item was provided for the Board's information, and no action was required

4. Additions/Deletions to Agenda

Section 120.525, Florida Statutes, allows the District to change the published agenda for good cause shown, as determined by the presiding officer.

Mr. Brian Armstrong, Executive Director, stated the following items are being deleted:

Consent Agenda

General Counsel's Report

14. Administrative, Enforcement and Litigation Activities that Require Governing Board Approval
 - a. Initiation of Litigation – Unauthorized Construction – Trinity Christian Fellowship Center, Inc. – Manatee County

Resource Management Committee

Discussion

26. South Pass-A-Grille Way Water Quality & Flood Improvements (N712)

Board Member Henslick asked to provide comments on the following item:

Consent Agenda

Regulation Committee

11. Approval of Coordination Agreement Between the U.S. Army Corps of Engineers (Jacksonville District) and the Southwest Florida Water Management District – State Programmatic General Permit V (SPGP-V)

Board Member Henslick expressed the following concerns regarding the proposed agreement between the U.S. Army Corps of Engineers (ACOE) and the District. He stated that based on the agreement, the District will not have the authority to issue new permits, only existing, as related to: shoal line restoration projects, boat ramps; sea walls; docks or piers; dredging of canals and channels.

Board Member Henslick expressed concern regarding the time frame that permits are issued from the ACOE. He provided a personal example that addressed his concern.

Board Member Henslick stated he is in support of the agreement, however, he would like to expand the agreement to include the authority to permit impacts to non-title wetlands and staff to provide quarterly updates regarding this.

Chair Maggard said there is good cause to amend the published agenda as allowed by Section 120.525, Florida Statutes. A motion was made to approve the amendments to the published agenda, as amended, which was seconded. The motion carried unanimously. (Audio 00:18:10)

5. Public Input for Issues Not Listed on the Published Agenda

Chair Maggard noted at this time, the public is given an opportunity to comment on any topic not listed on the agenda. Chair Maggard stated he had one Request to Speak card.

Ms. Janet Dougherty, Environmental Protection Commission of Hillsborough County (EPC) Executive Director, expressed appreciation to Robert Beltran for the mentorship he provided to the EPC. She also congratulated Brian Armstrong on his new position as the Executive Director.

CONSENT AGENDA

Chair Maggard asked that before the Board considers action on the Consent Agenda whether there is anyone in the audience who wishes to address the Board regarding an item listed on the Consent Agenda.

Finance/Outreach & Planning Committee

6. Board Encumbrance to the Computer Renewal and Replacement Sinking Fund

Staff recommended the Board encumber \$182,000 of funds budgeted in FY2016 to procure computer hardware and software via the Computer Renewal and Replacement Sinking Fund reserve account.

7. Board Encumbrance to the Brooksville Data Center Reconfiguration Project

Staff recommended the Board encumber the remaining funds, not to exceed \$106,100, from the FY 2016 budget for the project to ensure funds for any expenses incurred, if needed, in FY 2017.

8. Budget Transfer Report

Staff requested approval of the Budget Transfer Report covering all budget transfers for June 2016.

Resource Management Committee

9. Board Designated Encumbrance - Hydrogeological Investigation of the Lower Floridan Aquifer in Polk County (P280)

Staff requested approval of an encumbrance of \$2 million in current year funds, without a contract, to roll into FY2017 for the Hydrogeological Investigation of the Lower Floridan aquifer in Polk County (P280).

10. Boyd Hill Nature Preserve FDOT Mitigation Site – FDOT Mitigation Plan Amendment (D028) Regulation Committee

Staff recommended approval to amend the District FDOT Mitigation Plan to add an additional 26 acres of nuisance and exotic species removal to the FDOT Mitigation Program project area at the Boyd Hill Nature Preserve.

11. Approval of Coordination Agreement Between the U.S. Army Corps of Engineers (Jacksonville District) and the Southwest Florida Water Management District – State Programmatic General Permit V (SPGP-V)

Delegate authority to the Executive Director to approve the Coordination Agreement between the U.S. Army Corps of Engineers Jacksonville District and the District regarding the Corps' State Programmatic General Permit (SPGP V).

12. Individual Water Use Permits Referred to the Governing Board

a. WUP No 20001155.008 – Salamander Innisbrook, LLC / Innisbrook Golf Resort - Pinellas County Operations, Lands and Resource Monitoring Committee

Staff requested approval of the proposed permit attached as an exhibit.

13. Approve Second Amendment to Lease Agreement for Little Manatee River Project and Second Amendment to Lease Agreement for Alafia River Project to Remove and Add Acres in Response to Executed Exchange Agreement Between Hillsborough County and the District for SWF Parcel Nos. 11-058-100X and 11-709-100X General Counsel's Report

Staff recommended the Board:

- Approve the Second Amendment to the Alafia River Project Lease Agreement - SWF Parcel Number 11-709-100X
- Approve the Second Amendment to the Little Manatee River Project Lease Agreement - SWF Parcel Number 11-058-100X
- Authorize the Governing Board to execute both amendments to lease agreements

14. Administrative, Enforcement and Litigation Activities that Require Governing Board Approval

a. ~~Initiation of Litigation – Unauthorized Construction – Trinity Christian Fellowship Center, Inc. – Manatee County~~

~~Staff recommended the Board authorize of the initiation of litigation against Trinity Christian Fellowship Center, Inc., and any other appropriate parties, to obtain compliance, to recover an administrative fine/civil penalty, and to recover District enforcement costs, litigation costs and attorney's fees.~~

15. Rulemaking

Executive Director's Report

16. Approve Governing Board Meeting Minutes - June 28, 2016

A motion was made and seconded to approve the Consent Agenda as amended. Motion carried unanimously. (Audio 00:20:36)

Chair Maggard relinquished the gavel to the Finance/Outreach & Planning Committee Vice Chair Adams who called the Committee meeting to order. (Audio 00:20:55)

Finance/Outreach & Planning Committee

Discussion

17. Consent Item(s) Moved for Discussion - None

18. Investment Strategy Quarterly Update

Mr. John Grady, Public Trust Advisors, provided a presentation on the investment strategy quarterly update as of May 31, 2016. Mr. Grady outlined changes that have occurred with the market.

Mr. Grady stated the GDP growth has remained slow at 0.6 percent since the first quarter from 1.1 percent. He addressed the situation with Brexit and the impacts associated with it. He stated job creation is slow, but positive. Home sales continue to climb with the median price increasing. Inflation remained below the federal target of 2 percent during the month of May. But personal income dipped during the month of May from 4.4 percent to 4 percent.

Since October 2013, the District portfolio has had combined gross earnings of \$8,411,494. For this quarter, the District portfolio has a combined gross earnings of \$1,200,000. Mr. Grady reviewed the composition, distribution and credit quality of the various portfolios held by the District.

Staff recommended the Board accept and place on file the District's Quarterly Investment Reports for the quarter ended June 30, 2016.

19. FY2016-17 Budget Development

Mr. John Campbell, Management Services Director, provided a presentation that included: expenditure goals and outcomes; expenditures budget changes since the recommended annual service budget was presented at the June 28 Governing board meeting?; expenditures by category; expenditures by program; revenue budget changes since recommended annual service budget insert here too?; ad valorem and millage rate update; sources of revenue; projected resources available for future projects; long term funding plan, and budget development calendar.

Mr. Campbell stated the budget totals \$180.1 million dollars. He indicated the operating budget increased by one percent, approximately \$900,000 dollars. But he informed the Board that new construction grew by 1.97 percent which allows for additional ad valorem to be used for projects in the community. Mr. Campbell stated the adopted millage decreased by 4.9 percent. This results in a rolled back millage rate of 0.3317 or \$106 million dollars. He stated 58 percent of the budget is in projects, ; operating expenses are 71 percent; and salaries and benefits are 47 percent of projected ad valorem revenue, respectively.

Mr. Campbell indicated there is approximately \$13 million dollars allocated for spring's projects. This includes \$10.1 million dollars received from the Florida Department of Environmental Protection (FDEP) and a local funding match of \$2.8 million dollars.

Staff recommended:

- a. Approve the budget changes that have been made since the June 28, 2016 Governing Board meeting.
- b. Approve Resolution No. 16-09, Adoption of Proposed Millage Rate for Fiscal Year 2016-17.
- c. Approve the August 1 submittal of the Standard Format Tentative Budget Submission report, with the budget modifications approved by the Governing Board on July 26, 2016.
- d. Assign \$8,151,145 in available funds to the District's Short-Term Projects Reserve, established by Board Policy Number 130-9.

A motion was made and seconded to approve staff's recommendation. Motion carried unanimously. (Audio 00:50:36)

Submit & File Reports – None

Routine Reports

The following items are provided for the Committee's information, and no action is required.

- 20. Treasurer's Report and Payment Register**
- 21. Monthly Financial Statement**
- 22. Monthly Cash Balances by Fiscal Year**
- 23. Comprehensive Plan Amendment and Related Reviews Report**
- 24. Development of Regional Impact Activity Report**

Committee Vice Chair Adams adjourned the meeting and relinquished the gavel to the Resource Management Committee Chair Babb who called the Committee meeting to order. (Audio 00:51:13)

Resource Management Committee

Discussion

25. Consent Item(s) Moved for Discussion - None

~~26. South Pass A-Grille Way Water Quality & Flood Improvements (N712)~~

- ~~1. Approve the City's request to move forward with final design and construction of the South Pass A-Grille Way Water Quality & Flood Improvements Project (N712).~~
- ~~2. Authorize staff to enter into an amendment for the project with a total project budget of \$6,260,000 with the District funding a total of \$3,130,000.~~

3. ~~Authorize the amendment to be effective as of the date of the Board's approval of this request.~~

Submit & File Reports

27. Lower Hillsborough River Recovery Strategy Implementation – Annual Update

Routine Reports

The following items are provided for the Committee's information, and no action is required.

28. Minimum Flows and Levels Status Report

29. Significant Water Resource and Development Projects

Committee Chair Babb adjourned the meeting and relinquished the gavel to the Regulation Committee Chair Senft who called the Committee meeting to order. (Audio 00:51:31)

Regulation Committee

Discussion

30. Consent Item(s) Moved for Discussion - None

31. Denials Referred to the Governing Board

If any denials are requested to be referred to the Governing Board, these will be presented at the meeting.

Submit & File Reports – None

Routine Reports

The following items are provided for the Committee's information, and no action is required.

32. Overpumpage Report

33. Individual Permits Issued by District Staff - July 2016

Committee Chair Senft adjourned the meeting and relinquished the gavel to the Operations, Lands & Resource Monitoring Committee Chair Beswick who called the Committee meeting to order. (Audio 00:52:42)

Operations, Lands & Resource Monitoring Committee

Discussion

34. Consent Item(s) Moved for Discussion - None

35. Approve Sale of Surplus Lands – Lake Pretty House (PRTY-2), SWF Parcel No. 14-009-119S

Ms. Carmen Sanders, Land Resources Manager, provided a presentation that included: the conditions of the sale; price paid at acquisition, the appraised value and the offer to purchase. This property was declared surplus September 2013 and offered for bidding January 2014. The property was acquired in 2011 for \$453,000. The property has been appraised for \$472,000. The current offer to purchase is \$481,000.

Staff recommended the Board:

- Accept the Offer
- Approve the Contract for Sale and Purchase
- Approve release of mineral interests
- Authorize execution of the instruments necessary to convey the property

A motion was made and seconded to approve staff's recommendation. Motion carried unanimously. (Audio 00:56:10)

36. Approve Sale of Surplus Lands – Panasoffkee/Outlet Tract (PO-2), SWF Parcel No. 19-441-111S

Ms. Carmen Sanders, Land Resources Manager, provided a presentation that included: the conditions of the sale; price paid at acquisition, the appraised value and the offer to purchase. This property was declared surplus 2014 and offered for bidding February 2016. The property was acquired in 1989 for \$1,050,000. But the pro-rata share would have been \$12,695. The appraisal value is \$26,000. The current offer to purchase is \$30,125.

Staff recommended the Board:

- Accept the Offer
- Approve the Contract for Sale and Purchase
- Approve the transfer of all mineral interests to the Buyer
- Authorize execution of the instruments necessary to convey the property

A motion was made and seconded to approve staff's recommendation. Motion carried unanimously. (Audio 00:58:00/00:59:24)

37. Hydrologic Conditions Report

Mr. Granville Kinsman, Hydrologic Data Manager, presented the hydrologic conditions report. For the month of June, most regions experienced normal to very wet rainfall, with the exception of the northern region which experienced some drier than normal conditions. July has been very dry in most parts of the District. As a result, groundwater levels are normal but declining. Lake levels in the northern region are below-normal and declining, but Tampa Bay lakes, Polk Upland lakes, and Lake Wales Ridge lakes all remain in the normal range. The Withlacoochee River remains in the normal range, while the Hillsborough, Alafia and Peace Rivers are above normal. The Bill Young and Peace River Reservoirs are now being refilled, and available storage remains very high. The Climate Prediction Center is forecasting normal rainfall for August through October. The La Niña forecast is weakening, which may lessen the impact of drier-than-normal conditions predicted for the winter and spring.

This routine report provided information on the general state of the District's hydrologic conditions, by comparing rainfall, surface water, and groundwater levels for the current month to comparable data from the historical record. This item was presented for the Board's information, and no action was required.

This item was provided for the Board's information only, and no action was required.

Submit & File Reports – None

Routine Reports

The following items are provided for the Committee's information, and no action is required.

38. Structure Operations

39. Significant Activities

Committee Chair Beswick adjourned the meeting and relinquished the gavel. (01:07:21)

General Counsel's Report

Discussion

40. Consent Item(s) Moved for Discussion - None

Ms. Karen West, General Counsel, provided the Board with an update on the issuance of Water Use Permit (WUP) to SWR Properties in Sumter Counties. The District has received 14 petitions challenging the permit, two petitions have been determined to be sufficient and have been referred to the Department of Administrative Hearings (DOAH). The initial orders have been responded to and the

parties have agreed to consolidation of the challenges. The remaining 12 petitions are under review and if found sufficient, they could be added to the action. A hearing date will be scheduled in October at the Brooksville Office. Ms. West informed the Board that once the Administrative Law Judge (ALJ) issues a recommended action, this will return to the Board to issuance of a final order.

Submit & File Reports – None

Routine Reports

The following items are provided for the Committee's information, and no action is required.

41. July 2016 - Litigation Report

42. July 2016 - Rulemaking Update

Committee/Liaison Reports

43. Well Drillers Advisory Committee

A written report was provided to the Board Members from the July 6, 2016 meeting.

44. Environmental Advisory Committee

A written report was provided to the Board Members from the July 12, 2016 meeting.

45. Other Committee/Liaison Report

None

Executive Director's Report

46. Executive Director's Report

Mr. Armstrong thanked staff for the efforts that went into the budget development. He also thanked the Governor, the Florida Legislature and the Florida Department of Protection (FDEP) Secretary Jon Steverson for the \$10 million dollars in funding that was provided for springs projects. Mr. Armstrong reminded the Board that the adopted millage decreased by 4.9 percent. He stated that although the budget's administrative costs increased by 1 percent, new construction grew by 1.97 which allows the additional ad valorem to be used for projects in the community.

Chair's Report

47. Chair's Report

Chair Maggard expressed his appreciation to the efforts District staff has put into the surplus lands program. He also relayed the positive comments he received at the Florida Environmental Permitting Summer School from the previous week.

48. Other

The August 30 Board Meeting, September 13 Tentative Budget Hearing and the September 27 Board Meeting are in Tampa.

49. Employee Milestones

This item was presented for the Board's information, and no action was required.

The meeting was adjourned at 10:12 a.m.

Chair

Attest:

Secretary

