

Approved

Minutes of the Meeting

PEACE RIVER BASIN BOARD

Southwest Florida Water Management District

Bartow, Florida

October 3, 2008

The Peace River Basin Board of the Southwest Florida Water Management District convened for a regular meeting on Friday, October 3, 2008, at 9:30 a.m., in the Bartow Service Office.

Board Members Present

H. Paul Senft, Jr., Co-Chair Ex Officio
J. "Ken" Harrison, Vice Chair
Rufus C. Lazzell, Secretary
Patricia Crisman, Member
James L. Hageman, Member
Fred W. Trippensee, III, Member

Board Members Absent

C. A. "Neil" Combee, Jr., Co-Chair Ex Officio
Bryan K. Beswick, Co-Chair Ex Officio
Paul G. Samuels, Member

Staff Present

Bruce Wirth	Lou Kavouras
Linda Pilcher	Brian Armstrong
Roy Mazur	Chan Springstead
Eric DeHaven	Mark Hammond
Rand Frahm	Kathy Scott
Beth Putnam	Mike Beach
Sid Flannery	Corey Denninger
Keith Kolasa	Danny Kushmer
David Brumbaugh	Randy Emberg

Recording Secretary

Phyllis Young

A roster of other attendees is filed in the permanent files of the Basin. Compact disks of the audio and copies of materials and handouts, as set out in full herein, are also filed in the permanent files of the Basin.

1. **Call to Order and Roll Call**

Co-Chair Senft called the meeting to order at 9:30 a.m. Ms. Young called the roll and noted a quorum was present. (CD 1/Track 1)

2. **Invocation and Pledge of Allegiance to the American Flag**

Vice Chair Ken Harrison provided an invocation; the Pledge of Allegiance to the American Flag was led by Co-Chair Senft. (CD 1/Track 1)

3. **Additions/Deletions to the Agenda**

Deputy Executive Director Lou Kavouras, Planning, Outreach and Board Services, stated that Agenda Item 4, the Oath of Office, was deleted from the agenda since no gubernatorial appointments or re-appointments concerning this Board had been forthcoming.

An add-on item, Fiscal Year 2009 Final Budget Adjustment for Ratification, would be taken as Discussion Item 6b.

Copies of a revision to the "Peace Creek Canal Watershed Management Program (H034) – Consulting Services Execution Notice" information item had been provided to the Board and were available at the sign-in table. (CD 1/ Track 1)

4. **Oath of Office for Newly Appointed/Re-Appointed Board Members**

This item was deleted from the agenda, as stated above.

5. **Consent Items:**

After consideration, **Mr. Lazzell moved, seconded by Mr. Hageman, to approve the Consent Items below.**

- a. **Minutes of the August 8, 2008, Meeting** – Approve the August 2008 meeting minutes, as presented.
- b. **Facilitating Agricultural Resource Management Systems (FARMS)**
 - i. **T. J. Chastain, Charlotte County (H563)**
 1. Approve the T. J. Chastain Project for a not-to-exceed project reimbursement of \$120,000 with \$30,000 provided by the Peace River Basin Board; \$30,000 provided by the Governing Board; and \$60,000 provided from State Appropriations;
 2. Authorize the transfer of \$30,000 from Fund 020 H017 Peace River Basin Board FARMS funds; \$30,000 from Fund 010 H017 Governing Board FARMS funds; \$60,000 from State Appropriations, of which \$22,480 is allocated to Fund 020 H017 and \$37,520 is allocated to Fund 010 H017, to H563, T. J. Chastain project fund;
 3. Authorize the Executive Director to sign the agreement.
 - ii. **Calvin Houghland, DeSoto County (H567)**
 1. Approve the Calvin Houghland project for a not-to-exceed project reimbursement of \$487,500 with \$121,875 provided by the Peace River Basin; \$121,875 provided by the Governing Board; and \$243,750 provided from State Appropriations;
 2. Authorize the transfer of \$121,875 from Fund 020 H017 Peace River Basin Board FARMS funds; \$121,875 from Fund 010 H017 Governing Board FARMS funds; and \$243,750 from the 2009 State Appropriations allocated to Fund 010 H017 FARMS funds, to H567, Calvin Houghland project fund;
 3. Authorize the Executive Director to sign the agreement.
 - iii. **Citrus Creek Grove, L.L.C., Phase II, Charlotte County (H548)**
 1. Approve the Citrus Creek Grove, L.L.C., Phase II FARMS Project for a not-to-exceed project reimbursement of \$637,500, with \$159,375 provided by the Peace River Basin Board; \$159,375 provided by the Governing Board; and \$318,750 provided from State Appropriations;
 2. Authorize the transfer of \$159,375 from Fund 020 H017 Peace River Basin Board FARMS funds; \$159,375 from Fund 010 H017 Governing Board FARMS funds; and \$318,750 from the 2009 State Appropriations allocated to Fund 010 H017 FARMS funds, to the H548 Citrus Creek Grove, L.L.C., Phase II, FARMS project fund;
 3. Authorize the Executive Director to sign the agreement.
- c. **City of Winter Haven Northern Reuse Service Area Reclaimed Main Extension (N075) Budget Transfer** - Approve the budget transfer of \$120,328 in State Water Protection and Sustainability Trust Funds from Charlotte County Golf Course Reuse Storage Project (L485) to the City of Winter Haven Northern Reuse Service Area Reclaimed Main Extension Project (N075).

Motion carried unanimously. (CD 1/Track 1)

6. **Discussion Items:**
 - a. **FARMS – Blue Fields USA, L.L.C., Hardee County (H564) and Additional FARMS Program Funding for Fiscal Year 2009**

Resource Data and Restoration Director Eric DeHaven provided background of the FARMS program and specifically a request for approval and reimbursement of FARMS eligible costs for the Blue Fields USA blueberry farm project, which includes

infrastructure necessary to implement a surface water reservoir system. Also included in Mr. DeHaven's report was a request to transfer funds to the FARMS Program from the cancelled Charlotte County Golf Course Reuse Storage project.

After consideration, **Mr. Lazzell moved, seconded by Ms. Crisman, to approve the staff recommendation, as follows:**

1. **Authorize the transfer of \$293,743 from L485 Charlotte County Golf Course Reuse Storage project to H017 FARMS Program for use in implementing additional FARMS projects in FY2009;**
2. **Approve the Blue Fields USA, L.L.C., FARMS Project for a not-to-exceed project reimbursement of \$255,868, with \$63,967 provided by the Peace River Basin Board; \$63,967 provided by the Governing Board; and \$127,934 provided from State Appropriations;**
3. **Authorize the transfer of \$63,967 from Fund 020 H017 Peace River Basin Board FARMS funds; \$63,967 from Fund 010 H017 Governing Board FARMS funds; and \$127,934 from the 2009 State Appropriations allocated to Fund 010 H017 FARMS funds, to H564 Blue Fields USA, L.L.C., FARMS project fund;**
4. **Authorize the Executive Director to sign the agreement.**

Motion carried unanimously. (CD 1/Track 2)

ADD-ON b. **Fiscal Year 2009 Final Budget Adjustment for Ratification**

Assistant Finance Director Linda Pilcher provided information to substantiate a directive from the Governor's Office, which required all water management districts' funds proposed for salary increases be redirected to expedite projects, particularly capital projects, as a proactive strategy to promote economic stimulus for Florida. Ms. Pilcher informed the Board that the District's Governing Board had approved the redirection of budgeted dollars at its September 30, 2008, meeting; a total of \$1.355 million for the District. Provided as an exhibit in the information notebook for this meeting were a list of projects within this Basin to which the redirected, budgeted funds were allocated by the Governing Board for the Basin Board's ratification and a copy of Governor Crist's letter.

Ms. Pilcher's brief report included a breakdown of projects and funding changes with regard to this Basin. She emphasized that the reallocation of funds would not affect the Basin's bottom line budget figure, which the Board approved in August.

Comments from the Board on this topic included the following:

- Board Member Jim Hageman stated his belief that other actions could be taken instead of taking employees' merit increases that impact both morale and productivity. He asked if a counter offer would be appropriate in order to save an equal amount in a different way.
- Co-Chair Senft stated that District employees were informed of the Governor's directive and, while they were disappointed, displayed a good spirit.
- Board Member Pat Crisman stated it seems the Board has no option other than ratifying the adjusted budget.
- Board Member Rufus Lazzell agreed with Mr. Hageman, stating he disliked not recognizing good employees who deserve a merit increase and, further, does not fundamentally agree with the directive, with all due respect to the Governor.
- Co-Chair Senft stated he would share Board members' comments with the Governing Board at the October 28 session, to express the Board's concerns publicly and send a message to employees, "on the record," that this Board appreciates what they do and would like to find some way to make it up to them in the future, if at all possible.

- Board Member Fred Trippensee added that raises for much of the private sector have not been given in the last several years—and people are losing their jobs. The fact that the District is not laying people off is good. He went on to say that District staff is excellent and deserves merit increases.

For the record, Ms. Pilcher read the staff recommendation, which follows:

To ratify the Governing Board's action to redirect \$25,529 of budgeted dollars that had been allocated for proposed merit increases to the Regional Reclaimed Water Partnership Project for \$21,640 and to the Save Our Rivers Deep Creek project for \$3,889.

After consideration, **Ms. Crisman moved, seconded by Mr. Lazzell, to approve the staff recommendation. Motion carried with Mr. Hageman voting nay.** (CD 1/ Track 3)

7. **Report:**

a. **Governing Board Activities**

Co-Chair Senft gave highlights of the September 30 Governing Board meeting, which included the swearing in ceremony for the Board's thirteenth member, Doug Tharp of Sumter County. (CD 1/Track 4)

8. **Announcements**

Ms. Kavouras reviewed announcements listed on the agenda. (CD 1/Track 4)

9. **Adjournment**

Co-Chair Senft thanked everyone for attending and adjourned the meeting at 10:14 a.m. (CD 1/ Track 4)

******Information Items******

The items listed below were for the Board's information, intended to keep the Board apprised of completed projects, cancelled projects, and projects that have executed contracts and are ready to begin. The items did not require Board action.

1. Lake Gwyn Surface Water Restoration and Flood Protection (L918) - Execution Notice
2. Peace Creek Canal Watershed Management Program (H034) - Execution Notice
3. Peace Creek Canal Watershed Management Program - Maintenance (H034) - Execution Notice
4. Water's Journey Interactive Exhibit (L693) at the Glazer Children's Museum of Tampa SWFWMD Agreement No. 08CC0000092 – Execution Notice
5. Watershed Management Program Consulting Services in Highlands County – First Amendment (M106) - Execution Notice
6. Consulting Services in the Upper Josephine/Jackson Creek Watershed, Phase II – First Amendment (B198)
7. Budget Transfer Report

Approved

Minutes of the Planning Workshop

PEACE RIVER BASIN BOARD

Southwest Florida Water Management District

Bartow, Florida

October 3, 2008

The Peace River Basin Board of the Southwest Florida Water Management District convened for its annual planning workshop at 10:15 a.m., immediately following the regular meeting, on Friday, October 3, 2008, in the Bartow Service Office.

Board Members Present

H. Paul Senft, Jr., Co-Chair Ex Officio
J. "Ken" Harrison, Vice Chair
Rufus C. Lazzell, Secretary
Patricia Crisman, Member
James L. Hageman, Member
Fred W. Trippensee, III, Member

Board Member Absent

C. A. "Neil" Combee, Jr. , Co-Chair Ex Officio
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Staff Present

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Recording Secretary

Phyllis Young

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1. **Call to Order and Roll Call**

Co-Chair Senft called the meeting to order at 10:15 a.m. (CD 1/Track 5)

2. **Introduction/Workshop Purpose**

Deputy Executive Director Lou Kavouras welcomed members to their annual planning workshop and explained the emphasis of the workshop would be on future trends and priorities. Ms. Kavouras stated the intended outcome of the workshop is an understanding of how all parts of the District align with the District's strategic priorities and how the Basin Board contributes to achieving these objectives through cooperative and other funding mechanisms.

Members were provided a brochure of the Basin's FY2008 accomplishments; therefore, an extensive discussion of accomplishments was not part of the workshop agenda. The other seven Basin Boards were provided similar brochures, specific to each Board. (CD 1/Track 5)

3. **White Card Exercise**

After introductions, Peace River Basin Planner Chancey Springstead explained an interactive "white card" exercise, which would be integral to arriving with a list of the Basin's priorities for fiscal year (FY) 2010. Mr. Springstead asked Board members to write, on the white card provided, the three priorities they felt should be considered in determining how cooperative projects would be ranked and the Basin's budget dollars spent. The responses would be compiled and used later in the workshop to come to a consensus on the Basin's priorities. (CD 1/Tracks 6-7)

4. **Governing Board Strategic Priorities**

Planning Director Roy Mazur presented a brief update of the District's Strategic Plan, which includes a refinement of the District's strategic priorities and focuses on performance measures that demonstrate progress in achieving the priorities. The update also addressed how the Strategic Plan and the Basin's priorities are linked. (CD 1/Track 8)

5. **Basin Board Outlook and Priorities**

a. **Basin Trends Analysis**

Mr. Springstead emphasized that this is the Board members' workshop and their comments are welcome at any time. He also stressed the importance of the Basin Board's link to local communities and its part in implementing the District's mission.

Mr. Springstead used graphs and pie charts to show the Basin's funding trends by area of responsibility and strategic budget priorities. Included in the presentation were challenges the Basin faces: limited alternative sources, economic challenges, and development pressures.

At this point, the Board took a brief break. (CD 1/Tracks 9-10)

b. **Discussion of Basin Priorities and Funding Strategies**

Brian Armstrong, Water Supply and Resource Development Manager, provided an update on the continuing financial commitments of the Basin Board and challenges to meet the resource management needs of the District and the Basin. He used graphs to show projected water needs and funding sources for the District's planning areas, including Northern Tampa Bay, the Southern Water Use Caution Area (SWUCA), the Peace River/Manasota Regional Water Supply Authority, Polk County Water Supply Development, and the Upper Peace River Restoration. The graphs depicted estimated cost of projects, cost share allocation, the Peace River Basin's estimated project costs, and potential Water Supply and Resource Development funding versus estimated project costs. Mr. Armstrong commented on the basis for the projections used in his presentation and shared several conclusions regarding the Basin's budgetary challenges.

- Financial capabilities of Peace River Basin Board will be looked at in greater detail.
 - Determine the most appropriate approach to meet financial demands to support identified major water supply and resource development projects.
 - It appears the Basin does not have the financial capacity to meet demands going forward.
- Success in obtaining State and Federal grants for projects could significantly lower cost contributions.
- Projected funding plan elements need to be reviewed and updated annually.
(CD 1/Track 11)

As a continuation of Agenda Item 3, the White Card Exercise, staff had compiled Board members' suggested priorities on posters that were placed on the meeting room wall. Each Board member had been provided five red dots that Mr. Springstead instructed them to place beside the suggested priorities they felt most important to the Basin. The five dots could be placed by five separate items or any combination of five.

After the dots were in place, the meeting adjourned for lunch.

When the meeting reconvened, Board members and Mr. Springstead participated in thorough discussion of the items listed on the posters until the Board came to agreement on

a list of strategic budget priorities, which would be a guide for FY2010 cooperative project cycle and other budget considerations. Staff would review and check spelling, grammar,

etc., and provide the revised priorities to the Board and cooperators prior to the December 2008 deadline for submittal of cooperative funding applications. The updated priorities will be included in each Basin Board meeting notebook. (CD 1/Track 12)

6. Open Discussion

- Vice Chair Harrison made several points: The amount of money the Basin has to utilize is small and changes continually due to the tax base and other changes. The Board must agree on the best use of the Basin's dollars and may not be able to do as much as in the past, but must use funds available cautiously and expeditiously. Not being in debt is a wonderful feeling of confidence, and the Board must be careful not to do something foolish (take on debt). The Board may need to look at the budget ahead of cooperative funding and look for other sources of funding.
- Board Member Hageman added that staff has tough decisions to make regarding how many dollars will go to planning projects and how much will go to executing projects. Does the Board want to spread dollars on many projects that would slow them down or put more dollars into the most important projects so they will be completed faster? Oversight of projects once they have begun is another consideration; too many times cooperators come back to the Board requesting additional funding.
- Co-Chair Senft stated that the State's general revenue would be down again (this year), as would sales tax and fuel tax. If ad valorem values are adjusted according to the market, everyone's ad valorem base will be down next year. Not just the Basin's base, but the cities' base, the counties' base, and the Districts' base. He said we will need to seriously prioritize and "live within our means." We are fortunate not to have the burden of debt. This year will be a "reality check."
- Board Member Pat Crisman iterated that the Board's main priority is not to "slide" backwards—to do all the Board can to maintain things that, at least, keep the Basin and District where they are as far as water quality and all their responsibilities, and then do projects the Basin can to go forward.
- Co-Chair thanked the Board for their comments, especially about this District not carrying debt. He added that the Governing Board needs to hear from every Basin Board that they concur that the District should not take that route and that staff will ask that of other Basins, because that message needs to go to the Governing Board.
(CD 1/Track 13)

7. Adjournment

- Mr. Springstead thanked the Board for their attendance and comments and asked for their feedback regarding the workshop.
- Ms. Kavouras interjected that, from the Board's comments, it is evident the Board understands its budgetary situation and the issues the Basin faces.
- Mr. Springstead also thanked staff for attending, for being available to answer questions and provide input.

Co-Chair Senft thanked everyone for attending and adjourned the workshop at 1:30 p.m.
(CD 1/Track 13)