

APPROVED

MINUTES OF THE MEETING

Governing Board Southwest Florida Water Management District

Brooksville, Florida

February 27, 2007

The Governing Board of the Southwest Florida Water Management District (SWFWMD) met at 9:00 a.m. on February 27, 2007, at Brooksville Headquarters. The following persons were present:

Board Members Present

Talmadge G. Rice, Chair
Judith C. Whitehead, Vice Chair
Neil Combee, Secretary
Jennifer E. Closshey, Treasurer
Thomas G. Dabney, Member
Heidi B. McCree, Member
Sallie Parks, Member
Todd Pressman, Member
Maritza Rovira-Forino, Member

Staff Members Present

David L. Moore, Executive Director
William S. Bilenky, General Counsel
Lou Kavouras, Deputy Executive Director
Richard S. Owen, Deputy Executive Director
Eugene A. Schiller, Deputy Executive Director
Bruce C. Wirth, Deputy Executive Director

Recording Secretary

Annette D. Zielinski, Senior Admin. Assistant

Board Members Absent

Patsy C. Symons, Member

A list of others present who signed the attendance roster is filed in the permanent files of the District. Approved minutes from previous meetings can be found on the District's Web site (www.WaterMatters.org).

Public Hearing

1. Call to Order

Chair Rice called the meeting to order and opened the public hearing. Mr. Combee noted a quorum was present.

2. Pledge of Allegiance and Moment of Silence

Chair Rice led the Pledge of Allegiance to the Flag of the United States of America and asked that a moment of silence be observed. (CD 1/Track 1 – 00:00/01:55)

3. Additions/Deletions to Agenda

According to Section 120.525(2), Florida Statutes, additions to the published agenda will only be made for "good cause" as determined by the "person designated to preside." Mr. Moore said there would not be a closed attorney-client session held during the lunch break. Mr. Moore announced the following additions and deletions to the agenda:

Regulation Committee

The following Consent Item was deleted from consideration:

29. WUP No. 20013005.000 - F S N- - Sumter Water Conservation Authority, LLC, The Villages Water Conservation Authority, LLC, North Sumter Utility Company, LLC, Village Center Community Development District and Central Sumter Utility Company, LLC. – Sumter County

Resource Management & Development Committee

The following Discussion Item was deleted from consideration:

44. Florida Department Environmental Protection – Peace River Basin Resource Management Plan

General Counsel's Report

The following Consent Items were deleted from consideration:

70. Settlement Agreement – MSW No. 45010942.001 - SWFWMD v. David K. Smith - Circuit Court Case No. 04-1907-CA - Charlotte County
72. Initiation of Litigation – Surface Water Activity - Cattlemen Commerce Center, LLC – Sarasota County

4. Employee Recognition

Mr. Moore said the District's employees are its most valuable resource. He made presentations to the Board for the employees who had achieved milestones of 20 years or greater to specially acknowledge and commend the contributions of these individuals. Ms. Gwen Brown, Administrative Supervisor, Resource Management; Mr. Eric DeHaven, Resource Conservation and Data Director, Resource Conservation and Data; Mr. Michael Hancock, Senior Professional Engineer, Resource Conservation and Data; and Ms. Lenora L. Williams, Computer Operation Supervisor, Information Resources, all celebrated 20 years of service. Mr. Richard Owen, Deputy Executive Director of Resource Regulation Division; Ms. Judy Carter, Human Resource Systems Analyst, Human Resources; and Mr. Randy Till, Senior Field Technician, Tampa Regulation, marked their 25-year milestones. The Governing Board sent their warm wishes to all these employees and congratulated them on their accomplishments. (CD 1/Track 1 – 01:55/17:17)

Mr. Hugh Gramling, Chairman, Agricultural Advisory Committee, presented Mr. Richard Owen with a resolution of appreciation commending him for his dedication and service to the Committee. (CD 1/Track 2 – 00:00/03:12)

Chair Rice welcomed Ms. Pat Glass, former Manatee County Commissioner, to today's meeting. Ms. Glass said Manatee County wants to express its deep gratitude to the Governing Board and District staff for the MARS project. Mr. Moore said this project also received federal money, about \$36 million, which was pursued by Ms. Glass. (CD 1/Track 3 – 00:00/04:46)

5. Approval of Minutes – January 30, 2007 Governing Board Meeting

Staff recommended approval of the minutes as presented. Following consideration, **Mr. Combee moved, seconded by Ms. McCree, to approve the minutes as presented. Motion carried unanimously.** (CD 1/Track 4 – 00:00/00:17)

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

No one came forward to address the Board. (CD 1/Track 5 – 00:00/00:18)

Chair Rice relinquished the gavel to Regulation Committee Chair Pressman.

Regulation Committee

Consent Items

Item 29 was removed from consideration and Item 27 was pulled for discussion.

7. ERP No. 43005309.002 - Tampa Groves Borrow Pit North – Hillsborough County
8. ERP No. 43018888.013 - Covington Park – Phase 6 (a.k.a. Waterset Phase 1) - Hillsborough County
9. ERP No. 43028129.003 - Triple Creek – Phase 1 – Hillsborough County
10. ERP No. 43028154.001 - Landings Multi-Use Docks and Dredge – Hillsborough County
11. ERP No. 43030288.000 - Tillett 2 Borrow Pit – Hillsborough County
12. ERP No. 43017706.009 - Waterlefe Golf and River Club Dredge and Fill – Manatee County
13. ERP No. 43001223.002 - Trinity Corporate Center – Pasco County
14. ERP No. 43019100.001 - SR 54 and Livingston Development – Pasco County

- 15. ERP No. 43020102.028 - Seven Oaks – Parcel S2 – Pasco County
- 16. ERP No. 43029993.000 - Pasco County-Chancey Parkway – Pasco County
- 17. ERP No. 43015228.002 - Catalina Grand – Pinellas County
- 18. ERP No. 43028277.002 - TerraLargo Phase 2, Shoreline Enhancement at Meadowview Lake – Polk County
- 19. ERP No. 43029918.000 - May Manor MHP – Canal Berm – Polk County
- 20. ERP No. 49031555.000 - Johnson Avenue Subdivision – Polk County
- 21. ERP No. 43029788.000 - Magnolia Springs – Sarasota County
- 22. WUP No. 20006872.008 - W F I S D+ - Bob Paul, Inc. (Doehill Citrus) – DeSoto County
- 23. TWUP No. 20010420.005 - W S ~ - Extension of Temporary Permit for Peace River/Manasota Regional Water Supply Authority – DeSoto County
- 24. WUP No. 20000659.010 - W F I D- - Farmland Reserve, Inc. – Hillsborough County
- 25. WUP No. 20007591.004 - W F I S- - Corporation of the Presiding Bishop of the Church Of Jesus Christ of Latter-Day Saints – Hillsborough County
- 26. WUP No. 20004309.007 - W F I U S D+ - CC Manatee Development, LLC / Ryland Homes – Manatee County
- 27. WUP No. 20007470.006 - W F R - - Manatee County Board of County Commissioners – Manatee County
- 28. WUP No. 20002980.009 - W F D- - City of Dunedin – Pinellas County
- ~~29. WUP No. 20013005.000 - F S N - Sumter Water Conservation Authority, LLC, The Villages Water Conservation Authority, LLC, North Sumter Utility Company, LLC, Village Center Community Development District and Central Sumter Utility Company, LLC. – Sumter County~~

WATER USE PERMIT LEGEND	
W = Water Use Caution Area F = Floridan Aquifer I = Intermediate Aquifer S = Surface Withdrawal U = Surficial Aquifer	N = 100% new quantities + = More than 50% new quantities N- = 50% or less new quantities D+ = More than 50% decrease D- = 50% or less decrease ~ = no change
R = 100% relocated quantities R+ = More than 50% relocated quantities R- = 50% or less relocated quantities	

Following consideration, **Ms. Parks moved, seconded by Mr. Combee, to approve Regulation Consent Items 7 through 26 and 28. Motion carried unanimously.** (CD 1/Track 6 – 00:00/00:22)

Discussion Items

Item 27 was moved from Consent Items for consideration under Discussion Items.

- 27. **WUP No. 20007470.006 – W F R - – Manatee County Board of County Commissioners – Manatee County**
 Mr. Dabney was provided clarification that this permit modification provided groundwater only when other sources were exhausted. Staff recommended approval of this permit modification. Following consideration, **Mr. Dabney moved, seconded by Ms. McCree, to approve Item 27. Motion carried unanimously.** (CD 1/Track 7 – 00:00/01:53)

- 30. **Factors Influencing Per Capita Water Use**
 Mr. Owen said, at the January Governing Board, information was presented during the Northern District Strategies presentation showing the differences in per capita water use rates across the District. As a follow-up to the ensuing discussion and previous per capita

discussions, staff presented additional information on this subject, including the results of an in-depth statistical analysis of utility gross per capita daily (gpcd) water demand across the District and the factors that have the greatest impact on gross per capita water use. The District has used a 150 gpcd use standard in Water Use Caution Areas (WUCAs) to assist in managing public supply water use since the early 1990s. In addition, utilities in the WUCAs with permitted quantities greater than or equal to 100,000 gallons per day were required to report their per capita water use annually. The intent was to revise this per capita rate over time as we learned more from reported per capita rates. It became clear over time that there is significant variability in per capita water use both among utilities and over time for any given utility.

Part of the variability in per capita water use rates is due to inconsistency in the estimation methodologies used to calculate the population served by the utility. Recent Southern WUCA rule revisions address this issue by requiring that a standardized methodology be used to calculate and report service area population served to be used in the per capita calculation. It was envisioned that following Southern WUCA, we would look toward extending these revisions District-wide. However, there are other factors that cause variance in per capita water use, not all of which are under the direct control of the utility.

Since the inception of the WUCAs, it has often been asked if there is a need for, and the ability to implement, regional or other customized per capita standards other than the existing 150 gpcd standard. The implementation of per capita water use standards and related requirements in the remaining portions of the District has been discussed for some time as has been the appropriateness of the 150 gpcd standard. To assist our decision making process, the District engaged the services of Hazen and Sawyer to conduct a statistical analysis of variance in per capita water use. This research sheds light on the relative importance of the many factors that impact per capita water use.

Mr. Owen introduced Dr. Grace Johns, Hazen and Sawyer, P.C., who presented the study goal, overall methodology, utility selection and study results. Based on data collected for 45 utilities from 1998 to 2002 the values for gpcd ranged from 49 to 657 gallons per person per day with an average of 157 gallons per person per day. The eight most important determinants of gross per capita use, in descending order of importance were found to be:

- The single-family residential water and sewer bill (less fixed charges) at 12,000 gallons per month. The higher the bill, the lower the gross per capita water use.
- The median lot size for single-family residential and mobile homes times the calculated net irrigation requirement (the sum of daily evapotranspiration minus effective rainfall minus soil moisture balance for the utility and year in question). The larger the median lot size, the larger the gross per capita water use.
- The proportion of the dwelling units served by the utility that is single-family. The higher the proportion, the greater the gross per capita water use.
- The percentage of gross utility water use that is residential. The higher the percentage water use that is residential, the lower the gross per capita water use.
- The average household income in the service area in 2000. The higher the average household income, the higher the gross per capita water use.
- The ratio of shallow irrigation wells in the service area to dwelling units served by the utility. The higher the ratio of wells to dwelling units, the lower the gross per capita water use.
- The proportion of utility customers with access to reclaimed water. The higher the proportion, the lower the gross per capita water use.
- The median age of housing units in the service area in 2005. The higher the median age, the lower the gross per capita water use.

Board members engaged in lengthy discussion with Dr. Johns and staff regarding this analysis and future analyses. Mr. Owen said staff will review the results of this analysis with a work group to be established for this effort and the Public Supply Advisory Committee as we seek input on this rule making. Staff will return to the Board with the results of this input process and with recommendations on expanding the per capita requirements in the May or June 2007 timeframe. (CD 1/Track 7 – 01:53/52:53)

At this time, Regulation Committee Chair Pressman heard public comment on this item.

Mr. John Zimmerman, Manatee County Utilities, encouraged the Board and staff to consider how statistical data can be skewed and to remove significant industrial users and level the playing field when making comparisons.

This item was presented for the Committee's information, and no action was required. (CD 1/Track 7 – 52:53/65:11)

31. **Water Use Permit Modifications – Duration for Significant Modifications**

Mr. Ken Weber, P.G., Water Use Program Director, said at the May and July 2006 Committee meetings, discussions were held concerning extending permit durations for water use permit modifications where a review equal to a renewal occurs. Permits that are modified during their permit term retain the existing expiration date. This is because the majority of modifications involve only portions of the permitted activity hence the entire permitted activity is not re-evaluated. However, in some cases the modification is of such magnitude that it essentially results in a total re-evaluation of the permitted activity. When these types of modifications are limited to the existing permit term, they result in the staff and applicant performing another total re-evaluation within only a few years time. In these cases, it would be more efficient for both the District and the applicant to handle the modification as a full renewal, thereby giving the permit a full permit term. A renewal permit fee would be assessed rather than a modification fee, and such a renewal would be predicated upon a request by the applicant.

Staff recommended authorization to publish the rule amendments in the Florida Administrative Weekly. Absent any challenges, the rules will subsequently be filed with the Secretary of State and will become effective approximately May 1, 2007. Following consideration, **Mr. Rice moved, seconded by Ms. McCree, to approve the staff recommendation. Motion carried unanimously.** (CD 1/Track 8 – 00:00/03:43)

Submit & File Reports – None

Routine Reports

The following items were submitted for the Committee's information, and no action was required.

32. **Demand Management Activities**

33. **Overpumpage Activities**

34. **Southern Water Use Caution Area Quantities**

Ms. McCree was provided clarification regarding a slight increase in the hydrographs for this report. Mr. Owen said this was associated with new groundwater quantities in the Southern Water Use Caution Area that were not constrained by the minimum flows and levels or they used one of net benefit or groundwater replacement methods to obtain water. (CD 1/Track 9 – 00:00/00:52)

35. **Major Water Supply Summary**

Mr. Dabney led a discussion regarding Regulation Committee Consent Items. He noted that he is involved in numerous partnerships and assumes his fellow Board members are as well. Mr. Dabney said he is concerned that, when he is voting on the consent items, he may not be aware of who could be involved with an applicant just by looking at a list of projects. In

response to Mr. Dabney's request for a legal opinion, Mr. Bilenky said that the burden is on the Board member to disclose only if he or she knows about an existing conflict. (CD 1/Track 9 – 00:52/05:45)

Mr. Moore addressed the Board regarding an article which was not factual and very misleading about the Tampa Bay Water surface water treatment plant. He reassured the Board that the District watches these facilities very closely and the particular plant the article was written about has been a workhorse for the community. (CD 1/Track 9 – 05:45/09:56)

Regulation Committee Chair Pressman relinquished the gavel to Resource Management and Development Committee Chair Combee.

Resource Management and Development Committee

Consent Items

36. **Aquatic Habitat Enhancement on Lake Seminole** *(Approved by the Pinellas-Anclote River Basin Board on February 7, 2007)*
Staff recommended authorization to enter into an agreement with Pinellas County for the removal of nuisance vegetation with the District's share not to exceed \$60,000; and authorize the Executive Director to execute the agreement.
37. **Pinellas County – Brooker Creek Watershed Management Program** *(Approved by the Pinellas-Anclote River Basin Board on February 7, 2007)*
Staff recommended approval of the amendments with Pinellas County and with URS Southern Corporation to expand the scope of work to include the additional watersheds, modify the budget to account for the additional watersheds, and to extend the contract termination date; and authorize the Executive Director to sign the Amendments.
38. **Starkey Basin Watershed Evaluation** *(Approved by the Pinellas-Anclote River Basin Board on February 7, 2007)*
Staff recommended entering into an agreement with Pinellas County for the Starkey Basin Watershed project as a multi-year funded project with a modified scope to include the Digital Topographic Information, Watershed Evaluation, and Watershed Management Plan, contingent upon the Pinellas-Anclote River Basin Board's inclusion and approval of the funds in its FY2008 budget; and authorize the Executive Director to execute the agreement.
39. **Approval of Amendment to the Construction Agreement with Subaqueous Services, Inc. for the Lake Panasoffkee Restoration Project** *(Approved by the Withlacoochee River Basin Board on February 23, 2007)*
Staff recommended amending the agreement with Subaqueous Services, Inc. to increase the contract amount by \$20,763 to compensate the contractor for fuel surcharge costs imposed by Sumter Electric Cooperative through April 30, 2006.
40. **Facilitating Agricultural Resource Management Systems – Holmberg Farms, Inc.** *(Approved by the Alafia River Basin Board on February 8, 2007)*
Staff recommended to (1) approve the Holmberg Farms, Inc. FARMS Project for a not-to-exceed project reimbursement of \$294,586, with \$50,000 provided by the Alafia River Basin Board budgeted FARMS funds, \$23,647 provided by the Alafia River Basin's Water Supply and Resource Development Reserves, \$73,647 provided by the Governing Board, and \$147,293 provided from 2005 State Appropriations; (2) authorize the transfer of \$150,000 from the Alafia River Basin Board's 011 H017 fund (FARMS Program), \$23,647 from the Alafia River Basin Board's 011 H100 fund (Water Supply and Resource Development Reserves), and \$120,940 from the Governing Board's 010 H017 fund

(FARMS Program) to H515 Holmberg Farms, Inc. project fund; and (3) authorize the Executive Director to execute the agreement.

41. **Facilitating Agricultural Resource Management Systems – Adrian R. Chapman**
(Approved by the Peace River Basin Board on February 16, 2007)

Staff recommended to (1) approve the Adrian R. Chapman FARMS Project for a not-to-exceed project reimbursement of \$84,664, with \$21,166 provided by the Peace River Basin, \$21,166 provided by the Governing Board, and \$42,332 provided from State Appropriations; (2) authorize the transfer of \$21,166 from the Peace River Basin Board's 020 H017 fund (FARMS Program); \$21,166 from the Governing Board's 010 H017 fund (FARMS Program); and \$42,332 from the 2003, 2005 and 2006 State Appropriations allocated to the Peace River Basin Board's 020 H017 fund (State Appropriations) to H507 Adrian R. Chapman FARMS project fund; and (3) authorize the Executive Director to execute the agreement.

42. **Facilitating Agricultural Resource Management Systems – LallyMix Farms, LLP**
(Approved by the Peace River Basin Board on February 16, 2007)

Staff recommended to (1) approve the LallyMix Farms FARMS Project for a not-to-exceed project reimbursement of \$150,000, with \$37,500 provided by the Peace River Basin Board, \$37,500 provided by the Governing Board, and \$75,000 provided from State Appropriations; (2) authorize the transfer of \$37,500 from the Peace River Basin Board's 020 H017 fund (FARMS Program), \$37,500 from the Governing Board's 010 H017 fund (FARMS Program), and \$75,000 from the 2006 and 2007 State Appropriations allocated to the Peace River Basin Board's 020 H017 fund (State Appropriations) to H509 LallyMix Farms LLP FARMS project fund; and (3) authorize the Executive Director to execute the agreement.

43. **Facilitating Agricultural Resource Management Systems – Agreement with Florida Department of Agriculture and Consumer Services to Implement Best Management Practices for Row Crops**

Staff recommended to (1) approve the project with IFAS for the Implementation of Row Crop BMPs for \$50,000 per year for two years, and \$55,000 for the final year (total project cost \$155,000 over three years); and (2) authorize the transfer of \$50,000 for fiscal year 2007 from H017, the FARMS Program, to H510 IFAS – Implementation of Row Crop BMPs.

Following consideration, **Ms. McCree moved, seconded by Ms. Rovira-Forino, to approve the Consent Items 36 through 43. Motion carried unanimously.** (CD 1/Track 10 – 00:00/01:57)

Discussion Items

44. **Florida Department Environmental Protection – Peace River Basin Resource Management Plan** - This item was deleted from consideration.

45. **Tampa Bay Regional Reclaimed Water Project Update**

Mr. Gregg W. Jones, P.G., Director, Resource Conservation and Development Department, said the purpose of this presentation was to provide the Resource Management and Development Committee with an update on project components, project costs and schedule for the Tampa Bay Regional Reclaimed Water Project. The project name has changed, deleting the reference to Downstream Augmentation, as a result of Tampa Bay Water pursuing their elements of the project under the System Configuration II Project.

In October, the Tampa Bay Water Board voted to move forward with expansion of its enhanced surface water system without the augmentation component. Permitting

uncertainties and recently completed minimum flows and levels work on the lower Hillsborough River and the Tampa Bypass Canal, by the District, were the reasons behind this decision. As a result, the reuse project is currently undergoing a significant reconfiguration due to the elimination of the downstream augmentation component (Tampa Bay Water) and the component to augment the lower Hillsborough River to meet the minimum flow (City of Tampa).

Funds associated with the downstream augmentation elements of the project will be recommended to be transferred to the Tampa Bay Water's System Configuration II surface water project. This is because several elements of the Configuration II project (surface water treatment plant expansion, pumping expansions, and intake structures) were elements of the downstream augmentation component of the original TBRRAP.

This item was for the Committee's information, and no action was required. (CD 1/Track 11 – 00:00/06:07)

46. **Approval of Agreement, Resolution 07-04 and Transfer of Funds for Tampa Bay Water's System Configuration II Project** *(Approved by the Alafia River, Hillsborough River, Northwest Hillsborough, Coastal Rivers, Pinellas-Anclote River and Withlacoochee River Basin Boards at their February Meetings)*

Mr. Gregg W. Jones, P.G., Director, Resource Conservation and Development Department, said staff is seeking approval of an agreement with Tampa Bay Water to cooperatively fund the development of the System Configuration II Project, authorize the transfer of \$7,252,494 in Governing Board funds and the transfer of \$6,000,000 of Community Budget Issue Request funds to the System Configuration II Project budget, and approve Resolution No. 07-04 which authorizes the reallocation of \$15,506,854 from the Water Protection and Sustainability Program Trust Fund to the System Configuration II Project. These funds were previously allocated for the Tampa Bay Regional Reclaimed Water and Downstream Augmentation Project (TBRRAP) and the Northwest Hillsborough and South Central Hillsborough Interconnect Projects.

Tampa Bay Water has determined that the permitted capacity of their regional potable water supply system will be exceeded in 2011. In order to meet demand beyond 2011, Tampa Bay Water has decided to move forward with the System Configuration II project. The downstream augmentation component was eliminated from the project as a result of permitting difficulties and results from the District's MFL work on the lower Hillsborough River and Tampa Bypass Canal. However, many of the elements that would have been necessary for downstream augmentation, such as expansion of the surface water treatment plant and Tampa Bypass Canal intakes, will also be necessary for the System Configuration II project.

The System Configuration II project will develop additional capacity in Tampa Bay Water's Enhanced Surface Water System to withdraw and treat water during periods of higher flow from the Hillsborough River and Tampa Bypass Canal. As part of the project, a number of Tampa Bay Water's regional system components will need to be expanded including the surface water treatment plant and the Tampa Bypass Canal Pump Station.

It is estimated that the total cost of constructing the System Configuration II Project is \$235,122,500. Of this amount, \$232,000,000 has been determined to be eligible for reimbursement through the District's Cooperative Funding Program. Tampa Bay Water has requested the District fund 50 percent or up to \$116,000,000 of total eligible project costs. The District's and Tampa Bay Water's share of the project will be reduced to \$105,246,573 each as a result of \$21,506,854 in state funding that has been secured (\$15,506,854 from Water Protection and Sustainability Program trust funds and \$6,000,000 from the Community Budget Issue Request). Of the total state funding, \$7,753,427 from the Water Protection and Sustainability Program Trust Fund and

\$6,000,000 from the Community Budget Issue Request that has been included in the Governing Board's General Fund budget, will be applied to the project. As required by the Florida Department of Environmental Protection, Board Resolution 07-04, authorizing the reallocation of \$15,506,854 from the Water Protection and Sustainability Trust Fund to the System Configuration II project budget, was presented for the Governing Board's approval.

Staff recommended to:

- (1) Approve the agreement with Tampa Bay Water to construct the System Configuration II Project for a total amount of \$232,000,000, with the District's share not to exceed \$116,000,000, with the Alafia River Basin's share \$5,262,329, the Hillsborough River Basin's share \$13,155,822, the Northwest Hillsborough Basin's share \$6,841,027, the Coastal Rivers Basin's share \$4,209,863, the Pinellas-Anclote River Basin's share \$22,628,013, the Withlacoochee River Basin's share \$526,232, and the Governing Board's share not to exceed \$52,623,287 after adjustment for the District's share (\$10,753,427) in state funding;
- (2) Approve the transfer of \$6,268,207 of Governing Board funds previously budgeted for the Tampa Bay Regional Reclaimed Water and Downstream Augmentation Project to the System Configuration II Project;
- (3) Approve the transfer of \$160,650 of Governing Board funds previously budgeted for the Northwest Hillsborough Interconnect Project to the System Configuration II Project;
- (4) Approve the transfer of \$823,637 of Governing Board funds previously budgeted for the South Central Hillsborough Interconnect Project to the System Configuration II Project;
- (5) Approve the transfer of \$6,000,000 of Community Budget Issue Request funds previously budgeted for the Tampa Bay Regional Reclaimed Water and Downstream Augmentation Project to the System Configuration II Project;
- (6) Approve Resolution 07-04 which authorizes the reallocation of \$15,506,854 from the Water Protection and Sustainability Program Trust Fund that was previously budgeted for the Tampa Bay Regional Reclaimed Water and Downstream Augmentation Project for FY2007 and the South Central Hillsborough Project for 2006 to the System Configuration II Project; and
- (7) Authorize the Executive Director to execute the agreement.

Following consideration, **Ms. Parks moved, seconded by Ms. Rovira-Forino, to approve the staff recommendation. Motion carried unanimously.** (CD 1/Track 12 – 00:00/19:46)

Submit & File Report

47. **Report on Developments with a Public Review and Comment Period for the Watershed Management Program and the Federal Emergency Management Agency Map Modernization Program**

Mr. Wirth said it is anticipated as the new Federal Emergency Management Agency (FEMA) maps are implemented there will be increased public comment. He said the District has partnered and shares the responsibility for the maps. The District is going to slow down the process and send out notices describing a 90-day input period. Chair Rice led a lengthy discussion about FEMA's responsibilities regarding the final maps. Mr. Moore said the final maps will continue to be adopted by FEMA, and the District's role is as a technical partner in the process. (CD 1/Track 13 – 00:00/30:17)

Routine Reports

The following items were submitted for the Committee's information, and no action was required.

48. **Significant Water Supply and Resource Development Projects**

49. **Florida Forever Status Report**

50. **Land Resources Department Significant Activities**
51. **Minimum Flows and Levels Status Report**
52. **Hydrologic Conditions Status Report**
53. **Structure Operations Status Report**

Committee Chair Combee relinquished the gavel to Finance and Administration Committee Chair Closshey.

Finance and Administration Committee

Consent Items

54. **Board Travel**
District policy states that in accordance with Chapters 112 and 373, Florida Statutes, travel expenses may be incurred for official District business or for a public purpose beneficial to the District. Travel to any conference or convention requires prior approval. Staff recommended approval of Governing Board travel.
55. **Budget Transfer Report**
Staff recommended approval of the Budget Transfer Report covering all budget transfers for January 2007.
56. **Second Amendment of the FY2007 Annual Service Budget**
Staff recommended approval of Resolution No. 07-03, Second Amendment of the Fiscal Year 2007 Annual Service Budget, to increase the District's total budget by \$146,000 from \$384,381,574 to \$384,527,574.
57. **Inspector General's Update – Six-Month Progress Report: Purchasing Card Audit**
Staff recommended acceptance of the Inspector General's Update – Six Month Progress Report: Purchasing Card Audit.

Following consideration, **Ms. Parks moved, seconded by Ms. McCree, to approve the Consent Items 54 through 57. Motion carried unanimously.** (CD 1/Track 14 – 00:00/00:38)

Discussion Item

58. **Long-Range Water Supply & Water Resource Development Funding Plan Update**
Committee Chair Closshey reviewed the thought process that lead to the renaming and reconfiguration of this plan. Committee Chair also thanked staff who worked diligently on this project.

Staff recommended acceptance to integrate the *Long-Range Water Supply and Water Resource Development Funding Plan* with the annual budget development process to ensure there are adequate resources to fund priority projects. Following consideration, **Mr. Combee moved, seconded by Ms. Rovira-Forino, to approve the staff recommendation. Motion carried unanimously.** (CD 1/Track 14 – 00:38/06:22)

Mr. Dabney led a discussion regarding the funding of regional water utilities versus individual utilities. He said the District has seen great success with this regionalization approach, but he is troubled by what he is seeing with the Peace River/Manasota Regional Water Supply Authority. Mr. Dabney said there have been reports that Sarasota County wants to go alone and develop the Cow Pen Slough Water Supply Project. Board members discussed the subject at length, and Ms. Rovira-Forino suggested that the Board reaffirm its policy regarding regional water supply funding. Mr. Bilenky said he did not see the need for a formal vote. He said he felt today's discussion gave Mr. Dabney a feel for the Board's continued commitment to fund regionally and he can take that information

back to his Basin Board. Mr. Moore said staff has been working very hard towards implementing the Board's policy. He said he too is concerned over the recent developments in Sarasota County regarding Cow Pen Slough. Mr. Moore said staff will continue to work towards regionalization. He said the greatest benefit to a regional approach is environmental protection and he hopes this can be accomplished with an integrated system in the south. (CD 1/Track 14 – 06:22/34:47)

Submit & File Report

The following item was submitted for the Committee's information, and no action was required.

59. **Treasurer's Report, Payment Register, and Contingency Reserves Report**

Routine Reports – None

Chair Rice recessed the public hearing to provide a lunch break. Upon reconvening, Chair Rice relinquished the gavel to Outreach and Planning Committee Chair Whitehead.

Outreach and Planning Committee

Consent Item

60. **Approval of the District's 2007 Consolidated Annual Report and Adoption of the 2007 Florida Forever Work Plan**

Staff recommended Governing Board approval of the 2007 Consolidated Report, including adoption of the 2007 update to the District's Florida Forever Work Plan. Following consideration, **Mr. Dabney moved, seconded by Ms. Rovira-Forino, to approve Consent Item 60. Motion carried unanimously.** (CD 1/Track 15 – 00:00/01:41)

Discussion Items

61. **Variability in Water and Sewer Utility Rates within the SWFWMD**

Mr. Jay Yingling, Senior Economist, Planning Department, presented information on historic and current water and sewer rates throughout and within regions in the District and provided insight into the variability in rates.

Rate changes from 1994 to 2007 were addressed. The year 1994 was shortly after the required adoptions of water conserving rate structures in Water Use Caution Areas (January 1993) but likely prior to any impact additional rules of District funding would have on rates under common rate setting methodologies. Rate data for a large number of utilities are generally not available for utilities in Florida prior to 1994. Combined water and sewer rates were addressed as well because in some utilities they can be inter-related. Reclaimed water is a growing source of alternative water supplies and is generally subsidized by wastewater customers so total water supply cost shows up in a combined water and sewer bill.

Mr. Yingling reviewed the relative potable water treatment costs in a source/technology matrix. Three different regional costs analysis were presented. The first regional analysis was designed by the counties being divided among three Cost Regions: low, medium, and high. Another regional analysis was conducted by splitting counties into coastal or interior categories for comparison. The third regional analysis was conducted by categorizing the counties into a north or south category for comparison.

Mr. Yingling said the following conclusions could be drawn from the study: The District continues to have a high degree of variability of water and wastewater bills due to treatment costs of various sources; water bill increases exceed rate of inflation except in Cost Region 3 and North counties; interior and coastal SWUCA real water bills converging (+11% vs. -8%, respectively); and interior SWUCA counties have the highest difference in the rate of increase between water and water/wastewater bills than any region (+7.49%).

Mr. Dabney suggested that other differences in rates may be influenced by varying surface water storage methods; Mr. Yingling concurred because above ground storage is the more expensive than other methods.

Mr. Moore said this study will be discussed again at the upcoming Water Conservation Summit. This item was presented for the Committee's information, and no action was required. (CD 1/Track 15 – 01:41/27:16)

62. **Legislative Update and Community & Legislative Affairs Department Activities**

Mr. David Rathke, Director, Community and Legislative Affairs Department, said the first day of the session is March 6, 2007, and the last day of the session will be May 4, 2007. He said the major State legislative issues can be categorized into the following categories: Property Taxes; House Issues: America's Everglades, Alternative Energy, District Budgetary Oversight, and Land Management and Acquisition; and Senate Issues: Everglades and Florida Forever.

With regards to Property Taxes, there are two major proposals out for consideration: one is Governor Crist's and the other is the House Tax Reform. Governor Crist's involves doubling the homestead exemption, Save Our Homes portability, cap on non-residential property taxes, and additional exemption of tangible personal property taxes. The House proposal is more complicated. It restricts rate of governmental growth to rollback rate plus new growth through use of a formula based on population increases and inflation. This proposal would use 2000-2001 as a base year and allows for additional increases by a unanimous vote of the governing body. A special election to consider eliminating property taxes, limiting state revenue growth, and increasing state sales taxes would be held in November.

The following legislation has been filed: Department of Interior, Springs Protection, changing the make-up of the Governing Board, Incentive Based Permitting, municipal annexation of state lands, Truth in Government spending, and wetlands permitting.

Federal issues include New Leadership, Continuing Resolution, Limited Earmarks, President's Budget, and Tax Credit Bonds.

In early February, Mr. Moore visited Washington, D.C. to discuss appropriations requests for the upcoming year. The District has identified two federal funding priorities: the Tampa Bay Regional Reclaimed Water Project, and the Upper Peace River and Myakka River Watersheds Restoration Initiative. These are the same projects the District has proposed for the last three years with the exception that Tampa Bay Water (TBW) has requested not to be included in the District's federal request. Ms. Rovira-Forino asked for clarification as to why TBW has requested not to be included in the District's federal request.

Ms. Toni Riordon spoke on behalf of TBW and answered Ms. Rovira-Forino's question. She said TBW lost about two years on their schedule while pursuing downstream augmentation. If TBW pursued federal funds that would require them to get an environmental impact system, which could take years to complete and that would extend past the 2011 goal date. It was simply a matter of timing, and TBW did not want to tie up federal funds for any part of this project. Ms. Riordon reassured the Board that TBW is willing to help the District in all other aspects of this project. Mr. Moore said whenever an organization seeks federal funding it has to approach the matter very strategically and go with your best scenario.

Ms. Parks asked Mr. Rathke, with regards to state appropriations, if the District was partnering on all of the projects listed in the Governing Board information packet. Mr. Rathke said a couple of the projects the District would be funding on its own.

Ms. Parks suggested that, from an advocacy point-of-view, she could be more effective if she knew who we were partnering with on these projects. Mr. Rathke said he would make this information available to the Governing Board members.

Ms. McCree requested that Mr. Rathke continue to update the Governing Board this year as he has done in the past by e-mailing members with breaking news from the session. She said she had found that to be particularly helpful. Mr. Rathke said he had planned on continuing this form of communication this year as well.

This item was presented for the Committee's discussion, and no action was required.
(CD 1/Track 15 – 27:16/58:20)

Submit & File Reports – None

Routine Reports

The following items were submitted for the Committee's information, and no action was required.

- 63. **Comprehensive Plan Amendment and Related Reviews Report**
- 64. **Review of Developments of Regional Impact**
- 65. **Upcoming Events**

Committee Chair Whitehead relinquished the gavel to Chair Rice.

General Counsel's Report

Consent Items

Consent Items 70 and 72 were deleted from consideration.

- 66. **Consent Order – Surface Water Activity - Samuel G. and Roxann T. Seaton - Highlands County**
Staff recommended approval of the proposed Consent Order and authorize the initiation of litigation in the event that Samuel G. Seaton and Roxann T. Seaton fail to comply with the Consent Order.
- 67. **Consent Order – Surface Water Activity - Casto-Oakbridge Venture, Ltd. (Lakeside Village) – Polk County**
Staff recommended approval of the proposed Consent Order and authorize the initiation of litigation in the event that Casto-Oakbridge Venture, Ltd. fails to comply with the Consent Order.
- 68. **Consent Order – ERP No. 44026729.000 - Master Containers, Inc. (Master Container Addition) - Polk County**
Staff recommended approval of the proposed Consent Order and authorize the initiation of litigation in the event that Master Containers, Inc. fails to comply with the Consent Order.
- 69. **Settlement Agreement – Surface Water Activity - Sylvan Lea, Inc. v. SWFWMD - DOAH Case No. 03-0813 - Sarasota County**
Staff recommended approval of the proposed Settlement Agreement.
- 70. **Settlement Agreement – MSW No. 45010942.001 - SWFWMD v. David K. Smith - Circuit Court Case No. 04-1907-CA - Charlotte County** - This item was deleted.
- 71. **Initiation of Litigation – Surface Water Activity - West Coast Investment Associates, Inc. – Hardee County**
Staff recommended authorization of the initiation of litigation against West Coast Investment Associates, Inc. and any other appropriate parties to obtain compliance, a

monetary penalty and recovery of District enforcement costs, court costs and attorney's fees.

72. **Initiation of Litigation – Surface Water Activity - Cattlemen Commerce Center, LLC – Sarasota County** - This item was deleted.
73. **Initiation of Litigation – WUP No. 20009400.008 - Russ Putnal - Manatee County**
Staff recommended authorization of the initiation of litigation against Russ Putnal and any other appropriate parties to obtain compliance, and to obtain a monetary penalty and recovery of District enforcement costs, attorney's fees and court costs.

Following consideration, **Ms. McCree moved, seconded by Ms. Rovira-Forino, to approve the Consent Items 66, 67, 68, 69, 71 and 73. Motion carried unanimously.** (CD 1/Track 16 – 00:00/00:40)

Discussion Items – None

Mr. Dabney led a discussion regarding the lease with Weeki Wachee. He said the District's offer to settle on a new lease was still outstanding there from nearly a year ago and he thought that offer should have an end date. Mr. Bilenky said litigation is scheduled through August. He concurred with Mr. Dabney that he does not think the settlement offer should remain open indefinitely; however, he would like to leave it open until the end of discovery. Following consideration, **Mr. Dabney moved, seconded by Mr. Pressman, to hold open the lease settlement offer for another 60 days before withdrawing the offer.** Mr. Bilenky said the discovery deadline is scheduled for April 20, 2007. **Mr. Dabney amended his motion, and Mr. Pressman accepted the change, to hold the lease settlement offer open until April 20, 2007. Motion carried unanimously.** (CD 1/Track 16 – 00:40/11:38)

Submit & File Reports – None

Routine Reports

The following items were submitted for the Committee's information, and no action was required.

74. **Litigation Summary and Report**
Ms. Parks requested an update on the Rainbow River issue. Mr. Bilenky said the District has been named in a lawsuit along with the Florida Department of Environmental Protection. He said the District informed the plaintiff on two occasions that the District did not fail to enforce its statutes and that no grounds existed for a suit against the District.
75. **Rulemaking Update**

Reports

76. **Green Industry Advisory Committee Liaison Report**
Ms. Kavouras said the Green Industry Advisory Committee met on February 15, 2007. Ms. Symons did attend the meeting. There were a variety of reports, including the Demand Management Report, Water Shortage Update, a report on the Soil Moisture Sensor Evaluation, Landscape Irrigation Committee Report, the Florida Department of Agriculture's Golf Course Best Management Practices Report, the Strategic Plan, Southern Water Use Caution Area Water Use Permitting forms, and the Northern District Water Use Management Strategies were discussed.

Chair Rice asked if there were any members from the Green Industry Advisory Committee that reside in the northern portion of the District. Ms. Kavouras said not that she knew of. In response to Chair Rice's question whether there was a Soil Moisture Sensor that the District recommends to the public, Ms. Kavouras said that is what this current study will determine.

77. **Agricultural Advisory Committee Liaison Report**

Ms. Kavouras said the Agricultural Advisory Committee met on February 20, 2007. Mr. Combee was not able to attend the meeting. Some of the many reports heard were FARMS Update, AGSWM Update, Mobile Irrigation Labs, and Best Management Practices. Ms. Kavouras said Mr. Michael Molligan, Director, Communications Department, developed an agricultural portal for the District's web site for users to have one convenient resource. (CD 1/Track 16 – 11:38/20:36)

78. **Executive Director's Report**

Mr. Moore said the District is pursuing federal funding on two projects and he recently traveled to Washington, D.C. to meet with the delegation. The two projects are the Upper Peace River Restoration and the Tampa Bay Regional Reclaimed Water Project.

The Employee Meetings were conducted in February, and were very well attended. Chair Rice attended those meetings at the Bartow and Sarasota locations. Mr. Moore said staff is very appreciative of the opportunity to meet and interact with the current Governing Board Chair.

Mr. Moore provided a report on the Executive Directors and Chairs' meeting with the Secretary of the Department of Environmental Protection (DEP). He thanked Ms. Whitehead for attending on behalf of the Governing Board. Mr. Moore said it was an extensive meeting. Some of the pertinent issues raised were Governor Crist's Code of Ethics, the Plain Language Initiative, the Emergency Operations Center Tabletop Exercise, a status report on Central Florida Coordination and the Statewide Stormwater Rule Basin Specific Criteria, and the Conserve Clearinghouse Guideline. The Governor has placed a dozen people in Washington to coordinate what Florida needs at the federal level. The same set-up exists in Tallahassee. The initiative from the District regarding the potential expansion of a WUCA was discussed, the status of the arsenic ASR wells, and the Secretary of the Department of Community Affairs and his staff discussed water supply and growth management. Another issue is ad valorem and there are a number of ways being discussed to cut ad valorem for the citizens of Florida. Ms. Whitehead said she was glad to have the opportunity to attend the meeting and interact with Secretary Sole. (CD 1/Track 17 – 00:00/20:36)

Mr. Bilenky said the DEP was interested in water quantity withdrawals that would impact springs. Board discussion ensued regarding water quality and protection for the springs.

79. **Chair's Report**

Mr. Rice said Mr. Moore's report was comprehensive and he did not have anything to add at this time.

80. **Other Business** – No other business was brought before the Board.

Public Input

No requests to address the Board were submitted.

There being no further business to come before the Board, **Ms. Rovira-Forino moved, seconded by Mr. Pressman, to adjourn the meeting. Motion carried unanimously.** (CD 1/Track 16 – 20:36/28:12)

The meeting was adjourned at 3:05 p.m.

Attest:

Chairman

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