

APPROVED

MINUTES OF THE MEETING

Governing Board Southwest Florida Water Management District

Bartow, Florida

June 26, 2007

The Governing Board of the Southwest Florida Water Management District (SWFWMD) met at 9:00 a.m. on June 26, 2007, at the Bartow Service Office. The following persons were present:

Board Members Present

Judith C. Whitehead, Chair
Todd Pressman, Secretary
Jennifer E. Closshey, Treasurer
Thomas G. Dabney, Member
Patricia M. Glass, Member
Heidi B. McCree, Member
Sallie Parks, Member
Maritza Rovira-Forino, Member
Patsy C. Symons, 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

Neil Combee, Vice Chair
Talmadge G. Rice, 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 Whitehead called the meeting to order and opened the public hearing. Secretary Pressman noted a quorum was present.

2. Pledge of Allegiance and Moment of Silence

Chair Whitehead led the Pledge of Allegiance to the Flag of the United States of America and asked that a moment of silence be observed.

Public Hearing

Chair Whitehead noted that this Governing Board meeting is being broadcasted to the Brooksville, Tampa, and Sarasota Service Offices using the video conferencing system for the purpose of viewing the Board meeting only. Public input will only be taken at the Bartow office. The Governing Board meeting is also being recorded for broadcast on government access channels.

Chair Whitehead 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 speaker's card. To assure that all participants have an opportunity to speak, a member of the public may submit a blue card to comment on one agenda item only during today's meeting. If additional time is needed or if the speaker wishes to address the Board on an issue not on today's agenda, a blue card may be submitted for comment at the end of the meeting during "Public Input." Chair Whitehead 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. She also requested that several individuals wishing to speak on the same issue/topic designate a spokesperson. (CD 1/Track 1 – 00:00/03:30)

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 noted the deletions and said there would not be a closed attorney-client session held during the lunch break. (CD 1/Track 1 – 03:30/04:28)

Meeting and Public Hearing

The following item was deleted from consideration:

4. Oath of Office for Newly Appointed Board Member(s)

Consent Agenda

The following items were deleted from consideration:

27. WUP No.20000871.008 - W S N + - City of Punta Gorda – Charlotte County
50. Final Order of Dismissal With Prejudice – WUP No. 20007462.013 – Bethune v. SWFWMD – DeSoto County

4. **Oath of Office for Newly Appointed Board Member(s)**

This item was deleted from consideration.

5. **District Awards/Recognition – Tony Gilboy Receives Award from Florida Ground Water Association for His Outstanding Contribution and Service**

Mr. Moore and Mr. Griffin Crosby, Jr., Florida Ground Water Association, presented an award to Mr. Tony Gilboy, Well Construction Manager, Regulation Performance Management Department, Resource Regulation Division, for his outstanding service to the Florida Ground Water Association. The award was originally presented at the recent Florida Ground Water Annual Convention and Trade Show in Orlando. This item was presented for the Board's information, and no action was required. (CD 1/Track 4 – 00:00/02:35)

6. **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. The following individual was in attendance at today's meeting and celebrated 20 years of service: Mr. Michael Balsler, Water Use Regulation Manager, Bartow Regulation Department. Two other individuals celebrated their 25 year milestone: Mr. Kurt Durham, Field Technician, Sarasota Regulation Department, and Ms. Laura V. Howe, Senior Field Technician, Bartow Regulation Department.

Mr. Theodore F. Rochow, Senior Environmental Scientist, Resource Conservation and Development, will retire on June 30, 2007, after 33 years of service.

The Governing Board sent their warm wishes to all these employees and congratulated them on their accomplishments. (CD 1/Track 7 – 00:00/10:28)

7. **Public Input for Issues Not Listed on the Published Agenda**

Ms. Joanna Lahey and Ms. Diane Lacey Allen, residents of Bartow, addressed the Governing Board regarding their concerns over the Lake Hancock project and how it will affect their neighborhood. (CD 1/Track 6 – 00:00/15:19)

Consent Agenda

Items 27 and 50 were deleted from consideration. Item 35 was moved for discussion under the Regulation Committee Discussion Items. Mr. Dabney declared a voting conflict on Item 17; the item was considered separately for voting purposes.

8. Approval of Minutes – May 29, 2007 Governing Board Meeting

Regulation Committee -- Environmental Resource Permits

- 9. ERP No. 43031961.000 - Oak Haven – Charlotte County
- 10. ERP No. 46031094.000 - Windfall Villas (Denial) – Citrus County
- 11. ERP No. 43031882.000 - DeSoto 300 – DeSoto County
- 12. ERP No. 43032238.000 - DeSoto 120 Borrow Pit – DeSoto County
- 13. ERP No. 43031609.000 - Highlands County - Old State Road 8 Improvements
Highlands County
- 14. ERP No. 43029777.003 - New Port Tampa Bay Bulkhead Replacement - Phase II –
Hillsborough County
- 15. ERP No. 43022140.007 - Twin Rivers - Phase V – Manatee County
- 16. ERP No. 43022140.009 - Twin Rivers - Phase VI – Manatee County
- 17. ERP No. 43030834.002 - Lake St. Claire Borrow Pit – Manatee County
- 18. ERP No. 43031402.000 - SR 64 and I-75, Proposed Borrow Pit Alterations –
Manatee County
- 19. ERP No. 44014331.003 - Ehren Estates – Pasco County
- 20. ERP No. 43030035.000 - Pasco County - Lake Patience Road Realignment – Pasco
County
- 21. ERP No. 43027157.001 - Towne Park Estates Phase Two – Polk County
- 22. ERP No. 43027248.005 - Morgan Creek Preserve - Phase II – Polk County
- 23. ERP No. 43028242.002 - Timbers North – Polk County
- 24. ERP No. 43029879.001 - Willowbrook – Polk County
- 25. ERP No. 43030356.000 - Flagler Development - Key Safety – Polk County
- 26. ERP No. 43031971.000 - Ruthven Parkway Center – Polk County

Regulation Committee -- Water Use Permits

- ~~27. WUP No. 20000871.008 - W S N + - City of Punta Gorda – Charlotte County~~
- 28. WUP No. 20002125.008 - W F N + - Carlton Farms/Horse Creek Partnership –
DeSoto County
- 29. WUP No. 20000655.008 - W F N- R+ - Riverbend Parcel/Farmland Reserve, Inc. &
Property Reserve, Inc. & The Corporation of
the Presiding Bishop Of the Church of
Latter-Day Saints – Hillsborough County
- 30. WUP No. 20006892.007 - W F D- - Chu Farms/Andrew Dew Leung and Yee Ho
Chu – Hillsborough County
- 31. WUP No. 20007631.005 - W F I ~ - McClure Properties/McClure Properties,
Ltd. – Manatee County
- 32. WUP No. 20007692.005 - W F D-
- 33. TWUP No. 20010420.005 - W S ~ - Peace River/Manasota Regional Water
Supply Authority – DeSoto County
- 34. TWUP No. 200006509.007 - F N- - DeSoto County Polk County Board of
County Commissioners/Northeast Regional
Utility Service Area – Polk County

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

Regulation Committee

35. **Rule Adoption to Amend 40D-1.6105(2), 40D-1.659, 40D-2.091, 40D-2.101(2), and 40D-2.351(1), Florida Administrative Code, and Water Use Permit Information Manual Part B, Basis of Review to Incorporate the New Application And Supplemental Forms for Use in the Southern Water Use Caution Area and the Modified Transfer Application and Agriculture Supplemental Forms**
This item was moved to the Discussion portion of the agenda.

Resource Management & Development Committee

36. **Resolution Encumbering Funds within the Water Management Lands Trust Fund for Preacquisition; Management, Maintenance and Capital Improvements; and Payments in Lieu of Taxes**
Staff recommended approval of the Resolution Encumbering Funds within the Water Management Lands Trust Fund for Preacquisition; Management, Maintenance and Capital Improvements; and Payments in Lieu of Taxes in the amount of \$1,202,382.37.
37. **Non-Exclusive License Agreement to Back to Basics Charter School Foundation – Lower Hillsborough Flood Detention Area, SWF Parcel No. 13-300-778X (Presented to Hillsborough River Basin Board in June)**
Staff recommended approval of a Non-Exclusive License Agreement between the District and the Back to Basics Charter School Foundation in SWF Parcel No. 13-300-778X.
38. **First Amendment to the Half-Moon Wildlife Management Area Agreement with the Florida Fish and Wildlife Conservation Commission – Gum Slough Project, SWF Parcel No. 19-193-102X (Presented to Withlacoochee River Basin Board in June)**
Staff recommended approval of the amendment to the Half-Moon Wildlife Management Area Agreement with Florida Fish and Wildlife Conservation Commission for SWF Parcel No. 19-193-102X, contingent upon concurrence by the Withlacoochee River Basin Board.
39. **Appraisals, Purchase/Sale Agreement, and Resolution Requesting Funds – Gum Slough Project, SWF Parcel No. 19-193-105 (Presented to Withlacoochee River Basin Board in June)**
Staff recommended the following:
 - (1) Accept the appraisal;
 - (2) Approve the Purchase/Sale Agreement;
 - (3) Approve resolution requesting funds; and
 - (4) Designate SWF Parcel No. 19-193-105 as having been acquired for conservation purposes.
40. **Acceptance of Donation of Land, Northern District Water Resources Assessment Project Well Site, SWF Parcel No. 19-020-063 (Presented to Withlacoochee River Basin Board in June)**
Staff recommended authorizing the Land Resources Director to accept the donation of SWF Parcel No. 19-020-063, contingent upon concurrence by the Withlacoochee River Basin Board.
41. **Approval of Amendment to the Cooperative Agreement with Sumter County for the Maintenance Dredging of Residential Canals along the Western Shoreline of Lake Panasoffkee (Presented to Withlacoochee River Basin Board in June)**
Staff recommended the following:
 - (1) Approve amending the cooperative agreement with Sumter County for the cleanup of residential canals along the western shoreline of Lake Panasoffkee to increase the District's not to exceed contract amount from \$200,000 to \$657,000, with funds for the amendment to come from State appropriated funds to be liquidated from the District's dredging contract.
 - (2) Approve replenishing \$207,000 of liquidated State funds from the dredging contract with Basin Board/State SWIM funds from the \$664,721.32 currently encumbered as contingency funds for this project.
 - (3) Approve entering into an agreement with the Florida Fish and Wildlife Conservation Commission for the receipt of \$250,000 in grant funding for the in-lake components of the restoration plan (Steps 2 and 3).

42. **Approval of the Revised Operating Agreement between the District and the Florida Department of Agriculture and Consumer Services (FDACS) for the Facilitating Agricultural Resource Management Systems Program (FARMS) and Approval of Revisions to District Procedure 13-9 – Facilitating Agricultural Management Systems Program (Presented to the Alafia River, Hillsborough River, Northwest Hillsborough, Coastal Rivers, Pinellas-Anclote River, Withlacoochee River, Peace River, and Manasota Basin Boards)**

Staff recommended the Governing Board approve and authorize the Executive Director to sign the revised District/FDACS/FARMS Operating Agreement, Procedure 13-9, and the Funding Contract.

43. **FARMS – Island Grove Agricultural Products Farm #5 (Presented to the Peace River Basin Board in June)**

Staff recommended the following:

- (1) Approve the Island Grove Agricultural Products Farm #5 FARMS Project for a not-to-exceed project reimbursement of \$187,500, with \$46,875 provided by the Peace River Basin, \$46,875 provided by the Governing Board, and \$93,750 provided from State Appropriations;
- (2) Authorize the transfer of \$46,875 from fund 020 H017 Peace River Basin FARMS Funds, \$46,875 from fund 010 H017 Governing Board FARMS funds, and \$93,750 from the 2003, 2005, and 2007 State Appropriations allocated to fund 020 H017 Peace River Basin State Appropriations, to H522 Island Grove Agricultural Products Farm #5 FARMS project fund;
- (3) Authorize the Executive Director to execute the agreement.

44. **Approve Agreement and Transfer Funds to Conduct the Peace River/Manasota Regional Water Supply Authority Regional Resource Development Feasibility Study (Presented to the Peace River and Manasota Basin Boards in June)**

Staff recommended the following:

- (1) Approve the transfer of \$125,000 from the General Fund's Water Supply and Resource Development Reserves to the Peace River/Manasota Regional Water Supply Authority Regional Resource Development Feasibility Study (H063);
- (2) Approve entering into an Agreement with the Peace River/Manasota Regional Water Supply Authority for \$2,500,000, with the District's share not to exceed \$1,250,000 (\$625,000 from Governing Board, \$456,250 from Manasota Basin Board, and \$168,750 from Peace River Basin Board); contingent on approval of the Manasota Basin Board at its next meeting; and
- (3) Authorize the Executive Director to execute the agreement.

45. **Water Protection and Sustainability Trust Fund – Approval of Resolution 07-17, Reallocation of Funds Appropriated by the State in Fiscal Year 2006**

Staff recommended approval of the reallocation of \$199,200 in FY2006 Water Protection and Sustainability Trust Funds from projects L759, L760 and L763 to project K655.

Finance & Administration Committee

46. **Board Travel**

Staff recommended approving Governing Board travel for members to attend the Florida Chamber's 21st Annual Environmental Permitting Summer School at Marco Island on July 18-20, 2007.

47. **Budget Transfer Report**

Staff recommended approval of the Budget Transfer Report covering all budget transfers for May 2007.

48. **Adoption of Resolution No. 07-19 and the SunTrust Deposit Account Resolution**

Staff recommended adoption of Resolution No. 07-19 authorizing the signatures of the newly elected officers of the Governing Board of the District and the use of facsimile or manual signatures on all warrants or checks of the District. Also, adopt the *SunTrust Deposit Account Resolution and Authorization for Business Entities* document to identify the new slate of officers and authorized signers.

General Counsel's Report

49. **Bush, Graziano & Rice, P.A. Contract Amendment**

Staff recommended approval of funding for a \$250,000 contract amendment for legal services with Bush, Graziano and Rice, P.A., from the Office of General Counsel's outside legal services budget for Fiscal Year 2007.

~~50. **Final Order of Dismissal With Prejudice – WUP No. 20007462.013 – Bethune v. SWFWMD – DeSoto County**~~

This item was deleted from consideration.

Following consideration, **Ms. Closshey moved, seconded by Ms. McCree, to approve the Consent Agenda as amended. Motion carried unanimously.**

Following consideration, **Ms. McCree moved, seconded by Ms. Parks, to approve Item 17. The motion carried, and Mr. Dabney abstained from voting.**

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

Resource Management and Development Committee

Discussion Items

51. **Consent Item(s) Moved for Discussion** - None

52. **Minimum Flows for Tampa Bypass Canal, Sulphur Springs, and the Lower Hillsborough River and Recovery Strategy for Lower Hillsborough River – Status Report**

Mr. Martin H. Kelly, Ph.D., Manager, Resource Conservation and Development Department, presented the proposed rules (40D-8) that will establish minimum flows for the Tampa Bypass Canal, Sulphur Springs and Lower Hillsborough River, and led a discussion of the rule language (40D-2 and 40D-80) implementing the proposed Recovery Strategy for Lower Hillsborough River. Since the presentation of the proposed recovery strategy to the Board in May, considerable interaction between staff and interested parties has occurred. This continuing interaction has resulted in changes to the proposed rules and recovery strategy. District staff discussed proposed changes to the draft rules required to establish minimum flows on the Lower Hillsborough River, Sulphur Springs and the Tampa Bypass Canal and the associated recovery strategy for the Lower Hillsborough River. It is expected that discussions with interested parties will continue; however, staff anticipates returning to the July or August Board meeting to seek rule adoption.

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

Committee Chair Pressman heard public comment on this item.

Mr. Phil Compton, Friends of the River, addressed the Governing Board regarding his support of protection for natural systems, his belief in regional issues should be solved with regional approaches, the urgency for recovery implementation, and continued monitoring.

Dr. Rich Brown, Friends of the River, said he has been intrigued watching the negotiations between the interested parties in setting these minimum flows. He said Friends of the River will be monitoring the implementation of these rules carefully.

Mr. Tony D'Aquila, Environmental Protection Commission (EPC), Hillsborough County, said the EPC is generally in support of the rule implementation and recovery strategy. The EPC has two concerns: the hydrologic adjustment on the Lower Hillsborough River,

and the zero minimum flow for the Tampa Bypass Canal. The EPC appreciates the open and continued discussions with District staff. (CD 1/Track 5 – 00:00/58:03)

53. **Reclaimed Water Task Force Recommendations**

Mr. Gregg W. Jones, P.G., Director, Resource Conservation and Development Department, said this item was presented to inform the Governing Board that the Reclaimed Water Task Force has successfully fulfilled their charge to review and recommend improvements to the District's reclaimed water program, and to seek board approval to release the Task Force recommendations for input from the District's advisory committees and all other interested parties.

In July and August 2006, the presentation of the Southern Water Use Caution Area Recovery Strategy to the Governing Board raised a number of issues regarding the use of reclaimed water. The concerns were related to three main issues: (1) the perception that reclaimed water was being reallocated or priced such that some existing users were losing their ability to use it, (2) when this occurred, a limited number of users were not able to return to ground water because its quality had deteriorated and in such cases was the District obligated in any way to assist the users, and (3) what could be done to significantly increase the use of reclaimed water. At the September 2006 Governing Board meeting, the Board appointed Tom Dabney to initiate and serve on a Reclaimed Water Task Force as the Board's representative to address these issues. There were 15 detailed recommendations identified by the Reclaimed Water Task Force that were presented in full in the Governing Board packet. It is anticipated the final recommendations will be presented to the Governing Board for approval in August 2007.

Staff recommended acceptance of the recommendations of the Task Force for release to the District's advisory committees, local governments and private utilities for their input.

Following consideration, **Ms. Closshey moved, seconded by Ms. McCree, to approve the staff recommendation. Motion carried unanimously.** (CD 1/Track 5 – 58:03/01:14:28)

54. **Charlotte Harbor National Estuary Project (CHNEP) – Status Report**

The CHNEP is funded by multiple agency partners, including the Environmental Protection Agency, local governments and the South and Southwest Florida Water Management Districts. The CHNEP is funded through the SWIM Program and the Peace River and Manasota Basin Boards. There are several District initiatives that support the protection and restoration of Charlotte Harbor. These include the minimum flows and levels (MFLs), the Upper Peace, Myakka River and Lake Hancock Initiatives. Charlotte Harbor is one of three Estuaries of National Significance within the WMD boundaries. Ms. Lizanne Garcia, Senior Environmental Scientist, Resource Management Department, introduced Ms. Lisa Beaver, Executive Director, Charlotte Harbor National Estuary Program, who provided an overview of the project.

Ms. Beaver said Charlotte Harbor is generally viewed as one of the most productive estuarine systems in southwest Florida. This estuary serves as nursery grounds for the majority of commercial and recreational fish and shellfish in the area, improves water quality by filtering pollutants, acts as a buffer to protect shorelines from erosion and flooding, and provides essential food and habitat for birds, fish, and other wildlife. Ms. Beaver presented and discussed the priority management issues, as well as, the various programs to address these issues. The major issues identified were as follows: (1) hydrologic alteration, (2) water quality degradation, (3) fish and wildlife habitat loss, and (4) stewardship gaps. Governing Board members expressed their appreciation for the overview and the programmatic information Ms. Beaver shared today.

This item was presented for the Committee's information, and no action was required.
(CD 1/Track 6 – 00:00/22:53)

Submit & File Reports – None

Routine Reports

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

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

Ms. Closshey was provided an update on the desalination facility by Mr. Warren Hogg, Tampa Bay Water, who said the facility is continuing its remediation process. The desalination facility is currently producing and delivering between 15 and 18 million gallons per day (mgd) to the region and offsetting groundwater use gallon for gallon. It is anticipated that acceptance testing may take place as early as July 2007. (CD 1/Track 7 – 00:00/02:37)

56. **Land Resources Department Significant Activities**

57. **Florida Forever Status Report**

58. **Minimum Flows and Levels Status Report**

59. **Hydrologic Conditions Status Report** (considered during the Regulation Committee)

60. **Structure Operations Status Report**

Committee Chair Pressman relinquished the gavel to Regulation Committee Vice Chair Dabney.

Regulation Committee

Discussion Items

61. **Consent Item(s) Moved for Discussion**

35. **Rule Adoption to Amend 40D-1.6105(2), 40D-1.659, 40D-2.091, 40D-2.101(2), and 40D-2.351(1), Florida Administrative Code, and Water Use Permit Information Manual Part B, Basis of Review to Incorporate the New Application And Supplemental Forms for Use in the Southern Water Use Caution Area and the Modified Transfer Application and Agriculture Supplemental Forms**

Mr. Ken Weber, Regulation Program Director, Regulation Performance Management Department, said District staff proposed new application and supplemental forms and modifications to two existing forms to allow Water Use Permit (WUP) applicants located in the Southern Water Use Caution area (SWUCA) to provide information needed to obtain WUPs under SWUCA rules adopted January 1, 2003 and January 1, 2007. Mr. Dabney said he pulled this item for Discussion because he wanted to ensure that these form revisions were going to result in more user friendly documents. Mr. Weber assured Mr. Dabney that that indeed was an end goal, keeping in mind it is a complex set of information to communicate. District staff previewed the proposed forms with the Agricultural and Public Supply Advisory Committees as well as with water use permitting staff. Per their recommendations, minor changes have been made to some of the forms regarding format and readability. Minor modifications to other forms used Districtwide are also proposed to allow for inclusion of SWUCA-specific information where appropriate. Mr. Owen said staff is always open to comments from Board members on how to make forms more user-friendly. He said the Regulation Division works closely with the Office of the Inspector General who is assisting in overall Departmental improvements. For example, staff is working on devising forms that are partially completed and then sent to permit renewal applicants, in advance of their expiration, to aid them in the process.

Staff recommended approval of the proposed forms and to amend Rules 40D-1.6105(2), 40D-1.659, 40D-2.091, 40D-2.101(2), and 40D-2.351(1), Florida Administrative Code and Water Use Permit Information Manual Part B, Basis of Review Section 1.4 to incorporate the forms into District rules. Following

consideration, **Ms. Closshey moved, seconded by Ms. Parks, to approve the staff recommendation. Motion carried unanimously.** (CD 1/Track 8 – 00:00/07:41)

62. **WUP No. 20011796.001 - W S N- - Tampa Bypass Canal Water Supply/Tampa Bay Water – Hillsborough County**

Ms. Alba Más, Director, Tampa Regulation Department, said Tampa Bay Water (TBW) submitted an application to modify its water use permit that authorizes diversions from the Hillsborough River to the Tampa Bypass Canal (TBC) and authorizes withdrawals from the TBC. The permit application requested the following three items: (1) An increase in the authorized rate of diversion from the Hillsborough River to the TBC during mid-range flows, from 30 percent to 40 percent of the flow over the city of Tampa's Hillsborough River dam. The maximum authorized diversion would remain the same at 300 cubic feet per second (cfs); (2) Authorization to withdraw 100 percent of the flow over District Structure 160 when those flows exceed 11 cfs (7.1 (mgd)). The current permit allows the withdrawal of 80 percent of the flow over District Structure 160 when those flows exceed 11 cfs; and (3) Modification of the permit term to a period of 20 years. The current permit is scheduled to expire in 2010.

On May 25, 2007, District Staff sent to TBW a Proposed Agency Action (PAA) (May 25, 2007-PAA) that substantially approved the permit as requested but placed certain additional pumping requirements on TBW. On June 5, 2007, TBW staff requested that their Board provide authorization to staff to challenge the District's May 25, 2007-PAA and Recovery Strategy for the lower Hillsborough River. As a result of those requests, on June 14, 2007, District staff has rescinded and withdrawn its May 25, 2007-PAA, has changed its proposal and forwarded to TBW a new Proposed Agency Action.

Under the June 14, 2007-PAA, the proposed permit authorizes the withdrawal of 100 percent of the flow over District Structure 160 when the lower pool of the TBC is at or above an elevation of 9.3 feet NGVD. Staff recommends the permit term not be changed from the current expiration date in 2010, due to concerns regarding achievement of the District's recovery strategy for minimum flows on the lower Hillsborough River and how that demonstrates reasonable assurances that no harm will occur over the requested 20-year term. This permit will expire and be up for renewal when the permit for the TBW consolidated wellfields and the permit for the South Central wellfields are up for renewal in 2010.

Mr. Moore said by authorizing an increase in the diversion rate from the Hillsborough River as requested, in combination with changes to the conditions limiting withdrawals from the TBC, this permit enables TBW to obtain substantial new quantities. Based on historical flow records, it is estimated TBW's withdrawals from the TBC will increase from approximately 60 mgd to approximately 85 mgd on an average annual basis.

Staff recommended approval to change the elevation to which TBW can withdraw water from the lower pool from elevation 9.3 to elevation 9.0 retaining all other parameters in the June 14, 2007-PAA as noted above.

Committee Vice Chair Dabney heard public comment at this time.

Mr. Quinn Henderson, legal counsel for Tampa Bay Water, said his client has issues with the permit duration. This limiting permit duration will impede TBW from obtaining long-term financing. Mr. Quinn believes the statutes require 20-year permits for alternative water supplies. He asked the Governing Board to approve the permit with a 20-year duration.

Board members suggested keeping this issue open for future discussions, Mr. Moore advised that due to time constraints a decision was needed today. Board members

discussed that they will move forward today with the understanding that both parties will continue to work on this issue.

Following consideration, **Ms. McCree moved, seconded by Ms. Closshey, to approve the staff recommendation. Motion carried unanimously.** (CD 1/Track 9 – 00:00/26:41)

The following item was heard out of sequence of the published agenda.

59. **Hydrologic Conditions Status Report**

Mr. Granville Kinsman, Manager, Hydrologic Data Section, provided the Governing Board with a brief report via teleconference from the Tampa Service Office. In the first part of June the District received an average of five inches of rainfall, but since that time there has been no widespread rainfall. There is about a 12-inch rainfall deficit. The National Weather Service is predicting above normal rainfall for the next three months. Mr. Moore said the current watering restrictions will be extended to July 31, 2007. Mr. Owen said that order may be extended through September and this will be taken up at the next Governing Board meeting. Mr. Dabney asked about other tools available during drought situations, Mr. Owen said public communication. Mr. Dabney inquired about public service announcements. Mr. Molligan, Director, Communications Department, said there are no funds budgeted for summer advertising; staff is trying to keep awareness going through the various media avenues. Board members encouraged staff to continue to deliver these messages to their media network contacts and, if necessary, prepare budget figures for additional media messaging for consideration at the July Governing Board meeting.

Following consideration, **Ms. Glass moved, seconded by Mr. Pressman, to continue communicating to the public that the Emergency Declaration of Water Shortage remains in effect and will most likely be extended. Motion carried unanimously.** (CD 1/Track 10 – 00:00/26:41)

Regulation Committee Vice Chair Dabney recessed the public hearing for a lunch break.

The order of consideration was altered slightly to allow Item 64 to be heard before Item 63.

64. **Northern District Water Use Management Strategies Update**

Mr. Owen said the purpose of this presentation was to provide the Board with information regarding the activities and next steps for each of following identified Northern District Water Use Strategies:

(1) **Rulemaking to expand the Southern Water Use Caution Area (SWUCA) per capita requirements Districtwide**

Two well-attended public workshops have been held on this topic, the most recent occurred on June 5, 2007, when the Public Supply Advisory Committee held a special meeting. The workshop was attended by 56 representatives from public and private entities. The presentation informed participants that the District will provide all data necessary to calculate a functional population, and that reporting utilities need only know the number of dwelling units served. The Committee heard public comments after the presentation. The public comments addressed public supply service area delineation, concerns about the applicability of the per capita standard to their specific utility, and experiences complying with the new SWUCA regulations. It is anticipated that the rules implementing this initiative will be brought to the July Governing Board for approval.

(2) **Continuing a public process to receive input as to whether to declare all or portions of Marion and Sumter counties a Water Use Caution Area**

Two public meetings have been held to discuss whether to declare all or portions of Marion and Sumter counties a Water Use Caution Area. Presentations were also

- made to the Withlacoochee Regional Water Supply Authority, the District's Advisory Committees, and the two affected Basin Boards. Both the Withlacoochee River and Coastal Rivers Basin Boards passed motions recommending the Governing Board take no action at their April meeting, consider non-regulatory strategies to address the concerns of the area, and allow adequate time to solicit input from local governments and the public. The biggest concerns identified were: geographic concerns, what water use sectors would be included if any rules were set forth, and population growth and the water use demands associated with that. Staff has met to develop a strategy to move forward. This includes development of a 'purpose statement' to describe the need for additional efforts in the area, scheduling one-on-one meetings with local government representatives in the area and potential creation of a stakeholder's workgroup to solicit further input. Additional status reports will be provided at future Governing Board meetings.
- (3) **Rulemaking to expand the Northern Tampa Bay Water Use Caution Area into those portions of Pasco and northern Hillsborough counties not currently in the Northern Tampa Bay Water Use Caution Area**
This item is on this month's Board agenda seeking approval of rules to implement the expansion (see next agenda item).
 - (4) **Initiating a public process to receive input as to whether to declare all or portions of Citrus and Hernando counties a Water Use Caution Area**
This effort has been delayed while staff resources are dedicated to other strategies discussed herein, as well as the Central Florida Coordination Area initiative. It is anticipated that the Hernando-Citrus counties effort will begin in earnest later this summer. The Board will be updated on progress at future Board meetings.
 - (5) **Initiating a public process to enhance public supply use conservation**
A staff team has been put together to implement this strategy. It is anticipated that public meetings will be held to discuss this topic with utilities and interested parties in the near future. The Board will be updated on progress at future Board meetings.

This item was presented for the Committee's information, and no action was required.
(CD 1/Track 11 – 00:00/08:52)

63. **Rule Adoption to Amend 40D-2.091 and 40D-2.801(3)(a), F.A.C., to Expand the Northern Tampa Bay Water Use Caution Area (NTBWUCA)**

Mr. Ken Weber, Water Use Program Director, Regulation Performance Management Department, explained that since 1989, considerable growth has occurred and is planned in the remaining areas of Pasco and northern Hillsborough counties not currently within the NTBWUCA. To address the increasing use of water in this area, which includes many of the areas where environmental impacts have occurred, expansion of the boundary seemed prudent. Thus, at the January 2007 meeting, the Governing Board authorized District staff to gather public input on the advisability of expanding the NTBWUCA to the remaining portions of Pasco and northern Hillsborough counties. At its April 2007 meeting, the Governing Board authorized the initiation of rulemaking and continuation of the public input process for expansion of the NTBWUCA. This proposal has been discussed with the District's Advisory Committees and the Withlacoochee, Hillsborough, and Coastal Rivers Basin Boards. Two public workshops have been held, in Dade City and Zephyrhills. Attendees of these meetings are generally supportive of the expansion. Additionally, the Pasco County Board of County Commissioners has submitted a letter in support of the expansion. Proposed rule amendments and regulations to accomplish this expansion were presented by Mr. Weber. The proposed rules would be effective September 1, 2007, for new permits and July 1, 2008, for existing permits.

Staff recommended approval of the proposed amendments to Rules 40D-2.091 and 40D-2.801(3)(a), F.A.C., and to Water Use Permit Information Manual Part B, Basis of Review Section 7.3, to expand the Northern Tampa Bay Water Use Caution Area to the remaining portions of Pasco County and northern Hillsborough County and authorize staff

to complete the rulemaking process. Following consideration, **Ms. McCree moved, seconded by Ms. Parks, to approve the staff recommendation. Motion carried unanimously.** (CD 1/Track 12 - 00:00/17:33)

65. **Central Florida Coordination Area Update**

Mr. Owen said the Southwest Florida, South Florida and St. Johns River water management districts have developed an Action Plan to facilitate coordination among these districts on water supply planning and resource regulation in the Central Florida Coordination Area (CFCA). The districts have concluded through detailed water supply planning and individual permit actions that traditional groundwater sources are not adequate to meet the growth in public water supply demands over the next 20 years within the area.

The districts have developed an Action Plan for the CFCA to assure a coordinated and consistent approach for the areas with shared water management district boundaries. Stakeholder outreach regarding the implementation of the Action Plan has occurred through public workshops and Governing Board meetings. The proposed rules require public supply utilities and other similar uses to vigorously pursue supplemental (alternative) water sources for post-2013 water demands. Mr. Owen reviewed a comprehensive list of outstanding rule issues, some of which included: use of the term supplemental water supply versus alternative water supply; sunset of the rule; definition of economic feasibility; rule effective date; geographic boundary; and definition of brackish water.

Significant provisions within the draft rules include: (1) Ground water withdrawals will be limited to a maximum of the 2013 demand quantity; (2) Those who commit to developing supplemental water sources can obtain a 20-year permit, with the post-2013 demand quantity fulfilled by the supplemental sources; (3) Exceptions for permittees who can demonstrate that the development of supplemental water sources to meet post-2013 demand is infeasible, provided they agree to pursue available supplemental sources and can avail themselves of additional ground water without causing adverse impacts; and (4) Extension of the rules to other similar uses, so that an equitable approach is taken with uses other than public supply if these uses experience significant post-2013 water demands.

It is anticipated that the proposed rules to implement the Action Plan will be brought to each District's July Governing Board for approval.

This item was presented for the Committee's information, and no action was required.
(CD 1/Track 13 - 00:00/17:42)

Submit & File Report

66. **Progress Energy - Status Report on Activities**

Mr. Owen reported that District staff recently met with representatives of Progress Energy to discuss three initiatives of the company within the District and the related potential water needs of these initiatives, including (1) development of a proposed new nuclear generating facility in Levy County, (2) enhancing air quality control equipment at the company's existing Crystal River coal-fired generating facilities, and (3) development of a new coal gasification power generating facility in Polk County. A brief status on each of these initiatives was provided in the Governing Board packet. This item was submitted for the Committee's information, and no action was required. (CD 1/Track 14 - 00:00/02:25)

Routine Reports

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

67. **Demand Management Activities**

68. **Overpumpage Activities**

- 69. **Southern Water Use Caution Area Quantities**
- 70. **Major Water Supply Summary**

Committee Vice Chair Dabney relinquished the gavel to Outreach and Planning Committee Chair Glass.

Outreach and Planning Committee

Discussion Items

71. **Legislative Update**

Mr. David Rathke, Director, Community and Legislative Affairs Department, said the Special Session on Tax Reform was held June 12 through June 14. A total of three bills were passed. The overall impacts of tax reform were as follows: Florida taxpayers will save up to \$31.6 billion over the next five years; all property taxes will begin to drop this year; the mandatory reductions in the statutory bill are expected to lower tax revenue by \$2.2 billion; and if approved by voters, it is expected that 75 percent of homesteads will benefit from the larger exemption in the constitutional amendment.

House Bill 1B creates the statutory property tax reform, it reduces county, city and special district property taxes in fiscal year 2007-2008 and limits growth in these taxes in future years to growth in the economy of the state. Senate Joint Resolution 4B provides the proposed constitutional amendment. This would create a super exemption for homestead properties. The proposed amendment will be on the ballot with the new presidential preference primary on January 29, 2008. House Bill 5B provides for the actual special election.

This item was presented for the Committee's information, and no action was required. (CD 1/Track 15 – 00:00/05:25)

Mr. Moore took this opportunity to introduce Mr. Danny Kushmer who will be joining staff as a Legislative Coordinator working out of the Bartow Service Office.

72. **Strategic Plan Update**

Mr. Kurt Fritsch said the purpose of this item was to provide the District Governing Board a project status report for updating the District's Strategic Plan and prepare the Board for the July Strategic Planning Workshop. The presentation covered the following main topics: A review of the Strategic Team's and Strategic Plan Process Goals; Review a strategy development tool used by the Team; and The introduction of a risk assessment tool for use by the Team, Executive and Senior Staff and the Board.

Staff used a computer tool to help the Board assess these risks during the Governing Board meeting. The tool will allow the Board to conduct a real-time *Force/Compare Analysis*. A Force/Compare simply means that participants will compare one item against another with the computer capturing the comparisons and then quickly ranking the responses. This exercise gave the Board an opportunity to gain comfort with the tool.

This presentation was for the Committee's information, and no action on the information generated during discussion was required. (CD 1/Track 16 – 00:00/31:43)

Submit & File Reports – None

Routine Reports

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

- 73. **Comprehensive Plan Amendment and Related Reviews Report**
- 74. **Review of Developments of Regional Impact**

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

Finance and Administration Committee

Discussion Items

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

76. Fiscal Year 2008 Budget Update

Ms. Closshey introduced Mr. Schiller who provided the Governing Board with an update on the revised fiscal year (FY) 2008 budget development process. **To meet statutory time requirements currently in place, the Basin Boards are meeting in July to adopt proposed millage rates. Staff has been recommending that the Basin Boards adopt their proposed millage rates based on FY2008 project funding requirements.**

Mr. Schiller presented the results of the Legislature's Special Session as part of the monthly budget update, and reviewed the impact of the legislation on District and Basin ad valorem revenues for FY2008. A budget meeting of the Governing Board has been rescheduled for July 31 as part of the regular Governing Board meeting. This will serve as the Annual Budget Workshop. To ensure the Governing Board receives the tentative budget by July 15 as required by statutes, staff will deliver the FY2008 Recommended Annual Service Budget on July 11, at the Strategic Workshop.

In conclusion, Mr. Schiller said for FY2008, the District is positioned to meet its funding priorities. In order for Basins to comply by August 4 with new reporting requirements for certification of maximum millage rates, special Basin meetings are needed to be held prior to the approval of proposed rates by the Governing Board on July 31. Two of the eight Basins (Coastal Rivers and Peace River) may need to revisit their funding priorities.

The District's budget will be adopted in September following two public Truth in Millage hearings. The first hearing is scheduled for 5:01 p.m. at the Tampa Service Office on September 11, 2007. The second and final hearing is scheduled for 5:01 p.m. at the Brooksville Headquarters on September 25, 2007.

This item was presented for the Committee's information, and no action was required. (CD 1/Track 17 – 00:00/30:26)

Submit & File Report

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

77. Treasurer's Report, Payment Register, and Contingency Reserves Report

Routine Report

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

78. Management Services Status Report

Committee Chair Closshey relinquished the gavel to Chair Whitehead.

General Counsel's Report

Discussion Items

79. Consent Item(s) Moved for Discussion– None

Submit & File Reports – None

Routine Reports

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

- 80. **Litigation Summary and Report**
- 81. **Rulemaking Update**

Reports

- 82. **Public Supply Advisory Committee Special Meeting Liaison Report**
This meeting was previously reviewed by Mr. Owen earlier in the day.

- 83. **Environmental Advisory Committee Liaison Report**
Ms. Kavouras said Ms. Parks was unable to attend this meeting, overall attendance was high. There were a variety of topics covered such as the Central Florida Coordination Overview, two MFLs presentations, and Reclaimed Water Task Force Update. (CD 1/Track 18 – 00:00/02:32)

- 84. **Executive Director's Report**
Mr. Moore reviewed a handout given to Board members titled *Duties of Governing Board Officers, Committee Chairs and Governing Board Members*, he asked the Board to review this document and provide comments at the July 11, 2007 Strategic Planning Workshop.

Copies of a letter Mr. Moore wrote to Mr. Paul Vanderploog, Director, Hillsborough County Water Resource Services, regarding the Mosaic Reuse Project. This letter addresses the many questions that need to be answered before moving forward.

Mr. Roy Harrell's memorial dedication was held in St. Petersburg on June 6; it was a well attended, successful event.

Chair Whitehead and Mr. Moore attended a Florida League of Counties meeting in Orlando where a lot of common issues were discussed.

Mr. Moore said the Executive's Directors' meeting covered a large array of topics. The Governor's Office will be spearheading a Climate Change Summit in Miami scheduled for July 12 and 13, Mr. Moore and Mesdames Whitehead and Closshey will be attending the event. The Governor's call for the highest standard of ethics was revisited and remains a focus for every state governmental office and its representatives. Water Conservation was stressed as a priority throughout the state. The SWFWMD will take the lead in communicating to the other four WMDs our conservation methods and per capita requirements. The attendees viewed a presentation regarding the development of bio-fuels and future discussions are planned on the subject.

Mr. Dabney complimented Mr. Moore and staff on the past month's work, which included arduous negotiations and diplomacy, in dealing with other regional and local governments to obtain a common path and focus moving forward regionally. (CD 1/Track 19 – 00:00/12:28)

- 85. **Chair's Report**
Ms. Whitehead said in her first month as Chair she has observed how well respected our leadership is and the District as a whole, which makes her proud to be a part of this organization; and her compliments go out to Mr. Moore and his staff as well. (CD 1/Track 19 – 12:28/14:54)

Public Input

No requests to address the Board were submitted.

There being no further business to come before the Board, **Ms. McCree moved, seconded by Mr. Dabney, to adjourn the meeting. Motion carried unanimously.**

The meeting was adjourned at 3:00 p.m.

Attest:

Chairman
