

APPROVED

MINUTES OF THE MEETING

Governing Board Southwest Florida Water Management District

Brooksville, Florida

July 31, 2007

The Governing Board of the Southwest Florida Water Management District (SWFWMD) met at 9:00 a.m. on July 31, 2007, at Brooksville headquarters. The following persons were present:

Board Members Present

Judith C. Whitehead, Chair
Neil Combee, Vice Chair
Jennifer E. Closshey, Treasurer
Thomas G. Dabney, Member
Patricia M. Glass, Member
Heidi B. McCree, Member
Ronald E. Oakley, Member
Sallie Parks, 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

Todd Pressman, Secretary
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 Whitehead called the meeting to order and opened the public hearing. Ms. Closshey noted a quorum was present.

2. Pledge of Allegiance

Chair Whitehead led the Pledge of Allegiance to the Flag of the United States of America.

Public Hearing

Chair Whitehead noted that this Governing Board meeting is being broadcasted to the Bartow, 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 Brooksville office. The Governing Board's 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.

3. **Moment of Silence**

A moment of silence was observed. (CD 1/Track 1 – 00:00/01:16/CD 1/Track 2 – 00:00/01:19)

4. **Additions/Deletions to Agenda**

According to Section 120.525(2), Florida Statutes, additions or deletions to the published agenda will only be made for "good cause" as determined by the "person designated to preside." Mr. Moore noted the items that have been added and deleted to the agenda were received by the District or deleted after publication of the regular agenda. The Board has been provided with information and District staff's analyses of these matters. Staff has determined that, subject to Board concurrence, action must be taken on these items prior to the next Board meeting or deleted at this time. (CD 1/Track 3 – 00:00/01:54)

Consent Agenda

The following items were deleted from consideration:

- 20. ERP No. 44023595.001 - Villas at Lake Smart (Denial) – Polk County
- 27. WUP No. 20004352.006 – Tampa Bay Water/South Central Hillsborough County Regional Wellfield – Hillsborough County
- 38. Donation of Land – Medard Reservoir, SWF Parcel No. 11-100-148
(Presented to Alafia River Basin Board at its meeting in July)
- 50. Initiation of Litigation – Surface Water Activity - John P. Heinen, Trustee of the John P. Heinen Revocable Trust Agreement and Linda F. Heinen, Trustee of the Linda F. Heinen Revocable Trust Agreement – Polk County

The following item had a title change deleting the Temporary Water Use Permit.

- 31. WUP No. 20006509.006 or ~~TWUP No. 20006509.007~~ – Polk County Board of County Commissioners/Northeast Regional Utility Service Area (NERUSA) – Polk County

The following item was added for consideration as a Resource Regulation Committee -- Environmental Resource Permits Consent Item:

- ERP No. 43030085.001 – Activity Center 5 - Southeast and Truman Park – Sarasota County

The following item was added for consideration as a Resource Management and Development Committee Consent Item:

- Approval of Amendment to the Construction Agreement with Subaqueous Services, Inc. for the Lake Panasoffkee Restoration Project *(Presented and approved at the Withlacoochee River Basin Board's July meeting)*

The Governing Board unanimously concurred to accept the additions and deletions to today's agenda.

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

Ms. Kavouras administered the Oath of Office to Mr. Oakley. On behalf of the Governing Board, Chair Whitehead welcomed Mr. Oakley. Chair Whitehead said Mr. Oakley will also serve as Chair Ex Officio of the Withlacoochee River Basin Board. The Governing Board members and staff welcomed and congratulated Mr. Oakley. (CD 1/Track 4 – 00:00/02:07)

6. **Employee Recognition**

Mr. Moore 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 individuals celebrated 20-year milestones:

Mr. Ron Basso, Senior Professional Geologist, Resource Conservation and Development; and Ms. Star Etemadi, Business Application Developer, Information Resources Department. Ms. Denise Tenuto, Environmental Coordinator, Resource Management, celebrated her 30-year milestone.

Mr. Moore said Mr. Jan R. Burke, Jr., Bartow Regulation Department, was promoted to Surface Water Regulation Manager on June 25, 2007.

The Governing Board sent their warm wishes to all these employees and congratulated them on their accomplishments. (CD 1/Track 4 – 02:07/08:47)

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

Dr. Burt Eno, President, Rainbow River Conservation, Inc., said the organization is made up of over 200 citizens dedicated to the protection of the Rainbow River and its environs. The organization is interested in the state purchasing some of the undeveloped river corridors and a hand-out regarding the project was provided to each Board member at the meeting. Another project the group is supporting is the acquisition of 6,000 acres northwest of Dunnellon in an area called Cool Springs Ranch. Dr. Eno said this is a large, pristine area that provides recharge to the Rainbow River. (CD 1/Track 5 – 00:00/6:58)

Dr. Octavio Blanco, expressed his concerns regarding the problems associated with the seawater desalination facility. He understands from reading the paper that the plant is not running to capacity because of an ongoing battle with clogged filters. He said there is a Tampa Bay Water (TBW) monitoring station located on one of his wetlands. It is down between 5.0 and 5.5 feet below ground level, and while he has seen the wetland down before, it has never been this dry at the end of July. He also said he sees the impacts to the wildlife loss on his property and the soil lost. In conclusion, Dr. Blanco said he is in favor of reducing groundwater pumping and hopes the District will remain a strong advocate in having TBW run the desalination plant fully. (CD 1/Track 5 – 06:59/11:11)

Consent Agenda

Items 37 and 56 were moved to discussion. Items 20, 27, 38 and 50 were deleted from consideration. One additional item has been added to Resource Regulation Committee Environmental Resource Permits. One additional item has been added to the Resource Management and Development Committee Consent Agenda.

Regulation Committee -- Environmental Resource Permits

8. ERP No. 43031776.000 - Allen Plantation – Citrus County
9. ERP No. 43000164.038 - Charlotte County Airport and Commerce Park Master Drainage Plan – Charlotte County
10. ERP No. 43024255.002 - Taylor Business Center – Charlotte County
11. ERP No. 43031188.001 - McQueen Project – Charlotte County
12. ERP No. 43030437.001 - Shell Point Road Extension - Phase 2 – Hillsborough County
13. ERP No. 43022025.003 - Warner's Crossing – Manatee County
14. ERP No. 43027719.001 - Hidden Lakes – Manatee County
15. ERP No. 43032039.000 - Los Naranjos - Phase 1 – Manatee County
16. ERP No. 43012944.008 - FDOT - SR 56, Basin 30 Pond – Pasco County
17. ERP No. 43030105.001 - Bridge Haven Subdivision – Pasco County
18. ERP No. 43002426.016 - Polk County - North Central Landfill Class I Phase III Expansion, Wetland Mitigation Modification – Polk County
19. ERP No. 43004352.033 - La Cresta at Ridgewood Lakes – Polk County
- ~~20. ERP No. 44023595.001 - Villas at Lake Smart (*Denial*) – Polk County~~
21. ERP No. 43030667.002 - Fox Branch Ranch - Phase 1B & 2 – Polk County
22. ERP No. 44030914.000 - Vaughan Subdivision (*Denial*) – Polk County

Addition: ERP No. 43030085.001 - Activity Center 5 - Southeast and Truman Park – Sarasota County

Regulation Committee -- Water Use Permits

23. WUP No. 20000871.008 - City of Punta Gorda – Charlotte County
24. WUP No. 20009741.016 - Mosaic Fertilizer, LLC & CMI/Family Dynamics, Inc./Pine Level Property – DeSoto and Manatee Counties
25. WUP No. 20012331.004 - Smoak Groves, Inc. & Classic Caladiums, Inc./Classic Caladiums – Hardee County
26. WUP No. 20004679.005 - Ben Hill Griffin, Inc./Lake Letta Grove – Highlands County
- ~~27. WUP No. 20004352.006 - Tampa Bay Water/South Central Hillsborough County Regional Wellfield – Hillsborough County~~
28. WUP No. 20007350.005 - Felton C. Walker, Jr. / Felton Walker Farms – Manatee County
29. WUP No. 20001693.005 - Clear Springs Land Company, LLC/Clear Springs Sod Farm – Polk County
30. WUP No. 20004376.021 - Alcoma Caretaking, LLC/Main Grove – Polk County
31. WUP No. 20006509.006 ~~er~~
~~FWUP No. 20006509.007~~ - Polk County Board of County Commissioners/Northeast Regional Utility Service Area (NERUSA) – Polk County
32. WUP No. 20012763.001 - Rinker Materials, Inc. & CBM Groves, Inc./North Polk Groves – Polk County
33. WUP No. 20003847.013 - L3 Partnership DBA L3 Farms/Parrish Parcel – Polk County

Regulation Committee -- Other

34. **Approval to Initiate Rulemaking to Amend Environmental Resource Permitting Rules 40D-4.331, 40D-4.351, and 40D-4.381, Florida Administrative Code, to Establish Criteria for the Transfer of Completed Phases of Permitted Construction Projects to the Operation Phase**
Staff recommended to approve the initiation of rulemaking to amend Rules 40D-4.331, 40D-4.351 and 40D-4.381, Florida Administrative Code, to allow independently functioning phases of multi-phase construction projects to be transferred to operation phase and to allow formal modification of the construction permit to authorize continued construction of those phases not yet completed.

Finance & Administration Committee

35. **Board Travel**
No action was required at this time.
36. **Budget Transfer Report**
Staff recommended approval of the Budget Transfer Report covering all budget transfers for June 2007.
37. **Governing Board Dais and Audio-Visual Upgrades**
This item was moved from the Consent Agenda to the Finance and Administration Committee for Discussion where it was subsequently approved.

Resource Management & Development Committee

38. **Donation of Land – Medard Reservoir, SWF Parcel No. 11-100-148** *(Presented to Alafia River Basin Board at its meeting in July)* – This item was deleted from consideration.
39. **Appraisals, Purchase/Sale Agreement and Resolution Requesting Funds – Myakka Prairie Project, SWF Parcel No. 21-199-109C** *(Presented to Manasota Basin Board at its meeting in July)*
Staff recommended to (1) accept the appraisals; (2) approve the Purchase/Sale Agreement;(3) approve resolution requesting funds; (4) accept the terms of the cooperative agreement for the FRPP between the District and the Commodity Credit

Corporation working through the NRCS; and (5) designate SWF Parcel No. 21-199-109C as having been acquired for conservation purposes.

40. **Appraisals, Purchase/Sale Agreement and Resolution Requesting Funds – Green Swamp Wilderness Preserve, SWF Parcel No. 19-410-123C** *(Presented to Withlacoochee River Basin Board at its meeting in July)*
Staff recommended to (1) accept the appraisals; (2) approve the Purchase/Sale Agreement; (3) approve resolution requesting funds; and (4) designate SWF Parcel No. 19-410-123C as having been acquired for conservation purposes.
 41. **Continuation of Public Hearing Requested by James P. Gills, Trustee, on Proposed Minimum Levels for Lake Crews in Pasco County**
Staff recommended to continue the public hearing requested by James P. Gills, Trustee, on the proposed Minimum Levels for Crews Lake in Pasco County until the August 2007 Governing Board meeting.
 42. **Fiscal Year 2007 Board Encumbrance – Sewer and Water Fee Assessments – Chassahowitzka Campground, SWF Parcel No. 15-347-105X** *(Presented to Coastal Rivers Basin Board at its meeting in July)*
Staff recommended to approve encumbering the previously budgeted funds, \$179,000, for the Sewer and Water Fee Assessments at the Chassahowitzka Campground SWF Parcel No. 15-347-104.
 43. **Fiscal Year 2007 Board Encumbrance – Design and Permitting of the Terra Ceia Boat Ramp – Tampa Bay Estuarine Ecosystem Project, SWF Parcel No. 21-728-126X** *(Presented to Manasota Basin Board at its meeting in July)*
Staff recommended approval to encumber \$75,000 for the design and permitting of the Terra Ceia Boat Ramp, SWF Parcel No. 21-728-126X.
 44. **Fiscal Year 2007 Board Encumbrance – Peace River/Manasota Regional Water Supply Authority Integrated Regional Loop System, Phase 2**
Staff recommended approving the encumbrance of \$750,000, without a contract, for the Peace River/Manasota Regional Water Supply Authority Integrated Regional Loop System Phase 2 (H051).
 45. **Fiscal Year 2007 Board Encumbrance – Peace River/Manasota Regional Water Supply Authority Integrated Regional Loop System, Phase 3**
Staff recommended approving the encumbrance of \$675,000, without a contract, for the Peace River/Manasota Regional Water Supply Authority Integrated Regional Loop System Phase 3 (H052).
 46. **Fiscal Year 2007 Board Encumbrance – Tampa Bay Regional Reclaimed Water and Downstream Augmentation Projects**
Staff recommended approving the encumbrance of \$4,061,616, without a contract, for the Tampa Bay Regional Reclaimed Water Project to be used in fiscal years 2007-2014.
- Addition: **Approval of Amendment to the Construction Agreement with Subaqueous Services, Inc. for the Lake Panasoffkee Restoration Project (Presented and approved at the Withlacoochee River Basin Board's July meeting)**
Staff recommended amending the agreement with Subaqueous Services, Inc. to transfer \$200,000 from the Dredging tasks to the Dredge Down Time (Contingency) task. The total not to exceed amount of the agreement will remain unchanged.

Outreach & Planning Committee

47. **Supplemental Funding for Fiscal Year 2007 Media Messaging**
Staff recommended approving the transfer of \$150,000 from General Fund contingency reserves to the Communications Department Public Service Announcements to supplement water conservation/drought awareness media placement for FY2008.
48. **Approve Increase of Contract Amount for Miscellaneous Economic Analysis and Authorize Transfer of Funds**
Staff recommended: (1) Approving an amendment to the existing contract with Hazen and Sawyer, P.C. to raise the contract limit by \$50,000 for a total of \$100,000, and authorize the Executive Director to execute the amendment; and (2) Transfer \$50,000 from the

Northern District Planning consulting budget to the Planning Administration consulting budget.

General Counsel's Report

49. **Consent Order – Surface Water Activity – Summertimes Ranch, Inc. – Polk County**
Staff recommended approval of the proposed consent order and authorize the initiation of litigation in the event that Summertimes Ranch, Inc. fails to comply with the consent order.
50. **Initiation of Litigation – Surface Water Activity – John P. Heinen, Trustee of the John P. Heinen Revocable Trust Agreement and Linda F. Heinen, Trustee of the Linda F. Heinen Revocable Trust Agreement – Polk County** – This item was deleted from consideration.
51. **Initiation of Litigation – Surface Water Activity – Central Suburban, Inc. – Polk County**
Staff recommended the initiation of litigation against Central Suburban, Inc. and any other appropriate parties, to obtain compliance, a monetary penalty and recovery of District enforcement costs, litigation costs and attorney's fees.
52. **Initiation of Litigation – ERP No. 44026453.000 – Mardek Pension Plan, Martin Bezdek, Trustee (McIntosh Meadows) – Hillsborough County**
Staff recommended the initiation of litigation against Mardek Pension Plan, Martin Bezdek, Trustee, 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.
53. **Initiation of Litigation – ERP No. 44020500.000 – R.J. Bunbury Homes, Inc. (Southern Ridge Subdivision) – Pinellas County**
Staff recommended the initiation of litigation against R.J. Bunbury Homes, Inc., 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.
54. **Initiation of Litigation – WUP No. 20007447.006 – Robert C. Abbott and Robin E. Abbot – Hardee County**
Staff recommended the initiation of litigation against Robert C. Abbott and Robin E. Abbott and any other appropriate parties to obtain compliance, a monetary penalty and recovery of District enforcement costs, court costs and attorney's fees.

Executive Director's Report

55. **Approval of Minutes – June 26, 2007 Governing Board Meeting**
Staff recommended approval of the minutes as presented.
56. **Resolution No. 07-23, Commending Talmadge G. "Jerry" Rice for His Service as a Member and Chair of the Southwest Florida Water Management District Governing Board**
Staff recommended approval of Resolution No. 07-23, Commending Talmadge G. "Jerry" Rice for his service as a Member and Chair of the Southwest Florida Water Management District Governing Board.

Following consideration, **Mr. Dabney moved, seconded by Ms. McCree, to approve the Consent Agenda as amended. Motion carried unanimously.** (CD 1/Track 6 – 00:00/02:48)

Ms. Closshey suggested staff highlight changes on permit renewals for easier identification of changes. In addition, regarding the five-year reviews Ms. Closshey would like to address how that report can be designed to provide the most comprehensive overview.

Following consideration, **Mr. Dabney moved, seconded by Ms. McCree, to approve Item 56. Motion carried unanimously. Mr. Dabney stated he requested this item to moved to consider Mr. Rice's resolution apart from the remaining consent items.** (CD 1/Track 7 – 00:00/01:15)

Chair Whitehead relinquished the gavel to Regulation Committee Chair Rovira-Forino.

Regulation Committee

Discussion Items

57. **Consent Item(s) Moved for Discussion** - None
58. **Approval of First Modification to Water Shortage Order No. SWF 07-02, Extending Current Restrictions**

Mr. Owen said at its January 30, 2007 meeting, the Governing Board concurred with the Executive Director's January 9, 2007 decision to declare a water shortage and impose appropriate restrictions. Order SWF 07-02 declares modified "Phase II" Severe Water Shortage restrictions for the District's entire 16-county area, including a once per week limit on lawn watering. This order is currently scheduled to expire today. Due to the continued rainfall deficit, staff is seeking a continuation of these same restrictions until September 30, 2007.

Ms. Lois Ann Sorensen, Demand Management Coordinator and Permit Data Supervisor, said staff has continued to monitor drought indicators in accordance with the District's Water Shortage Plan (Chapter 40D-21, Florida Administrative Code). Stream flow, groundwater levels and other indicators continue to be abnormally low. Significantly above-normal rainfall would be needed in order to overcome the current 11.8 inch rainfall deficit so that these conditions return to normal. Chances of significant improvement are still possible depending on rainfall received between now and October.

Mr. Moore said staff put forth a tremendous amount of thought when deciding how long to extend the current restrictions. A 60-day period was chosen because Mr. Moore plans to have staff continue to monitor water resource conditions and how these conditions respond during the rest of the rainy season compared to guidance provided in the District's Water Shortage Plan. If very significant rainfall does not occur through the end of September, staff will be back recommending additional restrictions and other response mechanism. In response to inquiries from Board members, Ms. Sorensen noted that staff will also continue to provide assistance to specific public supply systems, including any necessary emergency authorizations.

Ms. Closshey said this graphical presentation and information was sobering and reminds us that the public really relies on the Governing Board to act as good water stewards and take the whole region into account when managing our water resources. Ms. McCree said local governments have been doing their part to help during the Water Shortage order, she inquired what the District will be doing if these dry conditions persist. Mr. Sorensen said staff is discussing both supply and demand options. Some of which include more stringent emergency orders and the potential use water supply systems at different levels.

Regulation Committee Chair Rovira-Forino heard public comment on this issue at this time.

Dr. Octavio Blanco said he strongly endorses the continuation of the water restrictions, but he does not think it is enough. He said he was looking at the latest Hydrologic Conditions report and the 11 lakes in Pasco County that have been monitored for years reflects that 10 of those lakes are below minimum extreme low management. Dr. Blanco said this is extremely troubling since some rainfall has already been received. He believes these severe conditions, at least for Pasco County, should constitute a ban on all outdoor irrigation.

Staff recommended approval of the First Modification to Water Shortage Order No. SWF 07-02, extending watering restrictions to September 30, 2007. Following consideration,

Ms. Glass moved, seconded by Ms. McCree, to approve the staff recommendation. Motion carried unanimously. (CD 1/Track 8 – 00:00/19:17)

Submit & File Reports

59. **Peace River/Manasota Regional Water Supply Authority – Authorization to Exceed Aquifer Storage and Recovery**

Mr. Owen explained that the Peace River/Manasota Regional Water Supply Authority (PR/MRWSA) requested temporary authorization to lower the withdrawal cutoff on the river from 130 cfs to 90 cfs as measured from the Arcadia station, which the Governing Board authorized on December 1, 2006 and subsequently each month since and including the month of July 2007. The Temporary Water Use Permit allows PR/MRWSA to evaluate the impact of withdrawals from the river during low flow conditions. Since April 22, 2007 the river has rarely risen above the 90 cfs cut off necessary to allow for a surface water withdrawal. As a result, the Peace River reservoir has fallen to a level where the PR/MRWSA is forced to rely exclusively on its ASR system. The continued drought and lack of a surface water source has nearly depleted the ASR storage. Based on these extreme conditions, the District on a temporary basis, has authorized the PR/MRWSA to exceed the stored ASR quantities as of July 2, 2007. This contingency was provisioned in the Water Use Permit No. 2010420.002 issued to the PR/MRWSA on March 26, 1996. This provision allowed the District to authorize overdraft of the ASR under these types of drought conditions. The authorization issued on July 2, 2007 limits withdrawals from the ASR system to 17.0 mgd for a duration of no more than 30 days. This authorization was included as an attachment in the Governing Board information packet.

As of July 5, 2007 the river has recovered to a level where withdrawal on the Peace River has recommenced and withdrawal of the ASR wells has been discontinued. At the earliest opportunity, PR/MRWSA will begin restoring the ASR supply.

This item was submitted for the Committee's information, and no action was required. Committee Chair Rovira-Forino said staff has done an excellent job working with the PR/MRWSA up to this point, but she feels strongly that from this point forward the Governing Board be involved in the decision making.

Following further discussion, **Ms. Parks moved, seconded by Ms. Whitehead, to formally request staff to regularly report back to the Governing Board regarding this Water Use Permit and to include the Governing Board on future decision making regarding this permit as suggested by Committee Chair Rovira-Forino. Motion carried unanimously. (CD 1/Track 8 – 19:17/24:11)**

Routine Reports

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

60. **Demand Management Activities**

Ms. Parks requested an explanation of emergency surcharges to address short-term demand. Mr. Owen said letters were sent out to public and private supply utilities knowing that rate structures can be one of the greatest tools for conservation. Inverted block rate structures and seasonal surcharges are two of the most popular forms of rate structures. Mesdames Glass and Closshey expressed their support for the imposition of conserving water rate structures. Mr. Combee thanked Mr. Owen for the creation of this report and suggested it be supplied to public supply utilities and their county officials.

Committee Chair Rovira-Forino heard public comment at this time.

Mr. Al Grubman, President, TOO FAR, said the organization he represents is in support of water conservation and the use of reservoirs. He said Citrus County has large natural

reservoir areas that are filling in with muck. TOO FAR is disappointed that the District has not taken a more active role in removing muck from their lakes during this drought period. Mr. Grubman asked the Board to look into the potential opportunity for muck removal during the dry season.

Mr. Owen said, in March of this year, the Governing Board approved the modification and renewal with increased quantities for the Villages Water Use Permit. Conditions on that permit required various reports to be submitted, and Mr. Owen said the Villages have complied and are on time.

Mr. Owen said he wanted to reflect on a good news story. Today's Consent Agenda included the Northeast Regional Utility Service Area (NERUSA) permit for Polk County. Mr. Owen commended the staffs of both organizations, as well as outside consultant Mr. Gene Heath, on this collaborative team effort. Committee Chair Rovira-Forino said each and every one of the staff members who worked on this permit deserves recognition for a job well done.

Ms. Closshey suggested that Ms. Glass work with staff to propose another letter regarding conservation and water rate structures to go out to elected officials. Ms. Glass said perhaps she can work that into her Outreach and Planning Committee duties. (CD 1/Track 8 – 24:11/44:17)

61. **Overpumpage Activities**
62. **Southern Water Use Caution Area Quantities**
63. **Major Water Supply Summary**
64. **Public Supply Water Use Permit Benchmarks**

Mr. Owen said this was a new routine report, which has been provided as a comparison tool for the Governing Board members. Staff will be looking forward to feedback after the Board has had a chance to use this report. Mr. Dabney inquired about the date of the data; he asked if the figures were in fact from 2005 as the report indicated. Mr. Owen said that was correct and that was the latest available data. Mr. Dabney suggested staff try to obtain more current information.

Committee Chair Rovira-Forino relinquished the gavel to Finance and Administration Committee Chair Closshey.

Finance and Administration Committee

Discussion Items

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

37. **Governing Board Dais and Audio-Visual Upgrades**

Mr. Dabney requested this item be moved to the Discussion portion of the agenda so he could better understand the choices that were made regarding the upgrades. Mr. Redman explained that unrelated upgrades were going to be performed during his timeframe as well. Staff recommended approving the expenditure of \$185,100 from General Fund Contingency Reserves for the upgrade of the Brooksville and Tampa Governing Board Room daises and audio-visual systems to support two additional Governing Board members.

Following discussion, **Mr. Dabney moved, seconded by Ms. McCree, to approve the staff recommendation. Motion carried unanimously.** (CD 1/Track 9 – 00:00/02:54)

66. **Fiscal Year 2008 Budget Update and Adoption of Proposed District and Basin Millage Rates**

Committee Chair Closshey said it has been an interesting year to develop a budget – with tax reform and reduction discussions ongoing throughout the regular Legislative Session. This was followed by a Special Legislative Session in June and ultimately tax reform legislation. House Bill 1B was enacted on June 21, impacting our budget development calendar. Following today's meeting, the regular budget calendar will resume for the remainder of the fiscal year 2008 budget development.

On July 11, the Recommended Annual Service Budget for FY2008 was submitted to the Governing Board. This draft budget was a preliminary version because the new millage rates that are required by the tax reform legislation could not be determined until after the District had received all of the Certifications of Taxable Value from the county Property Appraisers by July 15. These taxable values have now been received and the new millage rates have been calculated.

The Basins all met last week in special July meetings and adopted their fiscal year 2008 millage rates and budgets, which they have recommended to the Governing Board for consideration today. The Basins all adopted millage rates in compliance with House Bill 1B.

Board members stated that they felt very comfortable with the budget materials and requested a brief presentation so they could move on to the other parts of the agenda where citizens were waiting to be heard on upcoming topics.

Mr. Schiller provided an overview of the fiscal year 2008 budget, and an update on the District's ongoing efficiency exercise. Topics included a review of the budget calendar and District achievements through implementation of efficiency initiatives.

The District's FY2008 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 Brooksville Headquarters on September 25, 2007.

Staff recommended approval of Resolution No. 07-18, Adoption of Proposed District and Watershed Basin Millage Rates for Fiscal Year 2008.

Following consideration, **Ms. McCree moved, seconded by Ms. Whitehead, to approve the staff recommendation. Motion carried unanimously.** (CD 1/Track 9 – 02:54/22:53)

Submit & File Reports

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

67. **Fiscal Year 2007 Third Quarter Financial Report**

68. **Inspector General's Update – 24-Month Progress Report: IRD Organizational Study**

Mr. Kurt Fritsch, Inspector General, presented an overview of the Information Resource Department (IRD) Organizational Study. He said the challenge has been aligning our systems, strategies, and people. Graphics were used during a brief discussion about the District's computer operating system and the management of staff resources. (CD 1/Track 10 – 00:00/04:54)

69. **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.

70. **Management Services Status Report**

Committee Chair Closshey said she attended the Governor's Climate Change Summit along with Governing Board Chair Whitehead and Executive Director Moore, in Miami on July 12 and 13. The Summit had over 800 attendees, including representatives from many large corporations, a host of international dignitaries, politicians, and a wide range of news media personnel. The Governor's initiative calls for a three-tiered carbon footprint reduction for the state. District staff has begun working on a comprehensive plan to meet the Governor's initiative. (CD 1/Track 11 – 00:00/03:11)

Committee Chair Closshey relinquished the gavel to Resource Management and Development Committee Chair McCree.

Resource Management and Development

Discussion Items

71. **Consent Item(s) Moved for Discussion** – None

72. **Recommended Changes to the Governing Board's Cooperative Funding Initiative Policies and Procedures Pertaining to Brackish Groundwater Supplies**

Mr. Wirth said the purpose of this item was to obtain the Governing Board's approval of recommended changes to the Cooperative Funding Initiative (CFI) policies and procedures as they pertain to funding for brackish groundwater facilities. These changes are consistent with the Board's action at its March 2006 meeting to reaffirm its previous practice regarding funding for brackish groundwater facilities and addresses the Board's request at their May 2007 meeting to have written guidelines for all its funding policies and practices. Mr. Wirth said simply stated the policy states we will not fund brackish groundwater systems that seek its water source from the Upper Floridan or intermediate aquifers. The District will continue funding the feasibility elements of these projects because they provide useful geologic and hydrologic information. Mr. Wirth provided the Governing Board with a detailed overview of the history behind this policy.

Staff recommended the Governing Board provide conceptual approval of changes to the Cooperative Funding Initiative Policy 130-4 relative to funding of brackish groundwater facilities and other issues to forward to the Public Supply and Environmental Advisory Committees for their input and comment.

Following consideration, **Ms. Closshey moved, seconded by Mr. Oakley, to accept the staff recommendation as presented at today's meeting and referenced above.**

Ms. Parks asked what has happened to the local sources first initiative. Mr. Wirth responded to Ms. Parks' inquiry and said that that portion of Chapter 373 that covers the local sources first initiative is referenced in the policy and that details of that nature are typically handled during the permit process. Mr. Moore explained, relative to her concerns, any project for the Regional Water Supply Authorities is considered a local sources first initiative.

Ms. Rovira-Forino inquired if this policy will allow the Governing Board flexibility to consider each project individually. Committee Chair McCree and staff reassured Ms. Rovira-Forino that the Governing Board is not giving up any option or flexibility to look at these projects individually. Mr. Moore added that the options staff is presenting are consistent with Senate Bill 444 and that the District will continue to fund brackish groundwater systems when they are using an isolated source of water from the primary aquifers.

Committee Chair McCree said she would like to complete the staff presentations and then hear from the public regarding this item.

Mr. Gregg W. Jones, P.G., Director, Resource Conservation and Development Department, said he wanted to clarify that the staff recommendation presented at today's meeting varies from the one presented in the Governing Board information notebook. Mr. Jones said that Mr. Wirth had provided the Board with all of the critical information earlier and that he would forgo his prepared presentation so that Committee Chair McCree could proceed with public comment.

Mayor Beverly Billiris, City of Tarpon Springs, thanked the Governing Board members for hearing this issue again today. In addition, Mayor Billiris said District staff is to be commended for the cooperative nature in which they have interacted with the City of Tarpon Springs.

Ms. Ellen Posivach, City Manager, City of Tarpon Springs, said the Pinellas-Anclote River Basin Board unanimously voted to ask the Governing Board to reconsider this project. The Governing Board suggested that the City of Tarpon Springs get approval for this project from Tampa Bay Water (TBW). Ms. Posivach said that the City of Tarpon Springs has a healthy amount of support for this project from TBW. The City of Tarpon Springs is a multi-jurisdictional provider of water.

Ms. Parks clarified that the Pinellas-Anclote River Basin Board said to bring back the project for consideration if the Governing Board's policy allows for it; they did not say they wanted to fund the project.

Mr. Jake Varn, attorney representing the City of Tarpon Springs, said this is a matter of policy. The issue he has is that the policy proposed does not have the case-by-case consideration, the Board requested, built in to it. Mr. Varn said he feels the City of Tarpon Springs is automatically excluded. Mr. Varn displayed slides used by Senator Dockery, depicting the goals of SB 444. One of those goals is avoid competition for limited traditional sources of water. Brackish groundwater is not a traditional source of water; it is an alternative source of water. Mr. Varn provided various funding scenarios for the Board to consider.

Ms. Closshey commented that she spoke with an attorney working with the South Florida Water Management District and affirmed that it is their policy to fund brackish water systems that use only isolated sources. Ms. Closshey said she pointed this out because it was a good comparison of what is being done in other parts of the state, as well as, an indication that utilities have taken on these projects by themselves and have had successful operations, such as in this case. She recommended the City of Tarpon Springs may wish to pursue this project alone.

Mr. Combee asked how many isolated aquifers potentially exist in Polk County. Mr. Moore said, in Polk County, water managers are hopeful a separation layer from the Upper Floridan and the Lower Floridan aquifers exists. This water would be deeper down around 3,000 studies are currently evaluating this geology. (CD 1/Track 12 – 00:00/01:02:06)

Mr. Moore said the main point is that state funding is not a subsidy for utilities. If in the course of our duties to protect and conserve the water resources a utility benefits, that is a side benefit to them.

Mr. Dabney led a lengthy discussion regarding the fact that this project for the City of Tarpon Springs would not free up the use of groundwater. He said he is in favor of the staff recommendation to continue not to fund brackish water systems.

Ms. Closshey said there seems to be an increasing need for the Governing Board to address the fundamental scope for water authorities and what the intent is between their

member governments, the non-member governments, and all the players in our total region. Ms. Closshey said this is a critical strategic issue the Board needs to address at the earliest possible moment. Another issue is that of rising costs and pricing strategy,

Ms. Closshey suggested this be a topic for discussion at a future meeting. The District is responsible for the total number of groundwater gallons withdrawn and this fact needs to be taken into consideration and controlled. Ms. Closshey said it was important to keep in mind that funds will continue to be restricted at least in the short-term so that economic feasibility needs to be considered.

Ms. Glass led a debate and discussion about whether they were really discussing funding or policy making. Mr. Wirth said the discussion seems to be about funding; granting a permit is where your policy is set. Mr. Moore added that the District permits a lot of projects it does not fund.

Ms. Parks moved to amend the original motion using the following language changes to number 9 of the proposed Policy 130-4. Adding the word "funding" to exploration and testing. Taking out the language "is isolated from" and adding the words "avoiding adverse impacts to." Board members debated and discussed these proposed changes at length. This motion did not receive a second. (CD 1/Track 12 – 01:02:06/01:27:57)

Committee Chair McCree reminded the Board that there is a motion on the floor. **Ms. Closshey called the question. The Governing Board voted on calling the question. The motion to call the question failed and debate continued.**

Mr. Combee led a discussion engaging his fellow Board members trying to get an indication of how they feel about any type of groundwater projects regardless of quality. He said he was wondering if there were any known isolated aquifers in the District that utilities could tap into.

Ms. Rovira-Forino said they are trying to solve funding issues with this policy; she does not feel that the proposed language in the policy presented today is anything different than what the Board has been practicing.

Ms. Parks moved, seconded by Ms. Rovira-Forino, to amend the motion and to replace it with a language change in the proposed Policy 130-4 (as presented in the Governing Board recap), under number 9 to the following: Funding for brackish groundwater projects shall allow for exploration, testing, and funding of production associated with brackish groundwater so long as it can be proved that there are not adverse impacts to the Upper Floridan, intermediate, or surficial aquifer systems.

The discussion continued after the second amendment was proposed. Mr. Dabney and Ms. Closshey argued that the original staff recommendation does not change the policy but rather clarifies it; whereas, the amendment changes the policy and opens the door for a substantial increase in liabilities. Ms. Closshey asked her fellow Board members to take another look at the staff's recommendation. She pointed out that the staff recommendation was calling for the "conceptual approval" of changes to the Cooperative Funding Initiative Policy 130-4 and that this would be forwarded to the Public Supply and Environmental Advisory Committees.

Mr. Dabney called the question on the amendment. The Governing Board unanimously voted to call the question on the amendment.

The Governing Board voted on the amendment and it failed with two members voting in favor and seven opposed (Messrs. Combee, Dabney and Oakley; Mesdames Glass, McCree, Whitehead and Closshey).

Mr. Dabney called the question on the original staff recommendation that is on the floor. The Governing Board unanimously voted to call the question.

The motion carried unanimously to approve the staff recommendation as presented at the meeting and as referenced above. (CD 1/Track 12 – 01:02:06/01:53:10)

73. **Hillsborough County – South/Central Regional Reclaimed Water Project**

Mr. Gregg W. Jones, P.G., Director, Resource Conservation and Development Department, said the purpose of this item is to request the Governing Board include \$250,000 in its FY2008 Budget for a Preliminary Design and Engineering study for the Hillsborough County South-Central Regional Reclaimed Water Project. Staff requested the Boards commit funds to the Preliminary Design and Engineering (PD&E) study in their 2008 budgets. However, the contract for the study will not be executed and no funds will be expended until all issues are resolved. Furthermore, staff just learned that TECO and not Mosaic will be Hillsborough County's new customer in the project. (CD 1/Track 13 – 00:00/27:49)

Mr. Dabney said he wants to make sure this project comes back before the Governing Board before it would be moved forward. Mr. Jones said indeed it would. Mr. Jones said it is important to note that elements of the construction phase of the project that are eligible for District funding will not be determined until the PD&E study is complete. In addition, issues of assignment of and compensation for groundwater replacement credits will be resolved prior to additional funds being requested from the Governing Board and Basin Boards.

Staff recommended the Governing Board include \$250,000 for preliminary design and engineering work for the Hillsborough County South-Central Regional Reclaimed Water Project in its FY2008 budget.

Following consideration, **Mr. Dabney moved, seconded by Mr. Combee, to approve the staff recommendation as presented with the added caveat that the project is brought before the Governing Board before any PD&E is done.**

Chair McCree said in light of all the new information presented today and unanswered questions she would not support the staff recommendation.

Mr. Dabney withdrew his motion.

Following discussion, **Mr. Combee moved, seconded by Mr. Oakley, to approve the staff recommendation. The motion failed with five members voting in opposition.**

Mr. Wirth suggested the Governing Board agree to continue the dialog and use reserves if necessary to fund the project.

Ms. Closshey moved, seconded by Mr. Dabney, to direct staff to continue the dialog with Hillsborough County, clarify the project and bring it back to the Governing Board, and determine its funding timetable at that point. The motion carried unanimously. (CD 1/Track 13 – 00:00/27:49)

Submit & File Reports – None

Routine Reports

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

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

75. **Land Resources Department Significant Activities**

76. **Florida Forever Status Report**

Committee Chair McCree heard public comment at this time.

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

Dr. Blanco addressed the Board and said he would like to see this initiative extended to cypress wetlands. He believes it would be more meaningful to report what has been lost and discontinue the use of the terminology "recovery" which he thinks does not place the proper severity on the issue.

78. **Hydrologic Conditions Status Report**

Dr. Blanco said, for the month of June 2007, the Hydrologic Conditions Report states that rainfall was within normal range. Ten of eleven lake levels (in Pasco County) continued to drop. Seven out of the eleven lakes in Pasco County report that their highest lake levels were last seen 18 or more years ago.

79. **Structure Operations Status Report**

Chair Whitehead recessed the public hearing for a short lunch break.

Following the break, Chair Whitehead turned the gavel over to Outreach and Planning Committee Chair Combee.

Outreach and Planning Committee

Discussion Items

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

81. **Fiscal Year 2009 Strategic Plan Development**

Mr. Kurt P. Fritsch, Inspector General, said the purpose of this agenda topic was to provide the Governing Board a project status report for updating the District's Strategic Plan. During the presentation, Mr. Fritsch provided a status report on work activities to date; furthered the Governing Board's awareness of strategy maps and how they link to the Strategic Plan document; and introduced and discussed the strategic initiatives for Water Supply and Flood Protection as developed by the Strategic Team.

Mr. Fritsch noted that the presentation slides staff used were provided in the Governing Board information notebook. A large color strategic map was distributed to the Board at the meeting. The project timeline was reviewed. Mr. Fritsch pointed out that the Strategic Plan will be on the Governing Board agenda for the next three months and will be the featured topic at the September 11, 2007, Joint Governing Board/Basin Board Workshop. (CD 1/Track 14 – 00:00/69:47)

Outreach and Planning Committee Chair Combee heard public comment at this time.

Dr. Blanco said he applauds the District on their Strategic Plan and its efforts put forth in his arena. He cautioned staff to keep an eye out for the hidden costs when planning for the long-term. (CD 1/Track 15 – 00:00/06:37)

Submit & File Report

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

82. **Legislative Update**

Routine Reports

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

83. **Significant Activities Report**

Ms. Kavouras called this report to the Board's attention; she said this was a new report highlighting the current significant activities the District is working on.

84. **Comprehensive Plan Amendment and Related Reviews Report**

85. **Review of Developments of Regional Impact**

Committee Chair Combee relinquished the gavel to Chair Whitehead.

General Counsel's Report

Discussion Items

86. **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.

87. **Litigation Report**

88. **Rulemaking Update**

Reports

89. **Industrial Advisory Committee Liaison Report**

Ms. Kavouras said the Industrial Advisory Committee and the Public Supply Advisory Committee both met on July 10, 2007. They shared many of the same topics, such as per capita use and reclaimed water requirements.

90. **Public Supply Advisory Committee Liaison Report**

91. **Well Drillers Advisory Committee Liaison Report**

Mr. Owen said there were no items requiring Board action at this time.

92. **Joint Basin Board Education Committee/Basin Board Land Resources Committee Meeting Report**

Ms. McCree reported that this was a fabulous meeting with representation on both sides from most, if not all, Basin Boards. The purpose of the joint meeting was to capture issues that cross over. The Environmental Education programs were discussed and how the District uses its own lands to help further awareness of the District as a whole. Ms. McCree encouraged her fellow Board members to review the results from the land development survey, which was included in the Governing Board information notebook, because it contained a lot of interesting facts and information. Ms. Rovira-Forino said she has heard positive feedback from the Basin Board members on this joint forum and is looking forward to participating next year again.

Ms. Closshey gave a brief update on the Public Land Acquisition and Partnership Conference that is planned for this coming December. Ms. Closshey shared the draft agenda with her fellow Board members for the three-day event. She asked for Board member support for the silent auction to benefit the Sierra Club. (CD 1/Track 16 – 00:00/10:36)

93. **Executive Director's Report**

Mr. Moore updated the Board regarding the following topics: the Climate Change Conference, the Environmental Permitting Short Course, Recovery Strategy meetings with TBW, a meeting regarding the development and use of bio-fuels, floodplain mapping, and the Natural Resources Conservation Service meeting.

94. **Chair's Report**

Chair Whitehead mentioned that there will be a Water Forum in Orlando, to be held in September; she asked that Board members contact staff if they are interested in attending. (CD 1/Track 17 – 00:00/10:03)

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 Ms. Parks, to adjourn the meeting. Motion carried unanimously.**

The meeting was adjourned at 3:37 p.m.

Attest:

Chairman

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