

APPROVED

MINUTES OF THE MEETING

Governing Board Southwest Florida Water Management District

Sarasota, Florida

October 30, 2007

The Governing Board of the Southwest Florida Water Management District (SWFWMD) met at 9:00 a.m. on October 30, 2007, at the Sarasota Service Office. The following persons were present:

Board Members Present

Judith C. Whitehead, Chair
Neil Combee, Vice Chair
Todd Pressman, Secretary
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
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

None

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. Mr. Pressman noted a quorum was present.

2. Pledge of Allegiance and Invocation

Chair Whitehead led the Pledge of Allegiance to the Flag of the United States of America. Mr. Bilenky offered the invocation.

Public Hearing

Chair Whitehead noted that this Governing Board meeting was being broadcast to the Bartow and Tampa Service Offices, and Brooksville headquarters using the video conferencing system for the purpose of viewing the Board meeting only. Public input was only taken at Sarasota office. The Governing Board's meeting was 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 speaker's 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 speaker's 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. **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 deleted from the agenda were deleted after publication of the regular agenda. (CD 1/Track 1 – 00:00/03:59)

Consent Agenda

The following items were deleted from consideration:

- 19. WUP No. 20001415.009 - Plant City Phosphate Complex/C.F. Industries, Inc. – Hillsborough County
- 38. Initiation of Litigation – Surface Water Activity – David R. Spiker, Pamela J. Spiker, and AAA Top Quality Asphalt, LLC – Polk County

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

No person(s) requested to speak at this time.

Consent Agenda

Items 19 and 38 were deleted from consideration. Mr. Oakley declared a voting conflict on Item 18; this item was considered separately.

Regulation Committee -- Environmental Resource Permits

- 5. ERP No. 43001957.003 - Panther Mine Expansion – Charlotte County
- 6. ERP No. 43032705.000 - WINNR – Hardee County
- 7. ERP No. 43031498.003 - Nature Coast Commons - Ph 2 – Hernando County
- 8. ERP No. 49030480.001 - Villages of Glen Creek (fka Mixon Property) – Manatee County
- 9. ERP No. 49013559.014 - New River Lakes - Ph 1, Parcel E – Pasco County
- 10. ERP No. 43014392.004 - Pasco County - SR 581, North of County Line Road to South of SR 54 – Pasco County
- 11. ERP No. 43029484.004 - Liberty Bluff IV – Polk County
- 12. ERP No. 43030439.001 - Watermen Commerce Park – Polk County
- 13. ERP No. 43032049.000 - Inland Shores – Polk County
- 14. ERP No. 49032502.000 - Kenmare at Lake Annie - Phases 1-6 – Polk County

Regulation Committee -- Water Use Permits

- 15. WUP No. 20003669.010 - Hardee Phosphate Complex - South Pasture/CF Industries, Inc. – Hardee County
- 16. WUP No. 20004461.007 - City of Wauchula – Hardee County
- 17. WUP No. 20008026.004 - Bhrgu Avon Property/Bhrgu Avon Properties, LLC. (**DENIAL**) – Hardee County
- 18. WUP No. 20009302.009 - Veley Block/Lake Placid Groves, LLC – Highlands County
- ~~19. WUP No. 20001415.009 - Plant City Phosphate Complex/C.F. Industries, Inc. – Hillsborough County~~
- 20. WUP No. 20012294.002 - Lake Strawberry Special Dependent District and North Crystal - Strawberry Lake Improvement Association, Inc. – Hillsborough County
- 21. WUP No. 20006508.009 - Southeastern Regional Utility Service Area/Polk County Board of County Commissioners - Polk County

Regulation Committee – Other

- 22. **Continue Rulemaking Public Hearing for the Final Approval of Amendments to 40D-2.091, 40D-2.321 and 40D-2.801(3)(c), Florida Administrative Code (F.A.C.), and**

the Water Use Permitting Basis of Review to Establish Central Florida Coordination Area

Staff recommended to continue the rulemaking public hearing on the amendments to 40D-2.091, 40D-2.321 and 40D-2.801(3)(c), Florida Administrative Code, and Part B, Basis of Review, of the Water Use Permit Information Manual to establish the Central Florida Coordination Area and to provide regulations for the Area until the November 2007 Governing Board meeting.

23. **Initiate Rulemaking to Revise Rule 40D-2.091, F.A.C., and the Water Use Permitting Basis of Review Chapter 6, to Conform Standard Condition 16 to Rule 40D-2.381(3)(p), F.A.C., Relating to Requirements for Transfer of Water Use Permits**

Staff recommended to authorize initiation of rulemaking to make the changes revising Rule 40D-2.091, F.A.C., and Chapter 6 of Part B, Basis of Review, Water Use Permit Information Manual, to replace Standard Condition No. 16 with the wording in 40D-2.381(3)(p), as shown in the Exhibit.

24. **Initiate Rulemaking to Revise Rule 40D-2.091, F.A.C., and Chapter 6 of the Water Use Permitting Basis of Review to Update the Permit Reporting Condition**

Staff recommended to authorize initiation of rulemaking to make the changes, as shown in the Exhibit, to Section 6.2, Chapter 6 of Part B, Basis of Review for Water Use Permit Applications.

25. **Initiate Rulemaking to Revise 40D-4.091, F.A.C., and Appendix 4 of the Basis of Review for Environmental Resource Permit Applications to Allow Permit Applicants to Require Multiple Signatures to Authorize the Withdrawal of Mitigation Bank Credits**

Staff recommended to approve the initiation of rulemaking to amend Rule 40D-4.059, F.A.C., and Section 6 of Appendix 4 to the ERP Basis of Review to allow multiple signatures to authorize the withdrawal of credits from a mitigation bank.

Resource Management & Development Committee

26. **Initiate Rulemaking to Amend 40D-8.624, F.A.C., to Add Minimum and Guidance Levels for Lakes Annie, Bonnie, Dinner, Lee, Mabel, Starr, and Venus in Polk County**

Staff recommended to approve initiation of rulemaking to amend 40D-8.624, Florida Administrative Code, to delete previously adopted guidance levels and add new guidance and minimum levels.

27. **Initiate Rulemaking to Amend 40D-8.021, 40D-8.031 and 40D-8.624, F.A.C., to Delete Ten-Year Flood Guidance Levels for Lakes and References to the Levels**

Staff recommended to approve initiation of rulemaking to amend 40D-8.021, 40D-8.031 and 40D-8.624, Florida Administrative Code, to delete the Ten-Year Flood Guidance Levels for lakes and references to the Levels as shown in the Exhibit.

28. **Land Donation – Medard Reservoir, SWF Parcel No. 11-100-148** *(Presented to Alafia River Basin Board at its meeting in October)*

Staff recommended to (1) authorize the Land Resources Director to accept the donation of an easement on SWF Parcel 11-100-148; (2) accept the deed; and (3) pay costs associated with transfer, not to exceed \$5,000.

29. **Utility Easement to the Hernando County Water and Sewer District – Weekiwachee Preserve, SWF Parcel No. 15-773-201X** *(Presented to Coastal Rivers Basin Board at its meeting in October)*

Staff recommended to approve conveyance of an easement to the Hernando County Water and Sewer District.

30. **Land Exchange – Green Swamp Wilderness Preserve, SWF Parcel Nos. 19-410-124S and 19-410-125** *(Presented to Withlacoochee River Basin Board at its meeting in October)*

Staff recommended to (1) declare SWF Parcel No. 19-410-124S as no longer needed for conservation purposes; (2) declare SWF Parcel No. 19-410-124S as surplus; (3) accept the appraisal; and (4) approve the exchange of lands with Mr. and Mrs. Rayburn.

31. **Lake Panasoffkee Restoration Council – Tenth Annual Report to the Legislature** *(Presented to the Withlacoochee River Basin Board at its October meeting)*

Staff recommended to accept the Lake Panasoffkee Restoration Council's 2007 Report to the Legislature, as presented.

32. **FARMS Program – Classic Caladiums, L.L.C., Hardee County** (*Presented to the Peace River Basin Board at its meeting in October*)
Staff recommended to (1) approve the Classic Caladium, L.L.C. FARMS Project for a not-to-exceed project reimbursement of \$85,000, with \$21,250 provided by the Peace River Basin, \$21,250 provided by the Governing Board, and \$42,500 provided from State Appropriations; (2) authorize the transfer of \$21,250 from fund 020 H017 Peace River Basin FARMS Funds, \$21,250 from fund 010 H017 Governing Board FARMS funds, and \$42,500 from the 2006 and 2007 State Appropriations allocated to fund 020 H017 Peace River Basin State Appropriations, to H540 Classic Caladiums, L.L.C. FARMS project fund; and (3) authorize the Executive Director to execute the agreement.
33. **Continuation of Public Hearing – Request by James P. Gills, Trustee, on Proposed Minimum and Guidance Levels for Crews Lake in Pasco County**
Staff recommended to continue the public hearing requested by James P. Gills, Trustee, on the proposed Minimum and Guidance Levels for Crews Lake in Pasco County until the November 2007 Governing Board meeting.
34. **Continuation of Public Hearing – Request by Tampa Bay Water on Proposed Minimum Flows for the Fresh Water Segment of the Alafia River**
Staff recommended to continue the public hearing requested by Tampa Bay Water on the proposed Minimum Flows for the freshwater segment of the Alafia River to January 2008 in anticipation that the peer review report will be presented to the Board at that time and the public hearing can be conducted coincident with that presentation.

Finance & Administration Committee

35. **Board Travel**
No action was required at this time.
36. **Budget Transfer Report**
Staff requested approval of the Budget Transfer Report covering all budget transfers for September 2007.

General Counsel's Report

37. **Consent Order – Surface Water Activity – Hristos and Joanne Malissovas – Pasco County**
Staff recommended to approve the proposed Consent Order and authorize the initiation of litigation in the event that Hristos and Joanne Malissovas fail to comply with the Consent Order.
38. **Initiation of Litigation – Surface Water Activity – David R. Spiker, Pamela J. Spiker, and AAA Top Quality Asphalt, LLC – Polk County**
This item was deleted from consideration.
39. **Initiation of Litigation – ERP No. 44025322.000 – HCH Holdings, LLC (Saddlewood Subdivision) – Polk County**
Staff recommended to authorize initiation of litigation against HCH Holdings, LLC and any other appropriate parties to obtain compliance, to recover an administrative fine/civil penalty for permit condition violations, and to recover District enforcement costs, court costs and attorney's fees.

Executive Director's Report

40. **Approval of Minutes – September 11, 2007 Tentative Public Budget Hearing; September 25, 2007 Governing Board Meeting; and September 25, 2007 Final Public Budget Hearing**
Staff recommended to approve meeting minutes for the September 11, 2007 Tentative Public Budget Hearing; September 25, 2007 Governing Board Meeting; and September 25, 2007 Final Public Budget Hearing.

Following consideration, **Mr. Dabney moved, seconded by Mr. Combee, to approve the Consent Agenda as amended. Motion carried unanimously.** (CD 1/Track 2 – 00:00/00:33)

Following consideration, **Mr. Combee moved, seconded by Ms. McCree, to approve Consent Agenda Item 18. The motion carried and Mr. Oakley abstained from voting.** (CD 1/Track 2 – 00:33/00:50)

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

Resource Management and Development Committee

Discussion Items

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

42. **District's Long-Range Water Supply and Resource Development Funding Plan**

Mr. Wirth presented the District's long-range funding plan for water supply and water resource development projects through fiscal year 2025. Revenue and allocation information was presented for the New Water Sources Initiative Program, Water Supply and Resource Development Program, the Senate Bill 444 program, and the Save Our Rivers and P2000 land acquisition programs. The Board received an update on project costs and projected funding for those projects that were underway and ones about to commence. Mr. Wirth reviewed significant additions, deletions, and changes to the funding plan. He also discussed proposed tax reform and state budget actions and their impacts on this year's and future year budgets. Proposed legislative adjustments to taxable property values would result in a reduction of ad valorem revenue.

The following conclusions were drawn from the presentation. Tax reform could significantly reduce future District revenues and allocations for water supply and resource development projects. The Governing Board is presently positioned to meet its financial demands through 2015. Basin Boards in the Northern Tampa Bay Planning area are well positioned to meet their financial demands. The Manasota and Peace River Basins were not as well positioned going forward, particularly the Peace River Basin. Governing Board members discussed the presentation and directed staff to continue to update them moving forward.

This item was presented for the Committee's information, and no action was required. (CD 1/Track 3 – 00:00/35:02)

Mr. Moore directed the Board's attention to the Strategy Map displayed on the wall. He said this would help tie the presented items to the Strategic Plan. (CD 1/Track 4 – 00:00/00:57)

43. **Recommended Changes to Governing Board Policy 130-4, Cooperative Funding Initiative**

Mr. Wirth said the purpose of this item is to obtain the Governing Board's approval of recommended changes to the Cooperative Funding Initiative (CFI) Policy 130-4. The changes that are being recommended reflect those presented by staff at the Board's July 2007 meeting, and subsequent comments received at a joint meeting of the District's Public Supply and Environmental Advisory Committees (PSAC and EAC) and written comments received by others.

Comments included: suggestions that guidelines for determining economic feasibility should be provided; the concept that "primary ownership" of projects submitted by members of a water supply authority (WSA) should be negotiated between the member and respective WSA; and a requirement that brackish groundwater projects be part of a conjunctive use system in order for them to qualify for funding.

Based on comments received from the PSAC and EAC, and further consideration of these

issues by District staff, staff has modified the proposed Policy changes that were presented to the Board at its July 2007 meeting.

Staff recommended the Governing Board approve the proposed changes to Board Policy 130-4 as presented.

Ms. McCree suggested that the Governing Board leave staff with ample direction today for them to move forward with finalizing the proposed rule changes and bring back a clean version for them to vote on as soon as possible. Board members engaged in a lengthy debate before coming to a consensus not to vote on proposed changes to Board Policy 130-4 today, but to have staff submit a clean proposed revised policy to consider at the November Governing Board meeting. Considerable discussion took place regarding how to handle funding requests from non-member governments. Mr. Moore said it has been a long-term policy of the District to help the regional water supply authorities develop alternative sources that will work most effectively with regional hydrologic conditions.

Committee Chair Pressman heard public comment at this time.

Mayor Beverly Billiris, City of Tarpon Springs, said the City has come before the Governing Board on several occasions seeking funding for a brackish groundwater supply project and they have made their case clear. Mayor Billiris said the City is waiting for funding from their Basin Board.

Mr. Jake Varn, Attorney, said he hopes the Board would not lose sight of the intention of this policy in deliberation of the rulemaking language. Mr. Varn said for the whole regional benefit the District should consider projects that are cost effective such as the Tarpon Springs brackish groundwater supply project.

Mr. Paul Smith, Assistant Public Services Director, City of Tarpon Springs, said the City is waiting on the Basin Board to approve funds for this project. Mr. Smith said the Basin Board is awaiting the Governing Board's policy decision.

Ms. Parks said the Pinellas-Anclote River Basin Board has not approved this project, as perhaps was indicated. She said the Basin Board said they would take another look at the project again after the Governing Board has provided policy direction. Mr. Wirth said it was possible to put this item on the November Governing Board agenda and schedule the item for the December Pinellas-Anclote River Basin Board meeting. (CD 1/Track 5 – 00:00/01:18:57)

44. **Reclaimed Water Task Force Recommendations**

Mr. Moore said this is an action item requiring the Governing Board to consider the recommendations of the Reclaimed Water Task Force and the District staff's and public comments/recommendations to them.

The discussion focused on three main issues:

- (1) That reclaimed water was being reallocated or priced such that some existing users found it uneconomical to continue its use;
- (2) If existing reclaimed water became unavailable or cost prohibitive, a limited number of users would not be able to return to ground water because they did not have standby quantities or the standby source's quality had deteriorated beyond use. The question was raised as to the District's obligation to assist the users in providing a reliable and feasible water supply, and
- (3) What could be done to significantly increase the use of reclaimed water to offset groundwater and surface water use.

Mr. Dabney, who chairs the Task Force, said the members were selected from the District's advisory committees and it is comprised of people with various backgrounds. He said these meetings were well attended and full of robust discussions.

Task Force members formulated, debated, and finalized a list of 16 recommendations to forward to the Governing Board for its consideration. Staff presented the recommendations to the Governing Board at its June 2007 meeting, at which time the Board accepted the recommendations of the Task Force for release to the District's advisory committees, project cooperators, local governments and private utilities for their input. The recommendations were released as directed and, beginning July 10, 2007, were presented at all advisory committee meetings. The public comment period was through the months of July, August and September.

Recommendation 10 deals with the economic feasibility of an entity being required to use reclaimed water as part of a Water Use Permit (WUP). This issue has significant implications to our WUP process not only here at the Southwest Florida Water Management District, but statewide. Based on these concerns, staff did not take a final position, but instead recommends that additional coordination with the Florida Department of Environmental Protection, other water management district's and the regulated public be completed before rendering a position.

Following consideration, **Mr. Dabney moved, seconded by Mr. Oakley, to add that 20 acres be added as the minimum project size to Recommendation 1. Motion carried unanimously.** (CD 1/Track 6 – 00:00/10:06)

Mr. Dabney led a discussion regarding Task Force Recommendation 2; he believes reclaimed water lines are very expensive and should not be required in every development. Mr. Moore said staff's goal is not to lose sight of smart irrigation. Board members discussed the possibility of cooperatively funding some of these reclaimed projects in the future acknowledging that the most efficient method to install purple pipe would be during site development. Mr. Combee asked General Counsel Bilenky if this could be made a part of the ERP process. Mr. Bilenky said he believed it could be handled that way; whether or not the District paid for these pipes is another issue all together. Mr. Dabney said a pool of money, established with money from each basin, could be established each year to help fund the installation of purple pipe. He asked Board members how they felt about that idea; responses were mixed.

Regarding Task Force Recommendation 10, Mr. Dabney led the discussion proposing that the District's rules should be modified to clarify that when a reclaimed water source becomes available to an existing legal user, it will be considered economically feasible for that user to take the reclaimed water if the cost of the reclaimed water is less than or equal to the cost of the user's existing water supply. Additionally new WUP applicants would be required to determine economic feasibility by factoring in the full cost and benefits of the use of reclaimed water versus their other proposed sources of water supply. Mr. Moore said staff does not support the recommendation because it does not leave much flexibility. He said he would prefer to be able to look at these on a case-by-case basis. Ms. Closshey encouraged the Board to strive for a healthy balance on this issue and keep the big picture in mind, which is a healthy thriving Florida. Ms. McCree stated she needed more time to reflect on this issue and the consequences resulting from a Board decision. Ms. Rovira-Forino echoed Ms. McCree's sentiments. Mr. Dabney said the Task Force worked very hard to come to a consensus on these recommendations and he hoped the Governing Board would be ready to take action today. Mr. Moore recommended that the Governing Board take action on all of the proposed recommendations with the exception of Recommendations 2 and 10.

Staff recommended to:

- (1) Approve the implementation of Reclaimed Water Task Force Recommendations 1, 3, 3A, 5, 6, 7, 8, 9, 11, 12 and 15 as developed by the Task Force;
- (2) Approve the implementation of Reclaimed Water Task Force Recommendations 4,13 and 14 as modified by District staff;
- (3) Do not approve Task Force Recommendation 2; and
- (4) Defer action on Task Force Recommendation 10.

Following consideration, **Ms. McCree moved, seconded by Ms. Rovira-Forino, to approve the aforementioned staff recommendation and ask staff to work with Mr. Dabney, as he is the representative for the Task Force, to bring back Task Force recommendation 10 for future action. Motion carried unanimously.**

Mr. Moore said for clarification purposes the Board has approved the staff recommendation inclusive of the earlier motion of the 20 acres and deferring action of Task Force Recommendation 2. (CD 1/Track 6 – 00:00/49:52)

45. **Sarasota Bay Estuary Program Update**

Ms. Lizanne Garcia, Senior Environmental Scientist, Resource Management Department, introduced Mr. Mark Alderson, Executive Director, Sarasota Bay Estuary Program, who provided an update of the Sarasota Bay Estuary Program's projects.

In 1995, the District identified Sarasota Bay as a Surface Water Improvement and Management (SWIM) priority waterbody. In 2004, the partners in the SBNEP entered into an Interlocal Agreement which established the Sarasota Bay Estuary Program (SBEP) as an independent special district. The District has provided annual funding to the SBEP and provided a representative to sit on the Management and Policy Committees since 1990.

The Comprehensive Conservation and Management Plan to protect and restore Sarasota Bay and its watershed was approved by the SBEP in 1995. Subsequently, the District approved the first Sarasota Bay SWIM Plan in 1997 and it was last updated in 2002. Through the implementation of these plans, a number of restoration and diagnostic projects have been completed, including: (1) investigation of toxic loading sources to the Bay, (2) seagrass mapping, (3) development of stormwater master plans, (4) habitat restoration projects, (5) construction of artificial reefs and oyster reefs, and (6) public outreach and education activities.

This item is for the Committee's information, and no action was required. (CD 1/Track 7 – 00:00/08:49)

Committee Chair Pressman recessed the public hearing for a working lunch. Governing Board members held a closed attorney-client session.

46. **Facilitating Agricultural Resource Management Systems Program Update**

Mr. Eric C. DeHaven, P.G., Director, Resource Conservation and Data Department, said the purpose of this item is to provide a status report on the District's Facilitating Agricultural Resource Management Systems (FARMS) Program.

The first FARMS project was approved by the Peace River Basin Board and Governing Board in December 2002. Since then, a total of 41 FARMS Projects have been Board approved primarily within the SWUCA. These 41 projects are projected to offset a total 10.6 mgd. A total of 23 projects are currently operational and 19 projects have been in existence for enough time to demonstrate an actual groundwater offset of approximately 4.5 mgd. This reflects an overall attainment of 83 percent of the projected offset goal of these projects. This percentage has historically been over 100 percent but drought conditions over the past 18 months have resulted in a limit on available surface water on a number of projects. In addition, water quality improvements have been recognized within

the Shell, Prairie, and Joshua Creek (SPJC) watersheds. The number of projects continues to increase each year with a high of 14 projects presented for Board approval in Fiscal Year (FY) 2007. The long-term goal of FARMS is approximately 15-20 projects each year.

FARMS Program projects are generally funded 25 percent by the Basin, 25 percent by the Governing Board, and 50 percent by State Appropriations. Several projects have also been funded using FDACS reimbursable funds. Overall, FARMS has received a total funding commitment of \$10.5 million from the following sources: \$5.0 million State Appropriation funds, \$1.2 million FDACS funds, and \$4.3 million Governing and Basin funds. In addition, the individual project participant has contributed \$4.7 million to project costs (43.4 percent of project costs on average).

The average project reimbursement cost is \$149,682 with a total average project cost of \$264,330. The average ground water offset per project is 210,745 gallons per day (gpd). However, several projects are completing final construction and have projected offsets of over 1.0 mgd. These figures reflect a cost of \$.79 per thousand gallons saved over a five year term for the total cost of the average FARMS project (District and participant cost combined). This amount compares favorably with the projected cost per thousand gallons to implement other alternative supply projects including surface water use for potable supplies, reclaimed water for irrigation, and brackish water/seawater use for potable supply as referenced in the 2006 Regional Water Supply Plan. Approximately \$3.9 million is currently available for FARMS Projects from Governing Board, Basin Boards, and FDACS sources for FY2008. In FY2007, just under \$2.0 million in combined State and District funds was invested in the 14 FARMS projects approved.

This item was presented for the Committee's information, and no action was required. (CD 1/Track 8 – 00:00/08:49)

47. **District's Watershed Management Program and Federal Emergency Management Agency Map Modernization Update**

Mr. Wirth presented the status of the District's Watershed Management Program and associated Federal Emergency Management Agency (FEMA) Map Modernization. The presentation provided a status report on staff activities and actions for these programs.

District staff has been involved with several interested parties regarding the Watershed Management Program and FEMA Map Modernization since January 2007 as a result of preliminary floodplain maps developed for Pasco, Hernando and Sarasota Counties. Several issues have been identified focusing on technical methodologies, quality control and public input. Staff grouped the issues into the following categories: Rainfall Duration, Quality Control/Peer Review, Outreach, Schedule, and Other Issues. Written status reports will provide background information on the issues, as well as, the actions taken and proposed to address the issues. As some of these issues are still being evaluated and refined, the recommended approach may be altered. The District's Watershed Management Program and FEMA Map Modernization is a schedule that identifies the status of each watershed, and it will become a part of a routine report for the November Committee meeting. Ms. Closshey asked what budget impacts are expected with extending the time for modeling. Mr. Wirth said in the \$1 million dollar range, these funds were allocated last year for overages.

This item was presented for the Committee's information, and no action was required. (CD 1/Track 8 – 00:00/12:25)

48. **Staff Response to the Peer Review of “Proposed Minimum Flows and Levels for the Upper Segment of the Hillsborough River; from Crystal Springs to Morris Bridge, and Crystal Springs”**

Adam Munson, Ph.D., Senior Environmental Scientist, Resource Conservation and Development Department, presented items 48 and 49 together. The summary for both of these information items is written below.

49. **Staff Response to the Peer Review of “Proposed Minimum Flows and Levels for the Upper Segment of the Braden River from Linger Lodge to Lorraine Road”**

Adam Munson, Ph.D., Senior Environmental Scientist, Resource Conservation and Development Department, presented staff's response to the peer review reports of the proposed Minimum Flows and Levels (MFL) for the upper segment of the Hillsborough River and the upper segment of the Braden River. Overall, the panel endorses the District's approach, finding merit in: the use of seasonal periods, recognizing multiple benchmark periods, the application of multiple analytical tools to identify the most protective minimum flow in each seasonal period, and the use of a percent-of-flow reductions that vary by season and flow conditions. Staff specifically addressed four peer review comments relating to the following topics: the adequacy of the Low Flow Thresholds, the 15 percent reduction in habitat availability, the percent-of-flow methodology, and concern that the anthropogenic portion of the flow decline at Crystal Springs is set at 50 percent rather than 60 or 70 percent.

This item was presented for the Committee's information, and no action was required. (CD 1/Track 9 – 13:54/22:17)

50. **Minimum Flows and Levels Priority List and Schedule Update**

Martin H. Kelly, Ph.D., Interim Director, Resource Conservation and Development Department, said the District is required under Chapter 373, Florida Statutes (F.S.), to annually update its Priority List and Schedule (Priority List) for the establishment of Minimum Flows and Levels (MFL), submit it by November 15 each year to the Department of Environmental Protection (DEP) for review and approval, and include the approved list in the District's consolidated annual report as required by Subsection 373.036(7).

Staff included the proposed 2008 Priority List as a report and file item in the September Board packet. Staff met with representatives of DEP on September 19, 2007, to discuss the draft Priority List and any preliminary considerations they might have. In addition, four public input meetings were held where public comment was received. Dr. Kelly reviewed the public comment received. After considering input from these sources, staff is not recommending any additional changes to the Priority List.

Staff recommended approving the MFL Priority List and Schedule for submission to DEP for their approval as required by Subsection 373.042(2), F.S.

Following consideration, **Mr. Pressman moved, seconded by Ms. Parks, to approve the MFL Priority List and Schedule for submission to DEP. Motion carried unanimously.** (CD 1/Track 10 – 00:00/12:04)

Submit & File Reports – None

Routine Reports

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

51. **Significant Water Supply and Resource Development Projects**
52. **Fiscal Year 2007 District Timber Management Program Annual Report**
53. **Florida Forever Funding Status Report**
54. **Minimum Flows and Levels Status Report**
55. **Hydrologic Conditions Status Report**
56. **Structure Operations Status Report**

Ms. Closshey asked for updates on the desalination plant and arsenic research. Regarding the desalination plant, Mr. Moore said the acceptance test is underway and is moving forward. Eight days of the 14-day acceptance test have occurred. Mr. Warren Hogg, Tampa Bay Water, said he has not heard that the official acceptance test had begun; he said he knows the plant has been producing 28.5 mgd for the last seven days. Various funding agreements are in place for arsenic research. A pilot injection test will begin in the next 60 days and results are anticipated in about one year. (CD 1/Track 11 – 00:00/03:27)

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

Finance and Administration Committee

Discussion Items

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

58. **Fiscal Year 2008 Budget Update**

Ms. Linda R. Pilcher, Assistant Director, Finance Department, said the purpose of her presentation will be to provide an update as to the impact of the State's budget reductions for fiscal year (FY) 2008.

On October 12, 2007, Senate Bill 2C *Relating to Special Appropriations* which provided appropriations and reductions in appropriations for FY2007-2008, was passed by the Legislature. Governor Charlie Crist signed the bill last Friday. The legislation reduced the State's FY2007-2008 budget by \$1.148 billion.

As part of the reductions, the State's funding for the Water Protection and Sustainability Trust Fund for FY2008 was reduced. Funding for alternative water supply development for FY2008 was reduced \$8 million, from \$60 million to \$52 million; reduction to this District is \$2 million (25 percent). Funding for Surface Water Improvement and Management (SWIM) and Surface Water Restoration of \$10 million was eliminated; reduction to this District is \$2.5 million (25 percent). The FY2008 Approved Budget of \$75,968,743 was reduced by \$4,734,000, resulting in a Revised FY2008 Budget of \$71,234,743.

This item was presented for the Committee's information, and no action was required. (CD 1/Track 11 – 03:27/06:17)

59. **District Climate Change Initiative Status Report**

This item was deferred until the December Governing Board meeting.

60. **Office of Inspector General – Proposed Annual Audit Plan for Fiscal Year 2008**

Mr. Kurt P. Fritsch, Inspector General, said in accordance with Governing Board Policy 140-1 and Section 20.055, Florida Statutes, the Office of Inspector General has prepared an annual audit plan for the period October 1, 2007 through September 30, 2008. The plan summarizes the office's planned activities for fiscal year 2008, and staff based the plan on the results of an annual risk assessment. The one-page plan details the individual audits, services, and administrative responsibilities to be completed by the office during FY2008, and provides associated cost estimates. The exhibit to this item, which was provided in the information notebook, includes the one-page plan and associated presentation slides. Mr. Fritsch discussed some of the planned projects and identified for the Governing Board how they tie into the Strategic Plan and where they fit on the strategic map.

Staff recommended the Governing Board accept the Proposed Annual Audit Plan for Fiscal Year 2008. Following consideration, **Ms. Parks moved, seconded by Ms. Rovira-**

Forino, to accept the audit plan. Motion carried unanimously. (CD 1/Track 12 – 00:00/07:53)

Submit & File Reports

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

61. **Office of Inspector General – Annual Report for Fiscal Year 2007**
62. **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.

63. **Management Services Status Report**

Committee Chair Closshey relinquished the gavel to Outreach and Planning Committee Chair Combee.

Outreach and Planning Committee

Discussion Items

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

65. **Fiscal Year 2009 Strategic Plan Update**

Mr. Roy Mazur, Director, Planning Department, said the purpose of this agenda topic is to provide the Governing Board an opportunity to discuss and give direction to staff regarding the Strategic Plan (FY2009 – 2013) document. Board members received a copy of the draft plan prior to the meeting. Staff will incorporate Governing Board guidance into a final draft that will be delivered to the Board for acceptance at the regularly scheduled November meeting.

This item was presented for the Committee's information, and no action was requested.
(CD 1/Track 13 – 00:00/05:21)

66. **Legislative Update**

Mr. David Rathke, Director, Community and Legislative Affairs Department, said not much has changed since his last update on the Federal level. The Water Resources Development Act is on the President's desk and he has until November 3, 2007 to act on it. On the State level permanent budget cuts have been made to alternative water supplies and SWIM programs. The Office of Program Policy and Government Accountability (OPPAGA) staff visited the District headquarters on October 15 and 16. The purpose of the visit was to interview the Executive Director and other District staff as a follow-up to previous discussions with specific focus on budget, land acquisition and management, regulation, water supply and water resource restoration. The City of Winter Haven made a proclamation declaring October 12, 2007 a SWIM day. Mr. Rathke presented the proclamation to the Governing Board.

This item was presented for the Committee's information, and no action was required.
(CD 1/Track 14 – 00:00/05:14)

Submit & File Reports – None

Routine Reports

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

67. **Significant Activities Report**
68. **Speakers Bureau**
69. **Comprehensive Plan Amendment and Related Reviews Report**
70. **Review of Developments of Regional Impact**

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

Regulation Committee

Discussion Items

71. **Consent Item(s) Moved for Discussion** - None
72. **Demand Management Activities – Governing Board's Concurrence with Executive Director's Issuance of Second Modification to Executive Director Order SWF 07-043 (Tampa Bay Water/Alafia River)**

Mr. Richard Owen, Deputy Executive Director, Resource Regulation Division, said with the help of this Order, the C.W. Bill Young Regional Reservoir is currently holding about 9.0 billion gallons of water, which was the stated goal going into the dry season.

Staff recommended concurrence with the issuance of Second Modification to Executive Director Order SWF 07-043, for increased withdrawal from the Alafia River to augment the C.W. Bill Young Reservoir.

Following consideration, **Ms. McCree moved, seconded by Mr. Combee, to concur with the staff recommendation. Motion carried unanimously.** (CD 1/Track 15 – 00:00/01:42)

Submit & File Reports – None

Routine Reports

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

73. **Overpumpage Report**
74. **Southern Water Use Caution Area Quantities**
75. **Water Production Supply Summary**
76. **Public Supply Water Use Permitting Benchmarks**
77. **Resource Regulation Significant Initiatives Report**

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

General Counsel's Report

Discussion Items

78. **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.

79. **Litigation Summary and Report**
80. **Rulemaking Update**

Reports

81. **Industrial Advisory Committee Liaison Report**
Ms. Closshey said the Industrial Advisory Committee met October 16, 2007 in Tampa. Discussions regarding the drought and heightened awareness regarding sensitivity to this issue were heard. Mr. Molligan reviewed the District's 2007 messaging campaigns and presented plans for the District's 2008 media messaging campaigns, including a lengthy discussion regarding the volunteer program "Skip A Week." Water Supply Coordination Programs were discussed for the Central Northern portions of the District. (CD 1/Track 16 – 00:00/02:47)

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

Ms. Kavouras said that Mr. Combee was unable to attend the Public Supply Advisory Committee; she reported that the Committee met on October 16, 2007 and they heard an update on drought conditions. Other presentations included media messaging, per capita rates and reporting requirements, and water shortage mitigation plans for public supply. (CD 1/Track 16 – 02:47/04:22)

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

Chair Whitehead said Mr. Dabney had to leave today's meeting a little early so she would present the Well Drillers Advisory Committee Liaison Report. The Committee met October 10, 2007 and heard several presentations such as: the Tampa Bay Water Mitigation Policy, Water Management Information System Update, and Institutional Controls Surrounding Contamination Areas.

Mr. Pressman said he attended the Regional Planning Council; an excellent presentation was heard regarding regional legal water issues. Ms. Symons said she attended a special environmental event in Punta Gorda to benefit Charlotte Harbor Estuary where a \$500,000 check was presented. (CD 1/Track 16 – 04:22/06:27)

84. **Executive Director's Report**

Mr. Moore said he and Messrs. Owen and Hull met with DEP in Tallahassee regarding the stormwater rules. This is a collaborative effort for the staff members of both organizations; the biggest issue is nutrients in stormwater. Mr. Moore said he and Mr. Owen traveled to Citrus County to meet with County officials about their consent order and how the County can gain efficiency. Mr. Moore said he was very happy about the October rainfall that was received Districtwide.

Ms. Parks suggested that the current Governing Board members may want to connect with former Board members, from time to time, regarding tough decisions. Staff will come back with recommendations on how this may be accomplished.

Ms. Closshey suggested rotating chair responsibilities to other Governing Board members from meeting to meeting. (CD 1/Track 16 – 06:27/22:38)

85. **Chair's Report**

Chair Whitehead said the next Governing Board meeting is Monday, November 26, 2007. She encouraged Board members to come well prepared so that the morning meeting runs smoothly in preparation for the afternoon's joint meeting with Tampa Bay Water. (CD 1/Track 16 – 22:38/29:37)

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 2:53 p.m.

Attest:

Chairman

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