

MINUTES OF THE MEETING

GOVERNING BOARD SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

TAMPA, FLORIDA

JANUARY 23, 2018

The Governing Board of the Southwest Florida Water Management District (District) met for its regular meeting at 9:00 a.m., on January 23, 2018, at the Tampa Office. The following persons were present:

Board Members Present

Randall S. Maggard, Chair
Jeffrey M. Adams, Vice Chair
Bryan Beswick, Secretary
Ed Armstrong, Treasurer
Michael A. Babb, Member
Kelly S. Rice, Member
Michelle Williamson, Member
Joel Schleicher, Member

Staff Members

Brian J. Armstrong, Executive Director
Amanda Rice, Assistant Executive Director
Karen E. West, General Counsel
Kurt P. Fritsch, Inspector General
John J. Campbell, Division Director
Ken L. Frink, Division Director
Alba E. Más, Division Director
Michael Molligan, Division Director
Jennette Seachrist, Division Director

Board Members Absent

H. Paul Senft, Member
John Henslick, Member
Mark Taylor, Member
Rebecca Smith, Ph.D., Member
James G. Murphy, Member

Board's Administrative Support

Cara Martin, Board & Executive Services Manager
Lori Manuel, Administrative Assistant

A list of others in attendance, who signed the attendance roster, is filed in the permanent records of the District. This meeting was available for viewing through Internet streaming. Approved minutes from previous meetings can be found on the District's website (www.WaterMatters.org).

PUBLIC HEARING (Audio – 00:00)

1. Call to Order

Chair Maggard called the meeting to order and opened the public hearing. Secretary Beswick stated a quorum was present.

2. Invocation and Pledge of Allegiance

Chair Maggard offered the invocation and led the Pledge of Allegiance to the Flag of the United States of America.

Chair Maggard introduced each member of the Governing Board. He noted that the Board meeting was recorded for broadcast on government access channels, and public input was only taken during the meeting onsite.

Chair Maggard 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 "Request to Speak" 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 agenda items only during today's meeting. 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 during "Public Input." Chair Maggard 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.

He also requested that several individuals wishing to speak on the same issue/topic designate a spokesperson.

3. Employee Recognition

Chair Maggard recognized employees who have reached at least 20 years of service with the District and thanked them for their service. The following staff were recognized: Robin Morgan, Doug Leeper, Ted Gates and Axel Griner.

This item was provided for the Board's information and no action was required.

4. Additions/Deletions to Agenda

Mr. Brian Armstrong, executive director, stated there were no additions or deletions to the agenda.

Board Member Schleicher asked that the following item be moved to discussion:

Resource Management Committee

14. FARMS – QC Pelican Grove, LLC – (H761), DeSoto County

Chair Maggard said there is good cause to amend the published agenda as allowed by Section 120.525, Florida Statutes. A motion was made to approve the amendments to the published agenda, as amended, which was seconded. The motion carried unanimously. (Audio 00:05:58)

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

Chair Maggard stated he received four Request to Speak cards.

Mr. Brad Baird, City of Tampa, spoke regarding the Tampa Augmentation Project (TAP) and the District's Cooperative Funding Initiative (CFI) policy. Mr. Baird stated that the policy requires that any utility that is a member of a water supply authority must apply for cooperative funding through their water supply authority. Mr. Baird stated concerns that the policy did not consider the special conditions placed on the City of Tampa (City). He stated that the City is a unique member of Tampa Bay Water (TBW) and is required by the inter-local agreement to self supply 82 million gallons per day (gpd) from the Hillsborough River Reservoir. He stated that reclaimed water TAP phase one has been ranked low because of the policy. Mr. Baird requested the Board deviate from this policy when considering the TAP project.

Mr. Chuck Weber, City of Tampa, stated concerns regarding the cooperative funding ranking for project N492. He requested an opportunity to discuss this project with the Board. Chair Maggard directed staff to provide a briefing to the Board regarding this project to allow for discussion at the February 15 Tampa Region CFI meeting.

Mr. David Ballard Geddis Jr, expressed his concerns regarding county and Ad Valorem taxes as related to the Constitution.

Ms. Holly Greening, out-going director of the Tampa Bay National Estuary Program (TBNEP), introduced Mr. Ed Sherwood, who will be assuming the role of the director. Ms. Greening recognized the District's Surface Water Improvement Management (SWIM) program staff members and thanked them for their support. She presented the District with a proclamation recognizing the work that has been accomplished by the SWIM program.

CONSENT AGENDA

Chair Maggard asked that before the Board considers action on the Consent Agenda whether there is anyone in the audience who wishes to address the Board regarding an item listed on the Consent Agenda.

Finance/Outreach & Planning Committee

6. Information Technology Bureau Enterprise Computer and Storage Replacement

Staff recommended the Board approve the transfer of \$499,200 from the Network Storage Replacement fund to procure hardware, software, warranty and services associated with the replacement of the District's enterprise computer and SAN storage systems.

7. District Equipment Replacement

Staff recommended the Board authorize to purchase a replacement agricultural tractor utilizing the Field Equipment Replacement Fund and to surplus the existing Massey Ferguson Ag Tractor Unit #2041 and send to auction.

8. Budget Transfer Report

Staff recommended the Board's approval of the Budget Transfer Report covering all budget transfers for December 2017.

Resource Management Committee

9. Pasco County – FY2018 Flood Protection Implementation Projects – Measurable Benefit Changes (N836, N859, N870, and N913)

Staff recommended the Board approve the revisions to remove reference to a reduction of flood elevation from the Measurable Benefit in the cooperative agreements for the referenced projects.

10. Restoration Pasco County Crews Lake Natural Systems Project (N635)

Staff recommended the Board authorize continuation of the Pasco County Crews Lake Natural Systems Restoration project (N635) and approve entering into a new agreement for final design, permitting and construction.

11. Peace River Manasota Regional Water Supply Authority Regional Integrated Loop System Phase 3B Interconnect - Third-Party Review (N823)

Staff recommended the Board authorize continuation of the project and approve amending the cooperative funding agreement to include a total of \$16,700,000 for design, permitting, and construction of the approximately 5.2-mile interconnect with a District share of \$8,100,000.

12. 2018 Florida Department of Transportation Mitigation Program for Plan Approval

Staff recommended the Board approve the District's 2018 Florida Department of Transportation Mitigation Plan.

13. Mill Creek Water Quality Plan Project - Cooperator Lead Change (N889)

Staff recommended the Board approve of the County taking the lead on this project, which will change the risk level from a Type 4 to a Type 3 contract.

14. FARMS – QC Pelican Grove, LLC – (H761), DeSoto County

Staff Recommended the Board:

- 1) Approve the QC Pelican Grove, LLC project for a not-to-exceed reimbursement of \$560,000, with \$560,000 provided by the Governing Board;
- 2) Authorize the transfer of \$560,000 from fund 010 H017 Governing Board FARMS Fund to the H761 QC Pelican Grove, LLC project fund;
- 3) Authorize the Assistant Executive Director to sign the agreement.

Operations, Lands and Resource Monitoring Committee - None

Regulation Committee

15. Individual Water Use Permits Referred to the Governing Board

a. WUP No. 20012867.009 - Clear Springs Blueberries I / Clear Springs Enterprises, LLC (Polk County)

Staff recommended that Board approve the proposed permit attached as an exhibit.

b. WUP No. 20013005.010 - The Villages Combined Water Use Permit/Village Center Community Development District; Sumter Water Conservation Authority, LLC; North Sumter County Utility Dependent District; Central Sumter Utility Company, LLC (Sumter, Lake, Marion Counties)

Staff recommended that Board approve the proposed permit attached as an exhibit.

General Counsel's Report

16. Administrative, Enforcement and Litigation Activities that Require Governing Board Approval

a. Interagency Agreement between the SJRWMD and the SWFWMD-Designation of Regulatory Responsibility – CR 484 Project - Florida Department of Transportation-Marion County

Staff recommended the Board approve the Interagency Agreement Between the St. Johns River Water Management District and the Southwest Florida Water Management District for Designation of Regulatory Responsibility for an ERP for the Florida Department of Transportation for the above described Project.

17. Rulemaking – None

Executive Director's Report

18. Approve Governing Board Meeting Minutes - December 12, 2017

Staff recommended the Board approve the minutes as presented.

A motion was made and seconded to approve the Consent Agenda as amended. The motion carried unanimously. (Audio 00:18:04)

Chair Maggard relinquished the gavel to the Finance/Outreach & Planning Committee Chair Armstrong who called the meeting to order. (Audio 00:18:15)

**Finance/Outreach & Planning Committee
Discussion**

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

20. Investment Strategy Quarterly Update

Mr. John Grady, Public Trust Advisors, provided a presentation on the quarterly investment strategy from October 1, 2017 to December 31, 2017. This presentation included an economic update and yield curve analysis. He stated the unemployment rate remains at 4.1 percent. The housing market remains stable. Inflation indicators remain below two percent. The third quarter Gross Domestic Product (GDP) was plus three percent and is strong.

Mr. Grady provided a comparison summary of the District's portfolios for the period of October 1, 2017 through December 31, 2017. These portfolios included: liquid, enhanced cash, 1-3 and 1-5 year. He also provided a summary of the District's All Assets portfolio earnings as of December 31, 2017.

Staff recommended the Board accept and place on file the District's Quarterly Investment Reports for the quarter ended December 31, 2017.

21. Status of the 2018 Consolidated Annual Report

Ms. Trisha Neasman, planning lead, provided a presentation regarding the status of the Consolidated Annual Report (CAR). Ms. Neasman stated the CAR is a compilation of various reports. These reports include the Water Management District Performance Measures Annual Report; Minimum Flow and Levels (MFL) Priority List and Schedule; Annual Five-Year Capital Improvements Plan; Alternative Water Supplies Annual Report; Five-Year Water Resource Development Work Program; Florida Forever Work Plan; Mitigation Donation Annual Report and Strategic Plan 2018-2022, and 2017 Strategic Plan Annual Work Plan. Ms. Neasman stated that the CAR also includes two recent additions the Polk Regional Water Cooperative Status Report and the MFL/Water Quality Grade for Projects Report.

Ms. Neasman highlighted specific items in the report and outlined important dates.

Board Member Williamson requested additional information on the MFL/Water Quality Grade for Projects report. Ms. Neasman responded that she would follow up with her.

22. Overview of District Divisions

Ms. Mandi Rice, assistant executive director, provided a summary of the overview that was being presented. She stated the overview would explain how the divisions contribute to the District's core mission and how the divisions adhere to Governing Board budget metrics. Ms. Rice outlined District-wide efforts in each division which included knowledge management, project DIVE; safety, succession planning and recruiting, and retaining skilled staff.

Ms. Alba Mas, regulation division director, provided an overview of the Regulation Division (Division). She explained the Division manages water resources through a consistent, accurate and timely decisions through rules that are mandated by statute. Ms. Mas outlined the bureaus within the Division which include Environmental Resource Permitting, Water Use Permitting and Regulatory Support. She provided an overview of the Fiscal Year (FY) 2018 budget, stating that Regulation is six percent of the District's overall budget. Ms. Mas provided an overview which included 2017 accomplishments and the focus for 2018.

Ms. Jennette Seachrist, resource management division director, provided an overview of the Resource Management Division (Division). She explained the Division oversees the planning, development and implementation of District water resource management initiatives concerning water supply, flood protection, natural systems and water quality. Ms. Seachrist outlined the bureaus within the Division which include Project Management, Natural Systems and Restoration and Water Resources. She provided an overview of the FY2018 budget. Ms. Seachrist stated the budget is approximately 55 percent of the District's overall budget with the majority allocated for projects. Ms. Seachrist provided an overview which included 2017 accomplishments and the focus for 2018.

Mr. Ken Frink, operations, land and resource monitoring division director, provided an overview of the Operations, Land and Resource Monitoring Division (Division). He explained the Division is the custodian of the District's land, water control structures and maintains the scientific data that is the foundation for our fact-based decisions. Mr. Frink outlined the bureaus within the Division which include Operations and Data Collection. He provided an overview of the FY2018 budget. Mr. Frink stated the budget is approximately 19 percent of the District's overall budget. He provided an overview which included 2017 accomplishments and the focus of 2018.

Mr. John Campbell, management services division director, provided an overview of the Management Services Division (Division). He explained the Division provides the technology,

financing and assets to support the District's mission to protect water resources, minimize flood risks, and ensure the public's water needs are met. He outlined the bureaus within the Division which include Finance, Information Technology and General Services. Mr. Campbell provided an overview of the Division's FY2018 budget. He stated the budget is approximately 11.7 percent of the District's overall budget. Mr. Campbell provided an overview which included 2017 accomplishments and the focus of 2018.

Mr. Michael Molligan, employee and external relations division director, provided an overview of the Employee and External Relations Division (Division). He explained the Division provides support to the entire District. Mr. Molligan outlined the bureaus within the Division which include the Ombudsman, Government and Community Affairs, Human Resources and Communications and Board Services. He provided an overview of the FY2018 budget, 2017 accomplishments and the focus of 2018.

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

23. Legislative Update

Mr. Michael Molligan, employee and external relations division director, provided an updated on the 2018 legislative session. He provided an overview on the following: House Bill (HB) 703 and companion Senate Bill (SB) 806 regarding the sale of surplus lands; HB 705 and companion bill 808 regarding surplus lands/public records. Mr. Molligan provided an update on pending Board Member confirmations. He informed the Board of bills that are of interest to the District.

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

Submit & File Reports

24. Purchase Card Audit – Operations Bureau

Routine Reports

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

25. Treasurer's Report and Payment Register

26. Monthly Financial Statement

27. Monthly Cash Balances by Fiscal Year

28. Comprehensive Plan Amendment and Related Reviews Report

29. Development of Regional Impact Activity Report

Committee Chair Armstrong relinquished the gavel to the Resource Management Committee Chair Babb who called the meeting to order. (Audio 1:29:36)

Resource Management Committee

Discussion

30. Consent Item(s) Moved for Discussion

14. FARMS – QC Pelican Grove, LLC – (H761), DeSoto County

Board Member Schleicher stated his support for the Facilitating Agricultural Resource Management Systems (FARMS) program but expressed his concerns regarding the share cost ratio of 75 percent.

Mr. Chris Zajac, farms program manager, provided a presentation that outlined cost-sharing rates as indicated in Florida Statute 40D-26.401 for the FARMS program. He explained what qualifies a project for 50 percent or 75 percent cost-share funding.

Staff Recommended the Board:

- 1) Approve the QC Pelican Grove, LLC project for a not-to-exceed reimbursement of \$560,000, with \$560,000 provided by the Governing Board;
- 2) Authorize the transfer of \$560,000 from fund 010 H017 Governing Board FARMS Fund to the H761 QC Pelican Grove, LLC project fund;
- 3) Authorize the Assistant Executive Director to sign the agreement.

A motion was made and seconded to approve the staff recommendation. The motion carried with seven in favor and one against. (Audio 01:33:36)

31. 2017 Storm Debris Assessments for Peace Creek Canal, Withlacoochee River, Peace River, and Flint Creek

Mr. Eric DeHaven, resource management assistant manager, provided a presentation that updated the Board of the District's coordinated response with other agencies for storm debris management assessment that occurred after Hurricane Irma. Mr. DeHaven outlined the importance of debris removal. He provided an overview of the water bodies where debris assessments have been completed and projected costs associated with removal of the debris. The water bodies included: Peace Creek Canal, Upper Peace River, Withlacoochee River and Flint Creek.

Board Member Schleicher asked if any remediation has been completed. Mr. DeHaven responded that remediation has been completed around District structures.

Board Member Schleicher asked if work could be initiated prior to funding being received. Mr. DeHaven responded that the Natural Resources Conservation Service (NRCS) requires there be a signed contract prior to work being initiated to receive federal funding assistance.

Board Member Schleicher asked why there is not more urgency for the timeline. Mr. DeHaven responded that once funding is approved the timeline will move more quickly.

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

32. Septic/Package Plant Conversion Project Controls

Ms. Jennette Seachrist, resource management division director, provided a presentation regarding septic and package plant conversion controls and policy. Ms. Seachrist provided information that included figures for the five first-magnitude springs within the District and a draft controls document.

Ms. Seachrist explained this presentation will also be provided to the advisory committees, Springs Coast Steering Committee, shareholders and other agencies to obtain input. Information obtained will be presented to the Board.

Ms. Seachrist presented a map depicting septic tanks in the Weeki Wachee springshed area. She provided a pie chart that outlined nitrogen sources in the Weeki Wachee priority focus area.

She explained the Florida Department of Environmental Protection (FDEP) is pursuing this initiative through its Basin Management Action Plans (BMAP) because of the Florida Springs and Aquifer Protection Act that was passed in 2016. This act requires that BMAPs are adopted by July 2018. Ms. Seachrist provided a brief overview of the Florida Springs and Aquifer Protection Act. She stated that specific to our springs coast BMAPs, the FDEP is preparing a remediation plan for each of the springsheds. Their draft plans currently include that no new conventional septic tanks will be allowed. In addition, conventional septic tanks will be required to be eliminated or retrofitted within 20 years.

Ms. Seachrist stated that FY2019 will be the first year that cooperative funding project requests will be evaluated as related to this retrofit. She stated there were 12 projects that have been

requested. Ms. Seachrist presented the funding breakdown, the requirements for approval and a timeline.

Board Member Schleicher asked if benchmarks for economics have been established. Ms. Seachrist responded in the affirmative. She stated cost effectiveness metrics have been established for the septic conversion.

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

Submit & File Reports

33. Five-Year Water Resource Development (WRD) Work Program

Routine Reports

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

34. Minimum Flows and Levels Status Report

35. Significant Water Resource and Development Projects

Committee Chair Babb relinquished the gavel to the Operations, Lands and Resource Monitoring Chair Beswick, who called the meeting to order. (Audio 02:11:53)

Operations, Lands and Resource Monitoring Committee Discussion

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

37. Hydrologic Conditions Report

Mr. Granville Kinsman, hydrologic data manager, provided a presentation on the hydrologic conditions. Mr. Kinsman stated that, to date, this dry season is as dry as last year except for one area, the northern counties. Despite lower-than-normal rainfall, groundwater levels throughout the District remain in the normal range but are showing declines. Mr. Kinsman provided a graph that outlined the water level declines during the recent frost/freeze events in the Dover area. Lake levels for northern areas have fallen below normal, while Tampa Bay, Polk Upland and Lake Wales Ridge lakes are in the normal range. Flow on the Withlacoochee, Hillsborough, Alafia and Peace Rivers remain within the normal range but are showing declines and the Withlacoochee are expected to fall below normal range if drying conditions persist. The Hillsborough, Bill Young and the Peace River reservoirs remain at healthy levels. The climate forecast indicates drier than normal conditions.

This routine report provides information on the general state of the District's hydrologic conditions, by comparing rainfall, surface water, and groundwater levels for the current month to comparable data from the historical record.

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

Submit & File Reports - None

Routine Reports

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

38. Surplus Lands

39. Structure Operations

40. Significant Activities

Committee Chair Beswick relinquished the gavel to the Regulation Chair Adams, who called the meeting to order. (Audio 02:18:51)

Regulation Committee

Discussion

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

42. Denials Referred to the Governing Board

If any denials are requested to be referred to the Governing Board, these will be presented at the meeting.

43. Consider Water Shortage Order(s) as Necessary

Staff recommendations, if any, will be presented at the Governing Board meeting on January 23, 2018 based on then-current conditions and predictions.

Ms. Alba Mas, regulation director, provided information regarding the frost/freeze event in the Dover area. She stated there were seven dry well complaints. All have been resolved.

Submit & File Reports - None

Routine Reports

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

44. Dover/Plant City Water Use Caution Area Flow Meter and Automatic Meter Reading (AMR) Implementation Program Update

45. Overpumpage Report

46. Individual Permits Issued by District Staff

Committee Chair Adams relinquished the gavel to Chair Maggard. (Audio 02:20:27)

General Counsel's Report

Discussion

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

Ms. Karen West, general counsel, informed the Board that the District was successful in an appeal of its decision to dismiss a petition requesting an administrative hearing regarding the Suncoast Water Keepers, Inc., and Kathy Fannon versus the District. The appellate court upheld the decision per curiam and remanded it back to the Division of Administrative Hearings for attorney's fees.

Submit & File Reports - None

Routine Reports

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

48. January 2018 Litigation Report

49. January 2018 Rulemaking Update

Committee/Liaison Reports

50. Environmental Advisory Committee

A written report was provided for the January 10 meeting.

51. Well Drillers Advisory Committee

A written report was provided for the January 10 meeting.

52. Committee/Liaison Reports

Ms. Seachrist provided an update regarding the Charlotte Harbor National Estuary Program (CHNEP) Policy Committee meeting that occurred on January 18. The CHNEP approved an advocacy policy comparable to the Tampa Bay National Estuary Program and the Sarasota Bay

National Estuary Program. The policy limits the CHNEP staff, lower CHNEP subcommittees and CHNEP advisory committees from supporting or opposing permits for projects.

Executive Director's Report

53. Executive Director's Report

Mr. Brian Armstrong, executive director, addressed the ranking of direct and indirect potable reuse projects in the Tampa and Southern Region for the Cooperative Funding Initiative (CFI) program. He stated the staff rankings for those type projects will be low. He explained this is due to conflicts with the existing Board policy and support of regional water supply authorities and who should develop those projects. The District supports regional water supply authorities. Board Members voiced a consensus of support for District funding policies that support regional water supply authorities.

Chair's Report

54. Chair's Report

Chair Maggard congratulated Board Member Williamson for her appointment to the United States Department of Agriculture (USDA) Farm Service State Committee by the United States Secretary of Agriculture Sonny Perdue. Board Member Williamson will chair the Florida committee which serves as a liaison between the USDA and Secretary Perdue.

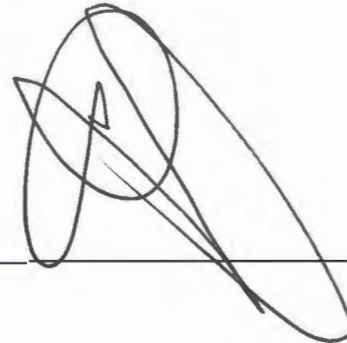
The next Board meetings are scheduled for February 27 at the Sarasota Office, March 27 at the Brooksville Office and April 24 at the Lake Eva Banquet Hall in Haines City.

55. Other

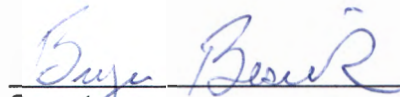
56. Employee Milestones

The meeting was adjourned at 11:28 a.m.

Chair



Attest:


Secretary