

APPROVED

MINUTES OF THE MEETING

GOVERNING BOARD
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

BROOKSVILLE, FLORIDA

FEBRUARY 22, 2011

The Governing Board of the Southwest Florida Water Management District (SWFWMD) met for its regular meeting at 10:22 a.m. on February 22, 2011, at the District's headquarters in Brooksville. The following persons were present:

Board Members Present

Ronald E. Oakley, Chair
Hugh Gramling, Vice Chair
H. Paul Senft, Secretary
Jeffrey M. Adams, Member
Carlos Beruff, Member
Bryan K. Beswick, Member
(participated via teleconference)
Jennifer E. Closshey, Member
Neil Combee, Member
Albert G. Joerger, Member
Todd Pressman, Member
Judith C. Whitehead, Member

Staff Members

David L. Moore, Executive Director
William S. Bilenky, General Counsel
Lou Kavouras, Deputy Executive Director
Richard S. Owen, Deputy Executive Director
Bruce C. Wirth, Deputy Executive Director
Kurt P. Fritsch, Acting Deputy Executive Director

Board's Administrative Support

LuAnne Stout, Administrative Coordinator

Board Member(s) Absent

Douglas B. Tharp, Treasurer

A list of others present 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 Web site (www.WaterMatters.org).

Public Hearing

1. Call to Order

Vice Chair Gramling called the meeting to order and opened the public hearing. He noted that Chair Oakley would arrive later today. Mr. Senft noted a quorum was present.

2. Pledge of Allegiance and Invocation

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

Public Hearing

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

Vice Chair Gramling 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 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." Vice Chair Gramling 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.
(Track 1 – 00:00/04:46)

3. **Additions/Deletions to Agenda**

Mr. Moore noted there was one deletion to today's agenda.

Consent Agenda

The following item is deleted from consideration:

13. Initiation of Litigation – Well Construction - License No. 9374 (expired) - James D. Spalding – Hillsborough County

The order of consideration was altered slightly. (Track 2 – 00:00/00:19)

Consent Agenda

Regulation Committee

6. **Individual Water Use Permit – WUP No. 20011863.004 - Pasco County Utilities Master System – Pasco County**

Staff recommended to approve the proposed permit.

Resource Management Committee

7. **Approval of Signature Authority on Agreements for the Sale of Land-Based Renewable Resources**

Staff recommended to (1) revise Governing Board Policy 150-2 to authorize the Executive Director to execute agreements for the sale of District-owned land-based renewable resources such as timber, pine straw, and native seed, having a projected value of less than \$250,000; and (2) revise Governing Board Policy 150-2 to authorize the Governing Board Chair to execute agreements for the sale of District-owned land-based renewable resources such as timber, pine straw, and native seed, having a projected value of \$250,000 or greater.

8. **Appraisal, Agreement and Conveyance of Surplus Lands – Chito Branch Reserve, SWF Parcel No. 11-709-141S**

Staff recommended to (1) accept the appraisal; and (2) approve the purchase and sale agreement to convey the parcel to William P. Christian and Barbara J. Christian.

9. **Facilitating Agricultural Resource Management Systems (FARMS)**

a. **Richard Worch Tangerine Groves – Charlotte County**

Staff recommended to (1) approve the Richard Worch Tangerine Grove project for a not-to-exceed project reimbursement of \$28,910, with \$7,227 provided by the Peace River Basin Board, \$7,228 provided by the Governing Board, and \$14,455 provided from State Appropriations to the Governing Board; (2) authorize the transfer of \$7,227 from fund 020 H017 Peace River Basin Board FARMS funds, \$7,228 from fund 010 H017 Governing Board FARMS funds, and 14,455 from 2009 State Appropriations allocated to fund 010 H017 FARMS funds, to H629 Richard Worch Tangerine Grove project fund; and (3) authorize the Executive Director to execute the agreement.

b. **Brooksville Ridge Blueberries, LLC – Hernando County**

Staff recommended to (1) approve the Brooksville Ridge Blueberry Farm project for a not-to-exceed project reimbursement of \$248,000 with \$124,000 provided by the Coastal Rivers Basin Board Water Supply and Resource Development Reserves, and \$124,000 provided by the Governing Board; (2) authorize the transfer of \$124,000 from fund 015 H100 Coastal Rivers Basin Board Water Supply and Resource Development Reserve funds, \$124,000 from fund 010 H017 Governing Board FARMS funds, to 015 H628 and 010 H628, Brooksville Ridge Blueberries, LLC, project fund, respectively; and (3) authorize the Executive Director to execute the agreement.

c. **Loop Farms, LLC – Hillsborough County**

Staff recommended to (1) approve the Loop Farms, LLC project for a not-to-exceed project reimbursement of \$272,500 with \$100,562 provided by the Alafia River Basin Board, \$100,563 provided by the Governing Board, and \$71,375 provided from State Appropriations; (2) authorize the transfer of \$100,562 from fund 011 H017 Alafia River Basin Board FARMS funds, \$100,563 from fund 010 H017 Governing Board FARMS funds, and \$71,375 from State Appropriations allocated to fund 010 H017 FARMS funds, to H631 Loop Farms LLC project fund; and (3) authorize the Executive Director to execute the agreement.

d. **Clear Springs Enterprises, LLC – Polk County**

Staff recommended to (1) approve the Clear Springs Enterprises LLC project for a not-to-exceed project reimbursement of \$547,500 with \$159,560 provided by the Peace River Basin Board, \$159,561 provided by the Governing Board, and \$228,379 provided from State Appropriations; (2) authorize the transfer of \$159,560 from fund 020 H017 Peace River Basin Board FARMS funds, \$159,561 from fund 010 H017 Governing Board FARMS funds, \$228,379 from State Appropriations allocated to fund 010 H017 FARMS funds, to H627 Clear Springs Enterprises LLC, project fund; and (3) authorize the Executive Director to execute the agreement.

Outreach & Planning Committee

10. **Approve 2011 Consolidated Annual Report**

Staff recommended to approve 2011 Consolidated Annual Report and its transmittal.

Finance & Administration Committee

11. **Budget Transfer Report**

Staff recommended to approve the Budget Transfer Report covering all budget transfers for January 2011.

General Counsel's Report

12. **Settlement Agreement on Costs – SWFWMD v. Raymond J. Shea & Mary Lou Shea, et al., Case No. 53-2009-CA-008352, 10th Judicial Circuit - Lake Hancock Project, SWF Parcel No. 20-503-129 – Polk County**

Staff recommended to approve the payment of \$142,880 for experts' fees and costs incurred by the property owners.

13. **Initiation of Litigation – Well Construction - License No. 9374 (expired) - James D. Spalding – Hillsborough County** – This item was deleted from consideration.

Executive Director's Report

14. **Approve Meeting Minutes**

a. **Outreach and Planning Committee Meeting – January 11, 2011**

b. **Governing Board Meeting – January 25, 2011**

c. **Ad Hoc Committee Meeting – January 27, 2011**

Staff recommended to approve the minutes.

Mr. Senft moved, seconded by Mr. Combee, to approve the Consent Agenda as amended. Motion carried unanimously. (Track 2 – 00:19/00:37)

Vice Chair Gramling noted for the record that the agenda was accepted as amended. (Track 2 – 00:37/00:47)

4. **Employee Recognition**

Mr. Moore recognized staff members who have achieved milestones of 20 years or greater for the period of January 1, 2011 to February 28, 2011; and two retirees.

MILESTONE	EMPLOYEE	TITLE	DEPARTMENT	LOCATION
35 Years	Mike Holtkamp	Operations Director	Operations	Brooksville
30 Years	Harry Downing	Senior Professional Engineer	Resource Projects	Brooksville
25 Years	John Chapman	Aquatic Plant Mgt Crew Leader	Operations	Brooksville
	Susan Kessel	Community Affairs Rep	Community & Leg Affairs	Brooksville
	Colleen Kruk	Senior Land Use Specialist	Land Resources	Brooksville
	Cynthia Taylor	Human Resources Technician	Human Res & Risk Mgt	Brooksville
20 Years	Don Rome	Business Process Analyst	Performance Mgt Office	Brooksville

Mr. Moore introduced Ms. Audra Owens-Powell who has been promoted to the position of Human Resources Manager. (Track 3 – 00:00/09:06)

Mr. Mike Holtkamp, Director, Operations Department, recognized Mr. James Kincade who is retiring from his position as Field Operations Supervisor. Mr. Kincade received his retirement plaque for 30 years of service. (Track 4 – 00:0/05:40)

Mr. Moore recognized Mr. Gene Schiller who has retired from the position of Deputy Executive Director of Management Services. Mr. Moore reviewed Mr. Schiller's career highlights and thanked him for 40 years of public service, including 18 years of District service. (Track 5 – 00:00/00:08:17)

Mr. Schiller received his retirement plaque and briefly addressed the Board. Board members expressed their appreciation for his contributions to the organization. (Track 6 – 00:00/00:06:04)

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

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

Vice Chair Gramling noted there is one request to speak at this time.

Dr. Bob Knight advised that he is an environmental scientist working in Florida for water quality and aquatic ecosystem protection for the last 30 years. He said he is here today representing the new Howard T. Odum Florida Springs Institute that is a non-profit private venture to focus issues related to the protection and restoration of springs. He invited Board members and District staff to participate in the springs workshop scheduled for March 21, 2011. (Track 7 – 00:00/05:20)

Vice Chair Gramling relinquished the gavel to Regulation Committee Chair Beruff.

Regulation Committee

Discussion Items

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

16. **Hydrologic Conditions Status Report**

Mr. Granville Kinsman, Manager, Hydrologic Data Section, said January marks the fourth month of the eight-month dry season and provisional rainfall totals for the month were above-normal in the northern and central regions, while they were within the normal range in the southern region. Analysis of dry-season rainfall shows that October through January totals were below the historic mean in all regions of the District. Rainfall during the month

was regionally variable and associated with multiple cold front systems moving across the District. Two cold front events, on January 13-14 and 23, brought freezing temperatures to some areas of the District that caused agricultural interests to pump groundwater for crop protection. Groundwater pumping during the January 13-14 and 23 freezing weather events caused temporary aquifer level declines of 11.6 and 6.0 feet, respectively, in the Dover/Plant City area of Hillsborough County. The provisional 12-month District-wide rainfall improved during January, ending the month approximately 2.6 inches below the long-term average. The 24-month and 36-month cumulative rainfall deficits improved and are approximately 3.4 and 9.7 inches, respectively, below the long-term average. Most hydrologic indicators showed improvement in January, but hydrologic conditions remained mixed. Regional lake levels ended the month within the annual normal range in the Tampa Bay region, but remained at below-normal levels in the Northern, Polk Uplands and Lake Wales Ridge regions. Groundwater levels improved and ended the month in the normal range in the central region but remained at below-normal levels in the northern and southern regions. Streamflow conditions saw improvement, ending the month in the normal range in the central and southern regions but remaining below normal in the northern region. (Track 8 – 00:00/06:13)

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

17. **Water Shortage Order 2010-022 – Consider Current and Projected Conditions**

Mr. Owen said staff is not recommending changes to the Modified Phase I Water Shortage as declared by the Governing Board at its November 16, 2010 meeting; therefore, no action is required. (Track 9 – 00:00/00:19)

18. **Proposed Changes to the Monthly Overpumpage Report**

Mr. Owen noted that Mr. Tharp approached him about the type of information provided in the monthly routine report for permits in overpumpage. Mr. Owen said that, because of the Board's past input on overpumpage during past droughts, he is requesting the Board's concurrence before making any changes to the report. (Track 9 – 00:19/01:18)

Mr. Ken Weber, Water Use Program Director, Strategic Program Office, Resource Regulation, said the monthly overpumpage reports are included as a routine report in the Governing Board meeting materials to inform the Board of water use permit holders that are not in compliance with their permitted quantities. In order to provide more relevant information to the Board of permittees who are withdrawing quantities beyond their permit requirements, and to eliminate the "false positives" that occur using the current format, it is proposed that only permits that are in the process of being, or have been, forwarded to the Office of General Counsel (OGC) for legal action be contained in the report. Files that are forwarded to the OGC have gone through several screens to determine whether a true overpumpage violation has occurred; therefore this approach will result in the Board receiving more meaningful information.

Vice Chair Gramling moved, seconded by Mr. Combee, to concur with staff's proposed changes to the monthly overpumpage report. Motion carried unanimously. (Track 10 – 00:00/07:25)

19. **Denials Referred to the Governing Board** – None

Dover/Plant City Rulemaking

Vice Chair Gramling requested a status update progress of the Dover/Plant City rulemaking and timeframe. (Track 11 – 00:00/01:15)

Ms. Karen West, Deputy General Counsel, provided an update on the status of this rulemaking. She noted that the review by the Joint Administrative Procedures Committee (JAPC) resulted in a request for minor changes. She advised these changes required that a Notice of Change be submitted to the Department of State by March 8, 2011, for publication. Ms. West reviewed the options to be considered if the Governor's Office has not completed review by March 8.

Ms. Closshey moved to authorize staff to file the Notice of Change on March 8, 2011, whether the District has heard from the Governor's Office or not; and staff provide a report of the circumstances at the Board's next meeting. (Track 12 – 00:00/05:18)

Vice Chair Gramling asked to include in the motion that staff be aggressive and reach out to the Governor's Office to encourage the Governor to take a position prior to the March 8 publication date so the Governing Board has clear guideline; if not, still publish on March 8. Ms. Closshey said her motion has been expanded. (Track 12 – 05:18/07:57)

For clarification, Mr. Bilenky said the Board has two choices: (1) the District can file to protect the rule's progress and, if the Governor has serious concern, the District can withdraw the rule; or (2) if there is a favorable ruling from the Governor's Office, the letter will include that it is being done to preserve the Governor's ability to maintain his options to approve or disapprove the rule and not in contravention of the Governor's Order.

Discussion ensued and following consideration, **Committee Chair Beruff called the question and the motion carried unanimously.** (Track 13 – 00:00/10:30)

In response to Mr. Moore's question, Ms. West said the letter is sent to the Department of State with the District's Notice of Change for filing and publication. She said the Department stated the letter should be from the Executive Director confirming that Executive Order 11-01 does not apply to the water management districts. Ms. West said the Department of State has spoken to the Governor's Office confirming that Executive Order 11-01 does not directly apply to the District; so with that letter, the Department will publish without a letter from the Governor's Office. Mr. Moore noted the District's intent and spirit is to comply with the Governor's Executive Orders. Mr. Bilenky said, as instructed by the Board, the letter will include that it is being done to preserve the Governor's ability to maintain his options to approve or disapprove the rule and not in contravention of the Governor's Order. Discussion and clarification ensued. (Track 13 – 10:30/12:30)

(Chair Oakley entered the meeting.)

Submit & File Reports – None

Routine Reports

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

20. **Public Supply Production Report**
21. **Southern Water Use Caution Area Quantities**
22. **Overpumpage Report**
23. **E-Permitting Metrics: Online vs. Paper Applications**
 - In response to Ms. Closshey's questions, Mr. Owen provided clarification. Ms. Closshey requested staff provide more comparables for the information being tracked.
 - In response to Mr. Combee's concerns, Mr. Owen noted there are extensive efforts being done to enable a more user-friendly online process. (Track 14 – 00:00/11:18)
24. **Individual Permits Issued by District Staff**
25. **Resource Regulation Significant Initiatives**

Regulation Committee Chair Beruff relinquished the gavel to Resource Management Committee Chair Joerger. (Track 15 – 00:00/00:21)

Resource Management Committee

Discussion Items

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

27. **Florida Department of Transportation Mitigation Program** (FDOT)

Ms. Veronica Craw, Environmental Manager, Resource Projects Department, noted that this is a two-part presentation covering the District's Florida Department of Transportation (FDOT) Mitigation Program. The first item is an overview of the FDOT Mitigation Program as requested by the Governing Board, and the second item is to request Board approval of the District's 2011 FDOT Mitigation Plan as required by Florida Statutes.

a. **2011 Overview**

Ms. Craw provided an overview of the historical budget and projects associated with the District's FDOT Mitigation Program. At the November 2010 Governing Board meeting, staff provided an overview of the program and issues related to the statutory requirements of the program in response to inquiries from a private mitigation bank. At the December Board meeting, the program was again discussed and the Board requested staff provide additional information related to the implementation, representative mitigation projects, historical project funding and potential statutory revisions of the program. Since the inception of the program in 1996, the District has adopted 44 mitigation projects into the FDOT Mitigation Plan to currently mitigate for 177 road construction projects with wetland impacts. Of the 44 mitigation projects approved by the Governing Board, 37 have been constructed. Two projects are currently under construction and the other five will be constructed over the next two years; none of the remaining projects are located in watershed basins where there are private or public mitigation bank alternatives currently available to compensate for the proposed wetland impacts. As a result of the program, over 13,000 acres of mitigation have been established in the District, compensating for 777 acres of wetland impacts to date. (Track 16 – 00:00/12:40)

Discussion ensued regarding rule change, opt-out clause, credits and mitigation banks. (Track 16 – 12:40/38:30)

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

b. **2011 Plan**

Ms. Craw said the District's FDOT Mitigation Plan is required to be approved by the water management districts by March 1 of each year. The 2011 FDOT Mitigation Plan, based on FDOT's inventory of roadway projects, includes ten new projects with 47 acres of projected wetland impacts and removes four previously submitted projects with 19 acres of projected wetland impacts. Three of the new projects, and the majority of the anticipated wetland impacts, are associated with the proposed high speed rail and associated bridge and interchange improvements within the Interstate-4 corridor. The remaining new projects involve minor roadway improvements and sidewalks, with some projects eventually permitted without wetland impacts and/or required mitigation.

Mr. Gramling moved, seconded by Mr. Senft, to approve the District's 2011 Florida Department of Transportation Mitigation Plan. Motion carried unanimously. (Track 16 – 38:30/40:37)

Committee Chair Joerger said there is one speaker card for this item.

Mr. Don Ross, representing EarthBalance, said he is here to support the Plan. He said he appreciates the time Board members and staff have provided to him. He said it is time to look at the process of how to handle a challenge to the status quo and how to promote creative destruction. He noted that private mitigation banks meet stringent state and federal requirements, and options keep prices under control. (Track 17 – 00:00/04:14)

Submit & File Report

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

28. **Scientific Peer Review Panel for Minimum Flows for the Lower Myakka River**

Routine Reports

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

29. **Florida Forever Funding**
30. **Minimum Flows and Levels**
31. **Structure Operations**
32. **Watershed Management Program and Federal Emergency Management Agency Map Modernization**
33. **Significant Water Supply and Resource Development Projects**

Committee Chair Joerger recessed the meeting for a lunch break at 12:35 p.m. and relinquished the gavel to Outreach and Planning Committee Vice Chair Closshey. (Track 17 – 04:14/04:54)

(Mr. Pressman left the meeting.)

The meeting reconvened at 1:10 p.m. with Outreach and Planning Committee Vice Chair Closshey calling the Committee meeting to order.

Outreach and Planning Committee

Discussion Items

34. **Legislative Update**

Mr. David Rathke, Director, Community and Legislative Affairs Department, provided an update of state legislative issues, including activities associated with the Executive Orders enacted by Governor Scott. Committee meetings are underway and the water management districts have provided a presentation to the House Select Committee on Water Policy and the Senate Environmental Preservation and Conservation Committee. (Track 18 – 00:00/19:38)

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

Committee Vice Chair Closshey said that Items 36 and 37 will be combined with Item 35.

35. **Fiscal Year 2013 - 2018 Strategic Plan Development**

Mr. Roy Mazur, Director, Planning Department, informed the Board of the progress of the Strategic Plan, and introduced the concepts discussed at the Governing Board's Outreach and Planning Committee meeting relative to the Flood Protection area of responsibility (AOR). The Committee met on February 10, 2011 and heard an overview of programmatic activity intended to implement the AOR and then received staff recommended alterations to the Strategic Plan.

At Committee Vice Chair Closshey's request, Ms. Kavouras addressed the Board regarding the Committee's Strategic Plan discussions. She said the concept of including strategic planning discussion as part of the regular monthly Board meeting is possible if programmatic presentations are kept to a minimum. She said the programmatic discussion may span two to three hours and then include the Finance and Administration Committee components of budget development. Ms. Kavouras said this will integrate the budget and strategic planning into one, and involve the full Board during its monthly meeting. She noted that special committee meetings may still be needed as certain issues are revisited for the Strategic Plan. Committee Vice Chair Closshey said the Board's March meeting will be the first one to follow this suggested format of first considering regular business, followed by the Outreach and Planning Committee's strategic discussion to receive more in-depth information and then including the financial component.

Ms. Whitehead moved, seconded by Mr. Gramling, to conduct the regular meeting and then work on the Outreach and Planning Committee's Strategic Plan, followed by the Finance and Administration Committee. Motion carried unanimously. It was noted that the March 15, 2011, Outreach and Planning Committee is canceled.

Ms. Kavouras noted that the Committee did hear in-depth presentations on Items 36 and 37 at its February 10, 2011 meeting. (Track 20 – 00:00/06:28)

36. **Watershed Management Program Overview**

This item was considered as part of Item 35, and no action was required.

37. **Flood Control and Emergency Response Overview**

This item was considered as part of Item 35, 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. **Comprehensive Plan Amendment and Related Reviews**

39. **Development of Regional Impact Reviews**

40. **Speakers Bureau**

41. **Significant Activities**

- Ms. Kavouras said the St. Johns River Water Management District has certified the District's Tampa Service Office Building 2 as a Florida Water StarSM Commercial and Institutional property – the first government building in the state of Florida to be certified.

(Track 20 – 06:28/07:56)

Outreach and Planning Committee Vice Chair Closshey relinquished the gavel to Finance and Administrative Committee Vice Chair Senft.

(Mr. Adams left the meeting.)

Finance and Administration Committee

Discussion Items

42. **Consent Item(s) Moved for Discussion** – None
43. **Fiscal Year 2011 Budget Overview (Operating, Operating Capital Outlay and Fixed Capital Outlay for Land Acquisition Expenditure Categories)**

Mr. Fritsch provided an overview of the District's fiscal year (FY) 2011 budget by program and by expenditure category in preparation for development of the FY2012 budget. This month's budget overview completed the overview of the District's FY2011 budget by expenditure category. Mr. Fritsch highlighted Operating Expenditures (\$25 million), Operating Capital Outlay (\$3 million) and Fixed Capital Outlay for Land Acquisition (\$19 million), representing \$47 million (17 percent) of the District's \$280 million budget.

Mr. Beruff requested information on the breakdown for the funds designated for research, analysis and data. (Track 21 – 00:00/04:00)

Discussion ensued regarding operating expenditures, reserves, returned project funds, tracking projects that may return in the future, clarifying project encumbrances, providing more assistance to cooperators that do not have funds available in this economy, and needing a common vocabulary.

Ms. Closshey requested a list of all pending projects broken out by the Governing and Basin Boards categorized by will be done, may be done and will not be done; this would provide Board members with a working knowledge of projects and partners. (Track 21 – 04:00/37:45)

Mr. Beruff suggested a monthly report on municipalities or cooperators who are opting out and choosing not to do a project, and requested an explanation of how the District accumulated \$640 million if canceled projects have not occurred in the past. Mr. Moore provided a brief explanation of the process for canceled projects and noted that the \$640 million represents active projects for reclaimed water, expansion of systems, etc. Mr. Beruff expressed his concern for continuing to accumulate funds. (Track 21 – 37:45/49:00)

Mr. Fritsch continued with presentation of this item. (Track 21 – 49:00/69:09)

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

The order of consideration was altered to allow action items to be considered while there was a quorum of Board members.

45. **District Total Compensation (Salary and Benefits) Review**
- Mr. Fritsch said staff contacted all 66 potential vendors qualified under State Contract for performance of a comprehensive salary and benefits review. Quotes were received on February 16, 2011 and the four respondents were ranked by a staff team. Mr. Fritsch provided two options for the Committee's consideration.

Mr. Combee moved, seconded by Mr. Gramling, to select the top-ranked consultant, Evergreen Solutions, LLC, to perform this Total Compensation Review for all categories; and authorize staff to transfer funds from FY2011 General Fund

Contingency Reserves in an amount not to exceed the final negotiated contract amount. Motion carried unanimously. (Track 22 – 00:00/07:19)

Finance and Administration Committee Vice Chair Senft relinquished the gavel to Chair Oakley.

General Counsel's Report

Discussion Items

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

51. **Status of Outstanding Dry Well Complaints from the January 2010 Freeze Events**

Ms. Adrienne Vining, Staff Attorney, noted that there are currently 38 dry well complaints remaining from the January 2010 freeze events that have not been resolved. These complaints represent a total of \$78,912.99 incurred by either complainants or the District in restoring water after the freeze events. Of the remainder of the \$78,912.99, \$26,258.00 represents funds expended by the District to construct new wells for three homeowners who did not have the ability to pay for the installation of new wells themselves; these are funds that were expended pursuant to the emergency order issued in January 2010. All three of those complaints were assigned to the same water use permittee. This permittee has indicated to District staff that he will not reimburse the District for these funds. As a result, it is District staff's opinion that proceeding forward with enforcement in this case is not warranted because of the large amount of additional funds that will need to be expended for the litigation along with the risk that the District will never be able to recoup the funds.

Ms. Vining said staff recommends the District should write off the \$26,258.00 expended for the construction of three wells associated with the January 2010 freeze events because the cost of pursuing enforcement against the responsible permittee would be substantially more than the funds already expended, and there is a risk that the District will not be able to recoup all of these expenses through litigation.

Ms. Closshey moved, seconded by Mr. Gramling, to approve the staff recommendation as presented. Motion carried unanimously. (Track 23 – 00:00/06:38)

(Messrs. Joerger and Beruff left the meeting.)

Submit & File Reports – None

Routine Reports

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

52. **Litigation Report**

53. **Rulemaking Update**

Chair Oakley relinquished the gavel to Finance and Administration Committee Vice Chair Senft who then relinquished the gavel to Committee Second Vice Chair Whitehead. (Track 23 – 06:38/06:42)

(Mr. Senft left the meeting.)

Finance and Administration Committee

Discussion Items

44. **Fiscal Year 2012 Budget Update**

Mr. Fritsch provided background information to the Board for use in evaluating the Fiscal Year (FY) 2012 Recommended Annual Service Budget to be delivered in June 2011. He reviewed the District's budget calendar, cash flow requirements, budget assumptions, proposed tax holiday and fund balances. Mr. Fritsch noted that since 2008 the annual budget has decreased each year. (Track 24 – 00:00/11:30)

Discussion ensued regarding perception of the word "reserves," managing cash flow, and tax holiday implementation. (Track 24 – 11:30/40:50)

Ms. Closshey requested that all pertinent budget presentations be placed in a binder for each Board member to reference. (Track 24 – 40:50/42:00)

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

Submit & File Report

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

46. **Office of Inspector General – Six-Month Progress Report – Project Information Management Systems (PIMS) Security Audit**
47. **January 2011 Meeting Requests for Financial Information**

Routine Reports

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

48. **Treasurer's Report, Payment Register, and Contingency Reserves**
49. **Management Services Significant Activities**

(Chair Oakley left the meeting.)

Finance and Administration Committee Second Vice Chair Whitehead relinquished the gavel to Vice Chair Gramling. (Track 24 – 42:00/42:29)

Executive Director's Report

64. **Executive Director's Report**

a. **September 28, 2010 Governing Board Workshop Summary Update**

- Mr. Moore noted that an updated summary table of the Governing Board's workshop held on September 28, 2010, is provided for the Board's feedback.

b. **Other**

- Mr. Moore provided an update on Central Florida Coordination Area and noted that a major meeting is occurring this week with utilities to develop management strategies.
- Mr. Moore noted concerns from Tampa Bay Water staff due to additional data collection requirements in the consolidated wellfield permit.

(Track 25 – 00:00/02:15)

Chair's Report

65. **Chair's Report**

- Vice Chair Gramling noted that Board members were provided a copy of the Tampa Bay Estuary Program annual report on water quality assessments and the liaison report for the Tampa Bay Regional Planning Council's February meeting.
- Vice Chair Gramling commended staff for the fantastic job done on the 2011 Consolidated Annual Report.
(Track 25 – 02:15/04:20)

There being no further business to come before the Board, Vice Chair Gramling adjourned the meeting at 4:00 p.m.