The Governing Board of the Southwest Florida Water Management District (SWFWMD) met for its regular meeting at 9:20 a.m. on June 24, 2014, at the District’s Headquarters in Brooksville. The following persons were present:

**Board Members Present**
- Michael A. Babb, Chair
- Randall S. Maggard, Vice Chair
- Jeffrey M. Adams, Secretary
- David W. Dunbar, Treasurer
- H. Paul Senft, Member
- Carlos Beruff, Member
- Wendy Griffin, Member
- George W. Mann, Member
- Thomas E. Bronson, Member
- Michael A. Moran, Member

**Ed Armstrong, Member** (not a voting member due to Gubernatorial appointment two working days prior to meeting and required documents not yet completed)

**Board Member(s) Absent** – None
- Bryan K. Beswick, Member

**Staff Members**
- Robert R. Beltran, Executive Director
- Brian Armstrong, Assistant Executive Director
- David T. Rathke, Chief of Staff
- Kurt P. Fritsch, Inspector General
- Laura J. Donaldson, General Counsel
- John J. Campbell, Division Director
- Ken Frink, Division Director
- Mark A. Hammond, Division Director
- Alba E. Más, Division Director

**Board’s Administrative Support**
- Cara Martin, Board & Executive Services Manager
- Linda De Jonge, Administrative Coordinator

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 (Video – 00:00)**

1. **Call to Order**
   Chair Babb called the meeting to order and opened the public hearing. Mr. Adams noted a quorum was present.

2. **Pledge of Allegiance and Invocation**
   Mr. Bronson offered the invocation. Chair Babb led the Pledge of Allegiance to the Flag of the United States of America.

Chair Babb 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.

Chair Babb 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.” Chair Babb 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.

Chair Babb announced that Mr. Adams was reappointed by Governor Scott to a term that expires March 1, 2018, and Mr. Armstrong was appointed by Governor Scott on Friday, June 20, to a term that expires March 1, 2018. (Audio – 00:00/03:30:00)

3. **Oath of Office for Newly Appointed or Reappointed Board Members**
   Ms. Martin administered the oath of office to reappoint Board Member Jeffrey M. Adams and to newly appointed Board Member Ed Armstrong. (Audio – 00:03:51 – 04:19:00)

4. **Additions/Deletions to Agenda**
   Section 120.525, Florida Statutes, allows the District to change the published agenda for good cause shown, as determined by the presiding officer.

   Mr. Beltran noted the following changes requested to the agenda.

   The following items were added for consideration:

   **Consent Agenda – General Counsel’s Report**
   13. Administrative, Enforcement and Litigation Activities that Require Governing Board Approval
   e. Initiation of Litigation – Well Construction Violations – Richard Tincher – WCP No. 813519 – Pasco County
   f. Consent Order – Club Waterstone, LLC – Unauthorized Construction – Polk County

   The following items to be deleted from consideration:

   **REGULATION COMMITTEE**
   21. Consider Water Shortage Order Recommendations

   Chair Babb said there is good cause to amend the published agenda as allowed by Section 120.525, Florida Statutes. **Mr. Dunbar made a motion, seconded by Ms. Griffin, to approve the Additions/Deletions to the agenda. Motion passed.** (Audio – 04:31:00 – 05:25:00)

5. **Public Input for Issues Not Listed on the Published Agenda**
   Chair Babb noted at this time, the public is given an opportunity to comment on any topic not listed on the agenda. There were no *Request to Speak* cards submitted.

   **CONSENT AGENDA** (Audio – 05:50:00)

   Chair Babb 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. No one responded to the Chair’s request to speak to the Board.

   **Regulation Committee**
   6. **Individual Water Use Permits (WUPs) Referred to the Governing Board** – None
Operations & Land Management Committee - None
Resource Management Committee
7. **Authorize Submission of Preliminary Flood Insurance Rate Maps to the Federal Emergency Management Agency**
   a. **Homosassa River North, South and South Fork Watersheds in Citrus County**
      Staff recommended the Board approve staff to submit the preliminary FIRMs for the Homosassa River North, South and South Fork watersheds in Citrus County to FEMA.
   b. **Carter Creek Watershed in Highlands County**
      Staff recommended the Board approve staff to submit the preliminary FIRMs for the Carter Creek watershed in Highlands County to FEMA.
   c. **Mulberry Watershed in Polk County**
      Staff recommended the Board approve staff to submit the preliminary FIRMs for the Mulberry watershed in Polk County to FEMA.
   d. **Big Prairie Watershed in Sumter County**
      Staff recommended the Board approve staff to submit the preliminary FIRMs for the Big Prairie watershed in Sumter County to FEMA.
   Staff recommended the Board approve staff recommendation as follows:
   1) Approve the S & H Mathis, LLC – Twin Oaks project for a not-to-exceed project reimbursement of $29,450 with $28,367.38 provided by the Governing Board and $1,082.62 provided from 2008 State Appropriations;
   2) Authorize the transfer of $28,367.38 from fund 010 H017 Governing Board FARMS Funds and $1,082.62 from 2008 State Appropriations allocated to fund 010 H017 FARMS Funds to the S & H Mathis, LLC – Twin Oaks project fund;
   3) Authorize the Assistant Executive Director to sign the agreement.
9. **Approve the Modified Surface Water Improvement and Management (SWIM) Program Priority List**
   Staff recommended the Board approve the modified Surface Water Improvement and Management (SWIM) Program priority list to delete Banana Lake and add Weeki Wachee River, Chassahowitzka River, and Homosassa River.
Finance/Outreach & Planning Committee
10. **Budget Transfer Report**
    Staff recommended the Board approve the Budget Transfer Report covering all budget transfers for May 2014.
11. **Adopt Resolutions to Identify New Slate of Officers for Financial Documents**
    Staff recommended the Board approve staff recommendation as follows:
    1) Authorize the new slate of officers to apply their signatures to the resolutions for financial documents.
    2) Adopt Resolution No. 14-07 authorizing the signatures of the newly elected officers of the Governing Board of the District and the use of facsimile or manual signatures on all warrants or checks of the District.
    3) Adopt the **SunTrust Deposit Account Resolution and Authorization for Business Entities** document to identify the new slate of officers and authorized signers on existing accounts.
12. **Board Travel**

Staff recommended the Board approve Governing Board travel as set forth below:

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<tr>
<th>Name(s)</th>
<th>Purpose</th>
<th>Estimated Cost</th>
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<tbody>
<tr>
<td>Michael Babb</td>
<td>28th Annual Environmental</td>
<td>Registration ($545 x 4)</td>
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<td>Permitting Summer School</td>
<td>$2,180</td>
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<td>David Dunbar</td>
<td>Marco Island</td>
<td>Early Bird Session ($75 x 4)</td>
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<td>$300</td>
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<td>Wendy Griffin</td>
<td>July 22-25, 2014</td>
<td>Hotel (4 x $154) x 3 nights</td>
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<td>Paul Senft</td>
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**General Counsel's Report**

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

a. **Settlement Agreement – SWFWMD v. Risher – Case No. 38-2013-CA-000638 – Levy County**

Staff recommended the Board approve the Settlement Agreement and authorize any litigation as necessary in order to obtain compliance with the Settlement Agreement.

b. **Consent Order – Overpumpage Penalties – Ocean Breeze Properties, LLC – WUP No. 20003057.010 – Hillsborough County**

Staff recommended the Board approve the proposed consent order and authorize the initiation of litigation against Ocean Breeze, LLC, if necessary to obtain compliance with the consent order.

c. **Approve District's Annual Regulatory Plan Required by Executive Order Number 11-211 and Subsection 120.74(3), Florida Statutes**

Staff recommended the Board approve the District's Annual Regulatory Plan for July 2014 – June 205 and authorize staff to submit the Regulatory Plan to the Governor's Office of Fiscal Accountability and Regulatory Reform, President of the Senate, Speaker of the House, and Joint Administrative Procedures Commission.

d. **Interagency Agreement between the SJRWMD and the SWFWMD – Designation of Regulatory Responsibility - Track and Card Room, Phase II – Marion and Sumter Counties**

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 Environmental Resource Permits for Track and Card Room – Phase II, Marion and Sumter Counties, Florida.

14. **Rulemaking** – None

15. **Approve Governing Board Meeting Minutes – May 20, 2014**

Staff recommended the Board approve the Governing Board Minutes – May 20, 2014, as presented.

Chair Babb asked for a motion to approve the Consent Agenda as amended. **There was a motion to approve the Consent Agenda as amended, seconded by Mr. Dunbar. The motion passed.** (Audio – 05:50:00 – 05:59:00)
Chair Babb then relinquished the gavel to Mr. Maggard, who called the Operations & Land Management Committee to order.

OPERATIONS & LAND MANAGEMENT COMMITTEE (Audio – 06:08:00)

Discussion Items
16. Consent Item(s) Moved for Discussion – None
17. Hydrologic Conditions Status Report
   Mr. Granville Kinsman, Manager, Hydrologic Data Section, said rainfall totals for May indicate rainfall was above-normal in all three regions of the District. The normal range is defined as rainfall totals that fall on or between the 25th to 75th percentiles derived from the historical data for each month.

   May streamflow data indicates regional streamflow decreased in the northern region of the District, while it increased in the central and southern regions, compared to the previous month. Based on flow conditions in regional index rivers, streamflow in the northern and southern region ended the month within the normal range of historic values, while the central region ended the month above-normal.

   Groundwater data for May indicate levels in the Floridan/Intermediate aquifer decreased in all three regions of the District, compared to last month. Groundwater conditions ended the month within the normal range in the northern and southern regions, while they were slightly above-normal in the central region.

   Water-level data for May indicate average lake levels decreased in the Northern, Tampa Bay and Polk Uplands regions of the District, while they increased in the Lake Wales Ridge region, compared to the previous month. Regional lake levels ended the month below the base of the annual normal range in the Northern, Polk Uplands and Lake Wales Ridge regions, while the Tampa Bay region ended the month within the normal range.

   May historically marks the last month of the 8-month dry season and rainfall totals for the month show accumulations were above-normal in all regions of the District. Analysis of the District-wide "dry season" rainfall for October through May shows totals of 22.6 inches, equivalent to the 55th percentile and 0.8 inch above the historic dry-season mean rainfall of 21.8 inches.

   NOAA climate forecasts for the wet season (June-September) predict above-normal rainfall during June, while they are inconclusive regarding rainfall activity during July through September, predicting equal chances for below-normal, normal or above-normal rainfall. NOAA's forecast for the 2014 Hurricane Season indicate that a near-normal or below-normal hurricane season is likely, predicting 8 to 13 named storms, 3 to 6 hurricanes and 1 or 2 major hurricanes. (Audio – 06:24:00 – 12:56:00)

   This item was presented for the Committee'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.
18. Structure Operations
19. Significant Activities
Chair Maggard then relinquished the gavel to Mr. Moran, who called the Regulation Committee to order.

REGULATION COMMITTEE (Audio – 13:57)
Discussion Items
20. Consent Item(s) Moved for Discussion – None
21. Consider Water Shortage Order Recommendations
   This item was deleted from consideration.
22. Denials Referred to the Governing Board - None

Submit & File Reports - None

Routine Reports
The following items were provided for the Committee's information, and no action was required.
23. Overpumpage Report
24. Individual Permits Issued by District Staff
25. Resource Regulation Significant Initiatives

Chair Moran then relinquished the gavel to Mr. Senft, who called the Resource Management Committee to order.

RESOURCE MANAGEMENT COMMITTEE (Audio – 14:53)
Discussion Items
26. Consent Item(s) Moved for Discussion - None
27. Fiscal year 2014-15 Cooperative Funding Program
   Mark Hammond advised the Board that at the various regional cooperative funding
   subcommittee meetings held in February and April, there were a number of projects requested
   to be presented to the full Board for discussion, which are addressed in the budget. The
   Tampa Bay region requested two projects to be discussed with the full Board, and the
   Southern Region asked for two projects to be presented to the Board for discussion. Mr.
   Hammond pointed out that, depending on the action that the Board may take, it may affect
   the budget that Mr. Campbell will be presenting, and so they are ready to make adjustments
   accordingly so that it can be seen when the full budget presentation is made

      The Tampa Bay Region Subcommittee requested the Lake Seminole Sediment Removal
      project be presented to the Board for consideration. Pinellas County has withdrawn their
      FY2015 funding request ($500,000) for additional funds for the project due to delays in the
      bid process. Pinellas County has requested to appear before a future Governing Board
      meeting (targeting August 2014) with revised project costs based upon bids and to request a
      contract amendment for the revised project costs. If needed, additional funds will be requested
      through the FY2016 cooperative funding process.

      The District had approved this project with Pinellas County to remove sediment in Lake
      Seminole for about $17M. During the request they came in for a cost increase. It was
      anticipated to use the City of Largo landfill for disposal but, as they were doing the design, the
      City realized the costs associated with accepting the material and decided they would not be
      able to absorb those costs. Therefore, the County is looking at having the contractor be
      responsible for disposing of the material and are prioritizing to see where the sediment can
      be disposed. They are not asking the Board to take any action at this time. It does not have
      any impact on the FY15 budget and the funds are available in the FY14 budget.
It was discussed that the increase would be primarily for transportation costs to transport the sediment material.

Mr. Bronson mentioned that we are seeing too many costs creep into these projects for things that should have been foreseen. Mr. Hammond said that has been a topic of conversation at the Committees both in February and April.

Mr. Bronson suggested there should be a tolerance of some percentage of cost overruns for certain kinds of reasons that are not foreseeable but, for those that are foreseeable, there should be zero tolerance because that means increasing costs for projects three or four times. It is suggested that we tell cooperators that we have some tolerance for ten percent variances but, not for 20, 40 or 50 percent errors.

Mr. Mann asked if there is a question in the application for cooperative funding regarding risk or variables in the project going forward or what might change drastically so that we could review to determine if there is anything that they missed. Mr. Hammond acknowledged there are opportunities to find a way to improve the process.

It was suggested the Board may want to consider in the future, that the District should come up with a tolerance level (ten percent variance). If the budget continues to rise, instead of 50/50 cooperative funding, the District will cooperatively fund less and the cooperator would have to fund more to cover their budget. Mr. Hammond acknowledged that those are some of the options that have been discussed internally to present to the Board to get some guidance.

Mr. Babb noted that staff is reviewing a new policy and asked if Mr. Hammond could be ready to present something to the Board in August. Mr. Hammond said that is the intent.

Mr. Dunbar suggested it might be wise to grant a little more money to do a lot more testing, analytical and engineering on bigger projects to determine what the true costs of a project would be. Mr. Senft cautioned that what we do this budget cycle establishes a precedent. However, staff will be coming back later in the year with policy suggestions that the Board will consider at that time.

No action is required by the Board on this item because the funding request ($5M) has been withdrawn and has been removed from the budget. They will not need any additional money this fiscal year.

b. **H056 — Reclaimed Water — Pasco County Boyette Wet-Weather Reclaimed Water Reservoir** (Audio — 44:56:00)

Mr. Bruce Kennedy with Pasco County submitted a Request to Speak card; however, the staff presentation was made prior to his presentation.

The Tampa Bay Region Subcommittee requested the Pasco County Boyette Wet-Weather Reclaimed Water Reservoir project be presented to the Board for consideration. Pasco County originally submitted the project in FY2007 for a total cost of $18.5 million, with the District to provide approximately $9.2 million, for a 400 million gallon (mg) reservoir and a 3.3 million gallons per day (mgd) pump station necessary to enable future reclaimed water supply of up to 10 mgd and reduce the disposal of excess reclaimed water into rapid infiltration basins within the Aripeka Springshed. The project was re-designed in 2012, 2013 and 2014 to
increase storage capacity to 500 mg and increase pumping capacity to 15 mgd, and to improve reliability and safety. These changes increased costs to approximately $39.2 million; therefore, Pasco requested an additional $10,325,000 in FY2015 funding which increases the District’s share from approximately $9.2 to $19.5 million. Although the project ranked High in most FY2015 evaluation categories, the overall FY2015 ranking and staff recommendation was to fund as a Medium Priority based on the project’s significant cost increase.

Mr. Kennedy made a Power Point presentation to the Board which reviewed the project budget and project scope change.

Mr. Maggard commented on his concerns regarding the cost overrun; however, he acknowledged that it is an important project. It comes down to a budgetary cost overrun and the benefit of it. He questioned staff regarding how we can at $18M say it meets our metrics and increase it by 110 percent and still say it meets our metrics.

Mr. Senft doesn’t look at this as a cost increase but, as a totally different project. It’s totally changed and injecting the repair of the liners and the leakage, it presents a whole different ball game and is almost a totally new project.

Mr. Adams noted that if it were a new project today, even though he has major issues in the changes in dollar amount, it would be rated high. He questioned if it is fair to punish the citizens of Pasco County by not funding appropriately just because the initial attempt was so far off. He would be comfortable on any of the options because of that dilemma. He agrees with earlier comments that some policy changes need to be looked at for the year; that works on small creeps, but on leaps he has a hard time. He could argue against every one of the options and arguing in favor of any of the options would more difficult.

Mr. Beruff recapped that the original budget was in 2006 and it was a very high time for costs. The bottom of costs was about 2011-2012 so in 2006 the budget should have been bloated to begin with and now we should be off peak but still above where we were in 2011-2012 to build anything. That concerns him because there should have been a lot of fluff in the 2006 budget. He asked Mr. Kennedy what is the customer base of Pasco County Utilities. Mr. Kennedy responded that they have somewhere in the area of 100,000 water service customers and serve a population of somewhere in the range of 260,000 to 300,000. They have bulk water and sewer service agreements. They also have the Florida Governmental Utility Authority that has come in and started acquiring some of the private utility systems that they work with.

Mr. Bronson suggested it may be a constructive idea to ask the staff to add two metrics to each one of these kinds of projects. A dollar change and a percentage change in the total cost of the project would be the last sentence of each one of these kinds of proposal. Instead of trying to figure in our heads and absorb all the material, just add the two metrics at the end. Mr. Hammond acknowledged that it would be a good suggestion to add the percentages.

Ms. Griffin said she takes the cooperative funding very seriously and thinks we should be working together. If someone comes up with a better idea, she would like to hear about it and consider incorporating it into their project before versus after and she likes the idea that they’ve learned from other people’s mistakes. She would like to support the safety features as well as the capacity but, she doesn’t think the Board should be paying for errors in original design. She thinks the modification in the inflow and outflow pipes are probably a design flaw and they would have other avenues to go back to the original designer and be reimbursed for
that amount. She would support Option 3 with adding the cost of the slope protection but taking out the cost of the pipe modifications.

Mr. Dunbar stated that if this project was originally approved back in 2006, he feels that there should have been a process by which we understood that these changes were taking place. He provided some feedback from questions addressed at the April Tampa Bay Region Cooperative Funding meeting. Mr. Dunbar stated that he believes we are setting a precedent today and there have been a lot of good comments about how we can change this going forward.

**Mr. Beruff moved to approve Option 3, seconded by Mr. Maggard.** Ms. Griffin clarified that that was not what she had suggested. She asked if Option 3 includes the total slope or just the additional capacity. It was confirmed that it includes the additional capacity to 100 and the increase in the pumping system to 15 mgd from 3.3 mgd. Ms. Griffin said that was not what she was recommending. Total slope – taking away option 3 – moving the pipes around; that they can handle through some kind of action with their original designer but add in the additional safety factor of the augmented total slope based on what has happened at Tampa Bay Water.

Further discussion ensued.

Mr. Moran suggested that the District could possibly put punitive pressure on cooperators if they’re not performing what they presented to the District and cautioned the Board to not set a precedent of approving every cost increase requested.

Mr. Senft noted the fact that they’re going forward with the project and coming in after the fact, basically with the casual assumption that we’ll probably approve it. We’re looking at regional systems and taking away the options of what if we need an interconnect with adjoining counties or planning things on a regional basis — we need to be involved before people start construction. If everybody could just go and start construction with the assumption they’re going to able to find the money, that’s going to be a problem in the future. He noted the importance that we not set a precedent of approving everything.

**Mr. Senft asked for any other comments under discussion of the motion.** There being none, he called the question on the motion. Mr. Senft called for the record to reflect that there were 9 yays and 2 nays. *(NOTE: per advice from the District’s General Counsel after the meeting, Mr. Armstrong was not considered to be a voting member due to his Gubernatorial appointment two working days prior to the meeting because the required documents were not yet completed and, therefore, his vote should not be counted resulting in the final vote being 8 yays instead of 9.)* Funding Option 3 was approved as presented to increase funding for additional storage and pumping with the District’s share to increase by $3,498,755 to $12,631,530, plus state funding.

c. **W327 – Restoration – Robinson Preserve Phase 2** *(1:20:53)*
The Southern Region Subcommittee requested the Robinson Preserve Phase 2 project be presented to the Board for consideration. Manatee County and the Conservation Foundation of the Gulf Coast submitted the project with a total cost of $6,400,000 with the District to provide $3,200,000. Manatee County and the Conservation Foundation requested that the land cost ($3,200,000) be used as their match. The Mosaic Company Foundation donated $3,200,000 to the Conservation Foundation for the purchase of the land (150 acres). The Conservation Foundation purchased the land and conveyed it to Manatee County. Manatee
County is taking the lead on restoration design and permitting with county funds (approximately $550,000). District funds are requested for restoration construction. Staff has ranked the project as a High priority.

Mr. Hammond advised the Board there is no cost increase for this project. It was discussed at the Southern Cooperative Funding Committee. Mr. Hammond said the Committee wanted additional information because of the funding partners and wanted more time to take a look at it. Some of the members have been on site and now have a better understanding of the project. Mr. Hammond informed the Board that Charlie Hunsicker with Manatee County was present to answer any questions from the Board. It is currently in the budget. Any actions different would adjust the budget but, currently the $3.2M is in the budget.

Mr. Senft asked if the Board had any comments or questions.

Mr. Dunbar asked regarding the $3.2M construction costs if that amount was bid and firm or just a guess. Mr. Hammond said it's not bid. Ms. Jennette Seachrist, SWIM Program Manager, informed the Board that we did take a look at the costs and it is a lower cost than some of our SWIM restoration projects so there is a chance it might come in higher. However, the request for the $3.2M is the match to the land acquisition so that would be all we would fund.

Mr. Hunsicker with Manatee County Division of Parks and Natural Resources addressed the question of what exactly they would be doing with the $3.2M. He said that it is an engineer construction cost estimate. He also stated that Manatee County would take the risk for any additional costs. There is no risk for the District beyond the $3.2M request.

Mr. Moran expressed concern regarding the transaction wherein the Mosiac Foundation transferred the property to the Conservation Foundation that ultimately went to Manatee County. His concern is with setting a precedent with the creative nature of these transactions and said we need to have a certain protocol on these transactions. If there are no strings attached from Mosaic, then that would be a very different transaction than if it did have strings attached. Mr. Hammond said he believed that they do get naming rights on the educational facility that the County is proposing. Mr. Moran commented about what Manatee County has invested in the project.

Debbie Osborn, Director of Land Protection for the Conservation Foundation of the Gulf Coast, clarified to the Board that Mosaic provided cash to the Foundation to purchase the land which they donated to the County and the County donated back to the Conservation Foundation. Ms. Osborn was asked, to her knowledge, if there were any other strings attached to the project other than naming rights of the facility. She said she was not aware of any other.

Mr. Maggard expressed his concerns regarding maintenance. Mr. Hammond responded that Manatee County has about $500K in the budget and they will be managing the project long term, which is a contractual requirement for all our habitat restoration projects. It will be based on the value of the project, in terms of what we're restoring and that it would be based on our specifications to make sure our value is protected. Mr. Maggard expressed concern that after a period of time, we may find that their expectations regarding maintenance and ours are two different things and we have a disagreement. Mr. Hammond said that we regularly go out and review projects that we've funded to ensure that the cooperators are maintaining the site and to make sure that that investment is being maintained.
Mr. Hunsicker stated that they take great pride in the project and confirmed that the specifications for maintenance have been agreed to between the District and the County in a contract and the County will take care of the project in perpetuity.

Chair Senft called for a motion on the matter. Mr. Babb moved to approve the staff recommendation to rank the project as a high priority and to fund $3,200,000 for restoration construction on the project. The motion was seconded. Chair Senft called the question on the motion, which carried unanimously. (Audio – 1:34:23)

d. N600 – AWS – City of Punta Gorda 4 MGD Brackish Groundwater RO System
(Audio 1:34:27)

The Southern Region Subcommittee requested the City of Punta Gorda 4 MGD Brackish Groundwater Reverse Osmosis (RO) System project be presented to the Board for consideration. The City of Punta Gorda (City) submitted the project requesting the District provide $14,000,000 over four years, including $5,625,000 in FY2015, to improve the quality of finished water generated at their Shell Creek surface water facility. Staff's overall ranking and recommendation was to not fund the project in accordance with Board Policy guidelines for potable alternative water supply projects that are not multijurisdictional, and because regional water supplies can be made available to the City from the Peace River Manasota Regional Water Supply Authority (Authority).

Mr. Hammond informed the Board that at the Southern Region Subcommittee, based on the policy, staff recommendation was a low priority and not recommended for funding. The Committee had some discussion of the project and asked if the Phase 1 pipeline could be a part of the project and see if discussions could occur and if this project could be forwarded up to the full Board for discussion. The Committee did not approve the funding but they said if the Phase 1 pipeline could be addressed that they would consider funding. The City held meetings to see if things could be put together for the project, including a Phase 1 pipeline, which would be from the Authority to provide water to a pipeline over to the Punta Gorda system. Many, including Charlotte County, have sent letters in support. There is not a firm commitment to build a Phase 1 pipeline. The Authority has a meeting scheduled on Friday with Punta Gorda and the County to further discuss that.

Mr. Hammond stated there are two options for the Board: defer action until July or take action today. At this time without a Phase 1 pipeline as part of the commitment, staff's recommendation would be low and not recommended for funding based on the policy of a regional system.

Mr. Hammond noted that there were a number of people from Punta Gorda who have submitted Request to Speak cards submitted on this item. If the Board did defer until July, these people are already scheduled for leave and would not be able to make it next month so they asked to speak today on the project and answer any questions from the Board.

Chair Senft asked if there were any questions or comments from the Board. Mr. Bronson asked if it would be appropriate to entertain a motion to defer action until after the forthcoming meetings take place. Mr. Bronson moved to defer the matter to the July Board, Mr. Beruff seconded. Chair Senft then asked if the Board would allow those present to speak today. Mr. Bronson clarified that his motion was not to keep those present from speaking today. Mr. Dunbar agreed it would be in the best interests of the participants for the Board to hear the comments and come to a decision today on what the Board is willing to do which may still
make them have to go to the upcoming meeting but, at least they'll know what they have to get accomplished as opposed to having a meeting and coming up with something they think will work only to have the Board say that it won't work next month. Mr. Beruff stated that he had participated in the meetings in the southern region. The District was direct in the regionalization of this project and he didn't know that they had not been able to settle on the Phase 1 pipeline. The reason he seconded the motion was because he believes that without the Phase 1 pipeline and the regionalization of the project, the Board shouldn't approve it and we have no more information today than we had last week. Maybe the upcoming meeting would give us more of a comfort level. We agreed the only way it can be raised to a higher priority is to make it a regional facility. The only way you can do that is by the Phase 1 pipeline with Charlotte County, the Authority and Peace River Cooperative supporting it. Mr. Beruff stated that he was happy to have the discussion now then revisit it in July once with have direction whether or not the pipeline can be built.

Mr. Dunbar clarified to Mr. Beruff that if the pipeline was a done deal after Friday's meeting, he would be in favor. Mr. Beruff clarified that we don't want to commit all the funds until the testing is done. Mr. Beruff said he would advocate for 1) pipeline connection to regionalize to move water back and forth, and 2) recommend funding 50 percent of the cost to do the necessary tests to certify that the project will work.

Mr. Dunbar opposed Mr. Bronson's motion to defer to July. Mr. Senft asked for Mr. Bronson or Mr. Beruff to withdraw his motion. Mr. Beruff retracted his second to proceed with discussion. Discussion continued.

Chair Senft called upon Rachel Keesling, who submitted a Request to Speak card. Ms. Keesling, Mayor of the City of Punta Gorda, read into the record remarks to the Board with regard to the City's support of the project. She also provided to the Board copies of letter from various government agencies and politicians expressing their support for the project.

Others who submitted Request to Speak cards were then called. Howard Kunik, City Manager of the City of Punta Gorda then spoke. Mr. Kunik informed the Board that he only submitted a Request to Speak card in order to make himself available to answer any questions. However, he did point out to the Board that their City Council goes on recess on July 9. The City has already submitted a request to move forward at least on the well field testing and permitting process. They would like to get moving on that because they know they have to do that first to prove to District staff and to their engineer and their community that the project will work. However, to expect to have a Phase 1 agreement ironed out in one meeting on Friday afternoon is unrealistic. He said it is going to take some time but, they're here to work with the District in any way they can. Mr. Kunik informed the Board that Tom Jackson is present to answer any questions that the Board may have. Chair Senft mentioned that the Legislature seemed to be supportive and asked Mr. Kunik if the Legislature has offered any State funds. Mr. Kunik responded that they have offered $900,000.

Mr. Beruff asked Ms. Donaldson, District General Counsel, if the District could approve a certain amount of money for the testing subject to them entering into a formal agreement for the extension of the Phase 1 water line. Ms. Donaldson responded that the Board could do something similar to approved projects for DEP. The money was put in the budget, it was there for that specific purpose, and then it went back to the Board for the Board to approve. Ms. Donaldson recommended the funds be encumbered and then come back to the Board once they get the agreement and have the Board approve it.
Mr. Babb clarified that the $14M is for the RO project. Mr. Babb asked Mr. Hammond how much he believes we would need to encumber to cover 50 percent of the study. Mr. Hammond informed the Board that the cost would be about $3M, of which the District would be putting in half, or $1.5M, which includes drilling a well. The District’s share for the cost of the pipeline would be around $7M.

Mr. Moran asked how the $900,000 from the State would be applied toward the testing. Mr. Hammond advised that if we don’t provide any funding, we wouldn’t have any say but, if we provide funding then that could be a negotiating point. The City would like to apply it toward the permitting aspects of it. Our policy says that it needs to come off the top. Mr. Beruff stated he agreed with District policy.

Jerry Paul, City of Punta Gorda, submitted a Request to Speak card and spoke to clarify expectations of the meeting on Friday.

Mr. Adams expressed his appreciation for timelines and stated his support for the RO but maintained it must be regional.

Mr. Beruff moved to approve the funding request based on the following: 1) the Board follow the policy that the $900K from the State comes off the top; 2) on the permitting issue, we fund 50 percent of that to get it going and when the Phase 1 pipeline is a commitment, then we will come back and submit the money for that so we can regionalize the whole area and 3) if and when the testing is done, if it is determined that the project is worthwhile, then we’ll fund it. Mr. Bronson seconded the motion.

Mr. Babb expressed his support to move forward on the study as well as the pipeline and, after the study is done and we receive response from staff, we will fund the RO, but not to encumber the dollars for the RO at this time.

Mr. Beruff said he would amend his motion to what Mr. Babb suggested.

Mr. Jerry Paul commented on taking the $900,000 off the top out of the motion.

Ms. Donaldson reminded the Board of what the policies are and if the Board decides to override them, it is completely within their prerogative. Ms. Donaldson suggested language for the motion. Ms. Donaldson clarified a potential motion stating: District funds up to 50 percent of the RO study not to exceed $3M with the District contribution being reduced in accordance with Policy 130-4 related to State appropriations.

Ms. Donaldson continued that Chair Babb was correct and we would not want to bind future boards.

Chair Senft reminded the Board that there is a motion on the floor. Mr. Adams made a motion to postpone indefinitely the motion, which was seconded. The question was called on the motion, and the motion passed.

Discussion ensued on the $900,000 State funds and District policy. Ms. Donaldson was asked to restate the motion on the floor.

Mr. Babb moved for the District to fund up to 50 percent of the OR study not to exceed $3M with the District’s contribution being reduced in accordance with Policy 130-4 related to
state appropriations. Upon a pipeline contract being executed between the Authority and Charlotte County, and the results of the study being completed, Punta Gorda shall return to the Governing Board to request additional funding. Mr. Beruff seconded. Chair Senft called the question on the motion, motion carried unanimously. (Video - 2:32:02)

Submit & File Reports – None

Routine Reports

The following items were provided for the Committee's information, and no action was required.
28. Minimum Flows and Levels
30. Significant Water Supply and Resource Development Projects

Mr. Babb commented that the Board has set somewhat of a precedent when it comes to cooperative funding. He hopes that it is loud and clear that this Board is trying to be responsible to the tax payer and so the Board has asked Mr. Hammond and his staff to come back to the Board in August to give the Board direction or provide some information on how the Board can create a new policy to make sure that the Board does not allow for leaps and constant information coming back to the Board that creeps.

Chair Senft then relinquished the gavel to Mr. Dunbar, who called the Finance/Outreach & Planning Committee to order.

FINANCE/OUTREACH & PLANNING COMMITTEE (Video – 2:34:15)

Discussion Items
31. Consent Item(s) Moved for Discussion – None
32. Fiscal year 2014-15 Recommended Annual Service Budget

Mr. John Campbell, Division Director, Management Services, said the recommended budget for FY2014-15 is $159.5 million.

The operating component of the recommended budget for FY2014-15 has decreased by $2.3 million or three percent from $75 million in FY2013-14 to a recommended budget of $72.7 million for FY2014-15. Staffing levels are consistent with the preliminary budget submission with an almost two-percent decrease in the workforce from 585 full-time equivalent (FTEs) for FY2013-14 to 574 FTEs for FY2014-15. Although there have been significant operating reductions during the last two years, staff continue to look for opportunities to reduce operating costs where possible.

In addition to the reduction in the operating component of the budget, the projects component of the recommended budget decreased $9 million from $95.8 million in FY2013-14 to a recommended budget of $86.8 million for FY2014-15. This includes contracted services for District projects, CFI, District grants, and fixed capital outlay expenditure categories.

The recommended budget for contracted services for District projects is $14 million, a decrease of $8.9 million from the FY2013-14 budget of $22.9 million and is primarily the result of fully budgeting the Rock Ponds project last year. In general, these projects are sponsored and managed by the District.

The recommended budget for District CFI projects and grants is $69.8 million, a decrease of $0.1 million from the FY2013-14 budget of $69.9 million. This includes $49.7 million for the CFI projects, $10.1 million in grants for District-sponsored projects, and $10 million for the
initial funding of the Polk Partnership. The District’s funds leveraged with its partners will result in a total regional investment of over $136 million for water resource management projects. The CFI projects are all recommended by the Board’s Regional Subcommittees.

The recommended budget includes ad valorem revenue of $104.5 million, an increase of $3 million from $101.5 million for FY2013-14, and no change in the millage rate. The June 1 estimates indicate property values may increase by as much as 4.6 percent. Ad valorem revenue will be adjusted based on the July 1 certification of taxable property values by the 16-county property appraisers and the millage rate will be adjusted to the rolled-back rate (new construction only).

At the July 21 Governing Board meeting, staff will present the certifications of taxable value and the proposed FY2014-15 millage rate, in compliance with s. 373.503(4) and s. 200.065, F.S. The Governing Board will adopt the proposed FY2014-15 millage rate for certification to the county property appraisers by August 4. The proposed millage rate is the rate that will be used for Truth in Millage (TRIM) Notices of Proposed Property Taxes. Also, the Governing Board will be requested to authorize staff to submit the District’s Standard Format Tentative Budget Submission for FY2014-15 to the Executive Office of the Governor and the Florida Legislature and other parties, as required by statute, to be received by August 1, 2014.

The District’s FY2014-15 budget will be adopted in September following two public TRIM hearings. The first hearing is scheduled for September 16, 2014 at 5:01 p.m. at the Tampa Service Office. Written disapproval of any portion of the Tentative Budget must be received from the Executive Office of the Governor or the Legislative Budget Commission at least five business days prior to the final budget adoption hearing. The second and final hearing is scheduled for September 30, 2014 at 5:01 p.m. also at the Tampa Service Office.

Staff recommended that the Board authorize staff to prepare the Standard Format Tentative Budget Submission for FY2014-15 based on the recommended annual service budget as presented, adjusted for any modifications made by the Governing Board on June 24 and changes in estimated ad valorem revenue based on the July 1 certifications of taxable value.

A motion was made, seconded by Mr. Moran to approve the staff recommendation as presented. Mr. Dunbar called the motion, and the motion carried. (Video – 2:54:11)

Submit & File Reports – None
Routine Reports
33. Treasurer’s Report and Payment Register
34. Monthly Financial Statement
35. Monthly Cash Balances by Fiscal Year
36. Comprehensive Plan Amendment and Related Reviews Report
37. Development of Regional Impact Activity Report
38. Significant Activities

Committee Chair Dunbar adjourned the Committee meeting, and relinquished the gavel to Chair Babb.

GENERAL COUNSEL’S REPORT (Video – 2:54:47)
Discussion Items
39. Consent Item(s) Moved for Discussion – None
Submit & File Reports – None

Routine Reports
40. Litigation Report
41. Rulemaking Update

COMMITTEE/LIAISON REPORTS (Video – 2:54:58)
42. Other Committee/Liaison Reports
Ms. Griffin stated that she had a report on the Tampa Bay Estuary Program but, due to its length, she will report next month.

EXECUTIVE DIRECTOR’S REPORT (Video – 2:55:11)
43. Executive Director’s Report
Mr. Beltran expressed his appreciation for the comments from the Board representing the District’s budget. He also thanked staff, recognizing that one of our directives this year has been to be one District, to work and act together responsibly as we move forward with our taxpayer dollars to leverage. Our true mission is to provide service excellence along with getting projects completed and to help our water resource benefits. When we moved forward and created this budget, he saw it to be a continuation of our core values that we’ve established in the last year of service excellence, team work and collaboration. He thanked staff for all the great work they’ve done on the budget. He recognized that the cooperative funding program is a major element of what we do and have been known for as a District. Mr. Beltran also commended Mark Hammond and staff for the work they’ve done with finance, the outreach side and PMO and some of the new tools to help manage our overall budget. Cooperative funding is the largest part of our budget. Better communication with our cooperators it the key to how we continue to adjust and move forward. All of our projects are important to the District and he made the commitment that staff will be available to engage in the process as much as we can to help push the parties along collectively to what the Board would want and that we’re there to stand and support to move forward in that endeavor.

Mr. Beltran mentioned the new lobbyist law going into effect July 1. We will have a new system on board. He recommended that anyone lobbying us for funding or moving forward make sure that they are registered. (Video – 2:58:30)

Mr. Senft asked Mr. Beltran to update the Board how many billion dollars we’ve done in cooperative project over the year. Our District is known for not having debt and we’re the only District without debt, which is to our credit. Mr. Senft thinks this is something the Board should know and needs know because he thinks it’s appropriate for them and previous Boards to pat themselves on the back for the cooperative funding projects. Mr. Beltran stated that we can get that exact figure but that the District does fund on average about $80M worth of projects every year.

Mr. Mann mentioned that he thinks in our budget process, the public needs to know what we’ve done over the years without incurring debt and how much we’ve provided for them debt free. He thinks this is an appropriate time to do so when we’re wrapping up this budget. (Video – 3:00:10)

CHAIR’S REPORT (Video – 3:00:11)
44. Chair’s Report
a. Employee Service Milestones
This item provided a list of employees who have reached five-year increments in service to the District. Chair Babb noted staff who have reached 20-year, 25-year and 35-year milestones, and thanked them for their service. This item was provided for the Board’s information, and no action was required.

b. Other

Chair Babb announced that the July meeting is in Tampa; August and September meetings will be in Tampa. The July 22 meeting has been moved to July 21 so Board members and staff may attend the Florida Environmental Permitting Summer School, which is July 22 through July 25. The July 21st meeting will be held at the Tampa office.

Mr. Babb stated that the meeting stands recessed and called for a motion to adjourn, which was seconded. (Video 3:01:03)

Mr. Dunbar again welcomed Mr. Armstrong representing Pinellas County and recognized Todd Pressman from Pinellas County. He was a very active and supportive member and express appreciation for Mr. Pressman.

Mr. Mann mentioned an IFAS conference on September 16 – 19 involving the juice and agricultural industries and said he thinks it might be good for a Board member and staff member to be present. The registration fee is $165. Mr. Babb asked Mr. Mann to submit the information and staff will send an email to see who wants to attend and also will bring it up at the next meeting and make a motion.

The meeting was adjourned at 12:19 p.m. (Video – 3:03:38)

Attest: [Signature]
Chair

The Southwest Florida Water Management District (District) does not discriminate on the basis of disability. This nondiscrimination policy involves every aspect of the District's functions, including access to and participation in the District's programs and activities. Anyone requiring reasonable accommodation as provided for in the Americans with Disabilities Act should contact the District's Human Resources Bureau Chief, 2379 Broad Street, Brooksville, Florida 34604-6899; telephone (352) 796-7211, ext. 4702, or 1-800-423-1476 (FL only), ext. 4702; TDD (FL only) 1-800-231-6103; or email to ADACoordinator@swfwmnd.state.fl.us.