

A P P R O V E D

MINUTES OF THE MEETING

**GOVERNING BOARD
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**

BROOKSVILLE, FLORIDA

JUNE 28, 2011

The Governing Board of the Southwest Florida Water Management District (SWFWMD) met for its regular meeting at 10:32 a.m. on June 28, 2011, at the District's headquarters in Brooksville. The following persons were present:

Board Members Present

H. Paul Senft, Chair
Hugh Gramling, Vice Chair
Douglas B. Tharp, Secretary
Carlos Beruff, Member
Bryan K. Beswick, Member
Jennifer E. Closshey, Member
Neil Combee, Member
Todd Pressman, Member
Judith C. Whitehead, Member

Staff Members

William S. Bilenky, Interim Executive Director
Lou Kavouras, Deputy Executive Director
Richard S. Owen, Deputy Executive Director
Bruce C. Wirth, Deputy Executive Director
Kurt P. Fritsch, Acting Deputy Executive Director
Jack Pepper, Deputy General Counsel

Board's Administrative Support

LuAnne Stout, Administrative Coordinator
Phyllis Young, Sr. Administrative Assistant

Board Member(s) Absent

Albert G. Joerger, Treasurer
Jeffrey M. Adams, Member

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 A – 00:00)

1. **Call to Order**

Chair Senft called the meeting to order and opened the public hearing. Mr. Tharp noted a quorum was present.

2. **Pledge of Allegiance and Invocation**

Chair Senft led the Pledge of Allegiance to the Flag of the United States of America. Mr. Pepper offered the invocation. (Track 1 – 00:00/01:50)

Public Hearing

Chair Senft 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 Senft 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 Senft 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. **Additions/Deletions to Agenda**

Mr. Bilenky noted that two items are deleted and three items are added to today's agenda:

CONSENT AGENDA

The following items are deleted:

Resource Management Committee

12. Facilitating Agricultural Resource Management Systems (FARMS)
d. Jones Potato Farm, Inc., Phase 1 – Manatee County

General Counsel's Report

16. Initiation of Litigation – Surface Water Activity - James A. Lanius and Lois A. Lanius
(Lanius Warehouse) – Polk County

CHAIR'S REPORT

The following items are added:

- Resolution No. 11-12 Commending Maritza Rovira-Forino for Her Service as a Member of the Southwest Florida Water Management District Governing Board
- Resolution No. 11-13 Commending Ronald E. Oakley for His Service as Chair and a Member of the Southwest Florida Water Management District Governing Board
- Resolution No. 11-14 Commending David L. Moore for His Service as the Executive Director of the Southwest Florida Water Management District

Chair Senft noted for the record that the agenda was accepted as amended. (Track 2 – 00:00/04:10)

4. **Employee Recognition**

Mr. Bilenky recognized staff members who have achieved milestones of 20 years or greater for the period of June 1, 2011 to July 31, 2011. (Track 2 – 04:50/12:00)

MILESTONE	EMPLOYEE	TITLE	DEPARTMENT	LOCATION
25 Years	Steve Camp	Prof Geologist/Engineer	Brooksville Regulation	Brooksville
	Eric Eshom	Prof Geologist/Engineer	Brooksville Regulation	Brooksville

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**

Chair Senft noted that there were no requests to speak at this time. (Track 3 – 00:00/06:07)

CONSENT AGENDA (Video A – 12:15)

Items 12.d. and 16 were deleted from consideration.

Regulation Committee

6. **Initiate Rulemaking as Mandated by Section 373.250(3)(c) and (d), Florida Statutes (F.S.), to Address Certain Reuse Feasibility Requirements for Water Use Permit Applications and Reuse Providers**

Staff recommended to approve initiation of rulemaking as required by section 373.250(3)(c) and (d), F.S., to address certain reuse feasibility requirements.

7. **City of Tampa Petition for Variance from Rules 40D-80.073(8)(b)3.a., 40D-80.073(8)(b)3.b., and 40D-80.073(8)(b)6., Florida Administrative Code (F.A.C.), Relating to Project Deadlines for Lower Hillsborough River Recovery Strategy**

Staff recommended to issue an order, as shown in the exhibit, granting the City of Tampa's request for a variance from Rules 40D-80.073(8)(b)3.a., 40D-80.073(8)(b)3.b., and 40D-80.073(8)(b)6., F.A.C.

8. **Individual Water Use Permit No. 20012867.006 – Clear Springs Enterprises LLC – Clear Springs Blueberries I Project (Polk County)**

Staff recommended to approve the proposed permit included as an exhibit in the Board's meeting materials.

Resource Management Committee

9. **Weeki Wachee Springs State Park Unit Management Plan – SWF Parcel No. 15-773-211X**

Staff recommended to approve the Weeki Wachee Springs State Park Unit Management Plan.

10. **Authorize Submission of Preliminary DeSoto County Flood Insurance Rate Maps (FIRMs) to the Federal Emergency Management Agency (FEMA)**

Staff recommended to authorize staff to submit the preliminary DeSoto County FIRMs for DeSoto County to FEMA.

11. **Authorize Submission of Preliminary Flood Insurance Rate Maps for the Thornton Branch Watershed in DeSoto County to the Federal Emergency Management Agency**

Staff recommended to authorize staff to submit the preliminary FIRMs for the Thornton Branch watershed in DeSoto County to FEMA.

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

a. **TRB Groves, LLC - Phase III Amendment – Charlotte County**

Staff recommended to (1) approve the TRB Groves, LLC Phase III amendment for a not-to-exceed project reimbursement increase of \$78,482, with \$39,241 provided by the Peace River Basin and \$39,241 provided by the Governing Board; (2) authorize the transfer of \$39,241 from fund 020 H017 Peace River Basin FARMS funds and \$39,241 from fund 010 H017 Governing Board FARMS funds to H501 TRB Groves, LLC Phase III amendment project fund; and (3) authorize the Executive Director to execute the agreement.

b. **Gutierrez Farms, LLC – Hillsborough County**

Staff recommended to (1) approve the Gutierrez Farms, LLC project for a not-to-exceed project reimbursement of \$50,640 with \$25,320 provided by the Hillsborough River Basin and \$25,320 provided by the Governing Board; (2) authorize the transfer of \$25,320 from fund 013 H017 Hillsborough River Basin FARMS funds and \$25,320 from fund 010 H017 Governing Board FARMS funds to H641 Gutierrez Farms, LLC project fund; and (3) authorize the Executive Director to execute the agreement.

c. **Strawberry Red Ranch, LLC - Blackjack Road Farm – Hillsborough County**

Staff recommended to (1) approve the Strawberry Red Ranch, LLC - Blackjack Road Farm project for a not-to-exceed project reimbursement of \$191,044 with \$95,522 provided by the Hillsborough River Basin and \$95,522 provided by the Governing Board; (2) authorize the transfer of \$95,522 from fund 013 H017 Hillsborough River Basin FARMS funds and \$95,522 from fund 010 H017 Governing Board FARMS funds, to H637 Strawberry Red Ranch, LLC – Blackjack Road Farm project fund; and (3) authorize the Executive Director to execute the agreement.

d. ~~Jones Potato Farm, Inc., Phase 1 – Manatee County~~ – This item was deleted.

e. **Ark Industries, Inc. – Polk County**

Staff recommended to (1) approve the Ark Industries, Inc. project for a not-to-exceed project reimbursement of \$25,000 with \$12,500 provided by the Peace River Basin and \$12,500 provided by the Governing Board; (2) authorize the transfer of \$12,500 from fund 020 H017 Peace River Basin FARMS funds and \$12,500 from fund 010 H017 Governing Board FARMS funds to Ark Industries, Inc., project fund; and (3) authorize the Executive Director to execute the agreement.

f. **Heavenscent Citrus Corporation – Polk County**

Staff recommended to (1) approve the Heavenscent Citrus Corporation project for a not-to-exceed project reimbursement of \$21,952 with \$10,976 provided by the Peace River Basin, and \$10,976 provided by the Governing Board; (2) authorize the transfer of \$10,976 from fund 020 H017 Peace River Basin FARMS funds and \$10,976 from fund 010 H017 Governing Board FARMS funds, to H626 Heavenscent Citrus Corporation project fund; and (3) authorize the Executive Director to execute the agreement.

- g. **Highland Park Service Company – Polk County**
Staff recommended to (1) approve the Highland Park Service Company project for a not-to-exceed project reimbursement of \$20,456 with \$8,829 provided by the Peace River Basin, \$8,830 provided by the Governing Board, and \$2,797 provided from State Appropriations; (2) authorize the transfer of \$8,829 from fund 020 H017 Peace River Basin FARMS funds, \$8,830 from fund 010 H017 Governing Board FARMS funds, \$2,797 from State Appropriations allocated to fund 010 H017 FARMS funds, to H616 Highland Park Service Company project fund; and (3) authorize the Executive Director to execute the agreement.
- h. **Wheeler Farms, Inc. – Polk County**
Staff recommended to (1) approve the Wheeler Farms, Inc. project for a not-to-exceed project reimbursement of \$152,500 with \$76,250 provided by the Peace River Basin and \$76,250 provided by the Governing Board; (2) authorize the transfer of \$76,250 from fund 020 H017 Peace River Basin FARMS funds and \$76,250 from fund 010 H017 Governing Board FARMS funds to Wheeler Farms, Inc. project fund; and (3) authorize the Executive Director to execute the agreement.

Finance & Administration Committee

13. **Budget Transfer Report**

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

14. **Adopt Resolutions to Identify New Slate of Officers for Financial Documents**

Staff recommended to (1) adopt Resolution No. 11-11 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; and (2) adopt the SunTrust Deposit Account Resolution and Authorization for Business Entities documents to identify the new slate of officers and authorized signers on existing accounts.

15. **Appoint KPMG LLP for Fiscal Year (FY) 2011 Financial Audits (FY2012 Funds)**

Staff recommended to (1) approve an amendment to extend the existing agreement with KPMG LLP for one additional year to perform the District's annual financial audits for the year ending September 30, 2011; and (2) authorize the Executive Director to execute an amendment to extend agreement number 06CC0000054 with KPMG LLP for one additional year to perform the annual financial audits including the single audits for the year ending September 30, 2011, at the rates stated in the Board's meeting materials, for a total cost not to exceed \$132,500 (\$125,500 plus \$7,000, if an additional single audit is required). The overall actual cost will depend on the actual number of required single audits, which could vary from year to year.

General Counsel's Report

16. ~~Initiation of Litigation – Surface Water Activity – James A. Lanius and Lois A. Lanius (Lanius Warehouse) – Polk County – This item was deleted.~~

17. **Initiation of Litigation – ERP No. 44032598.000 - Debuel Development, LLC (Grande Estates) – Hillsborough County**

Staff recommended to authorize the initiation of litigation against Debuel Development, LLC, and any other appropriate parties to obtain compliance, and to obtain a monetary penalty and recovery of District enforcement costs, attorney's fees and court costs.

18. **Initiation of Litigation – ERP No. 44030957.000 - Grande Villas Development LLC (Grande Villas f/k/a Villas of San Marino at Crenshaw Reserve) – Hillsborough County**

Staff recommended to authorize the initiation of litigation against Grande Villas Development LLC, and any other appropriate parties to obtain compliance, and to obtain a monetary penalty and recovery of District enforcement costs, attorney's fees and court costs.

19. **Initiation of Litigation – Well Construction - License No. 9247 - Waylon J. Howard – Hillsborough County**

Staff recommended to authorize the initiation of litigation against Mr. Howard to take disciplinary action against his license, recover an administrative fine/civil penalty, and recover District enforcement costs, court costs and attorney's fees.

20. **Amendment to the Occupancy Agreement between Don Gary Crabtree and Kaye Hadlock Crabtree, and District – Lake Hancock Project, SWF Parcel No. 20-503-196**

Staff recommended to authorize the Executive Director to execute an amendment to the Occupancy Agreement between Don Gary Crabtree and Kaye Hadlock Crabtree and the District, subject to the terms and conditions contained therein, for a time extension of 74 days.

Executive Director's Report

21. **Approve Governing Board Minutes – May 24, 2011 Meeting**

Staff recommended to approve the minutes.

Ms. Closshey moved, seconded by Mr. Gramling, to approve the Consent Agenda as amended. Motion carried unanimously. (Track 4 – 00:00/00:43)

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

FINANCE AND ADMINISTRATION COMMITTEE (Video A – 13:15)

Discussion Items

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

23. **Workload and Staffing Analysis – Summary Report by North Highland Consulting Company**

Ms. Jan Sullivan, representing North Highland Consulting Company, provided the Board members with a summary of the final report on District Workload and Staffing Analysis. (Track 4 – 00:43/14:17)

The Board had the opportunity to comment on the recommendations presented by the North Highland project team. (Track 5 – 00:00/02:28, Track 6 – 00:00/1:11)

Mr. Gramling moved to request staff provide a plan of implementation for all of the report's recommendations, and suggestions for short-term and long-term actions by the monthly Board meeting scheduled for August. Mr. Combee seconded the motion. Ms. Closshey suggested that staff move forward with implementation of and master plans developed for future actions. The motion carried unanimously. (Track 7 – 00:00/02:20)

24. **Approve Procedures for Governing Board Administration Related to Selection, Approval and Distribution of Basin and Governing Board Funds for Works, Initiatives and Cooperative Funding Projects Associated with the Former Basin Boards** (Video A – 32:20)

Committee Chair Tharp noted that there were public requests to speak before the Board.

Mr. Mark Simpson, representing Manatee County Public Utilities Department, said he is addressing the use of Basin Board funds. From the utility standpoint, the County would like to see local control maintained for use of the funds. He said the County supports options 1.b. and 2.a. (see below). (Track 8 – 00:00/01:50)

Ms. Nan Bennett, representing the City of Clearwater Public Utilities, said she is addressing the alternative water projects accomplished with the District and planned future projects. (Track 9 – 00:00/04:10)

Mr. Flip Mellinger, representing Marion County Utilities Director, read a letter into the record from the Marion County Commission Chair which expressed concerns regarding elimination of Basin Boards affecting project funding. (Track 10 – 00:00/04:09, Track 11 – 00:00/01:39)

Ms. Nan Bennett said the City of Clearwater's preferred direction is option 1.b. (see below). (Track 12 – 00:00/01:06)

Mr. Wirth said the purpose of this discussion regards the approval of an administrative process by which the Governing Board will review, select and fund Works, Initiatives, and Cooperative Funding Projects (WICPs) associated with the former basins for Fiscal Year (FY) 2012 and beyond. As a result of the elimination of the basin boards, there is a need to establish several protocols in order for the Board to address the following: (1) determine how to administer the process of review, evaluation, and selection for funding WICPs associated with the former basins; (2) prioritize WICPs; (3) allocate the remaining basin funds to WICPs; and (4) determine the level of Board funding for basins without adequate funds for all recommended WICPs. The following options and staff recommendations were developed in consideration of the changes and constraints mentioned above, the schedule for FY2012 budget adoption, and the Board's direction to maintain local input and representation in the selection of Cooperative Funding Projects.

The following are options of how the Board may wish to administer the review and approval of basin WICPs:

1. Board collectively meets to review all WICPs. Meetings can take place as part of a regularly scheduled monthly meeting or by separate workshop(s) either in Brooksville or the service offices during the budget development cycle.
 - a. WICPs are evaluated and ranked against each other without consideration of basin boundaries or the amount of funding available in each basin.
 - b. WICPs are evaluated and ranked within the context of the former basin boundaries.
 - c. WICPs are evaluated by sub-regions, made up of one or more basins.
2. Board creates sub-committees for review of WICPs on a basin or sub-regional level. Sub-committee members would be made up of those representing the basins or sub-regional areas. Meetings would take place outside of regularly scheduled Board meetings and in the area representing the basins or sub-region during the budget development cycle.
 - a. Sub-committees would be comprised of three or more members who will evaluate Works and Initiatives and hold workshops to review cooperative funding requests received from former basins. This process provides the opportunity for local input but may require additional workshops.
 - b. Same option as 2.a. above, except instead of reviewing cooperative funding requests by former basin boundaries, broaden the review areas by combining some basins. As an example, a four sub-regional structure could be: **Northern:** Coastal and Withlacoochee; **West Central:** Pinellas-Anclote River, Hillsborough River, and Alafia River; **East Central:** Peace River; and **Southern:** Manasota. The creation of sub-regions made up of basins would be a preferred initial option over other geographic areas, at least until the basin funds are depleted.

Staff recommended Option 1.b. for the short-term (FY2012) solution and Option 2.b. for the long-term (FY2013 and beyond) solution. These options provide the best opportunity for local involvement in the cooperative funding process and greater efficiencies for the District.

Regarding Prioritization of Works, Initiatives and Cooperative Projects, staff recommended to maintain the current approach to prioritizing and ranking WICPs. Discretionary WICPs will still be evaluated based on Board priorities and cost-to-benefit analysis to the water resource. The following is staff's suggested order of priority: (1) Operation and Maintenance of Works, (2) Initiatives, and (3) Cooperative Projects.

At the May Board meeting, staff noted that existing monies generated in the former basins and available for future projects must be spent in the respective basin. While no new basin revenues will be generated in FY2012 or beyond, all former basins have available,

unobligated funds that can be allocated to WICPs. In some basins those amounts are significant, and it is likely that one or more basins have the capacity to fund all or a portion of WICPs within the basin boundary for two or more years. Staff's recommendation is based on committing the remaining basin funds to beneficial projects as quickly as possible. The following options are for the Board's consideration:

1. Utilize existing basin funds to cover all costs currently identified in the basin budgets in the priority order of Works, Initiatives, and Cooperative Funding Projects through medium-ranked projects.
2. Where a shortfall exists in any basin, the Board will contribute adequate funds to make up the shortfall through medium-ranked Cooperative Funding Projects.
3. Where a shortfall exists in any basin, the Board will contribute adequate funds to make up the shortfall through high-ranked Cooperative Funding Projects.
4. Where a shortfall exists in any former basin, the Board will contribute adequate funds to make up any shortfall through basin initiatives and only those Cooperative Funding Projects that meet the current Board policy for participation (regional, alternative water supply projects).

Regarding Allocation of Remaining Basins' Funds and Board Contribution, staff recommended Options 1 and 3 above. **Mr. Gramling moved, seconded by Mr. Beruff, to adopt Option 1 (utilize existing basin funds to cover all costs currently identified in the basin budgets in the priority order of Works, Initiatives, and Cooperative Funding Projects through medium-ranked projects) and Option 3 (where a shortfall exists in any basin, the Board will contribute adequate funds to make up the shortfall through high-ranked Cooperative Funding Projects).** (Track 13 – 00:00/41:29, Track 14 – 00:00/24:00)

Discussion ensued. Vice Chair Tharp called the question. **Motion carried unanimously.** (Track 14 – 24:00/36:25)

Mr. Wirth said staff recommends Option 1.b. for the short-term (FY2012) solution and Option 2.b. for the long-term (FY2013 and beyond) solution (see above). Following consideration, **Ms. Closshey moved, seconded by Mr. Beruff, to approve Option 1.b. for the short-term (FY2012) solution.** (Track 14 – 36:25/37:45)

Discussion ensued. Staff will invite cooperators who are below the line to attend the July meeting to present their requests.

Vice Chair Tharp called the question. **Motion carried unanimously.** (Track 14 – 37:45/49:32)

Committee Vice Chair Tharp recessed the Committee meeting at 12:52 p.m. to provide a lunch break. (Track 14 – 49:32/51:13, Video A – 02:17:35)

The meeting reconvened at 1:45 p.m. (Track 15 – 00:00/00:06, Video B – 00:00)

Chair Senft noted that the Workload and Staffing Analysis Final Report by North Highland Consulting Company is posted on the District's website.

25. **Fund Balance Policy Recommendations**

Mr. Fritsch presented a fund balance policy to ensure compliance with the Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This policy will ensure that the District maintains adequate fund balance and reserves in the District's governmental funds in order to provide the capacity to (1) provide sufficient cash flow for daily financial needs, (2) offset significant economic downturns or revenue shortfalls, (3) provide funds for unforeseen expenditures related to emergencies, and (4) set aside funds for long-term projects.

Staff recommended to adopt a fund balance policy, Board Policy 130-9, to ensure compliance with the Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Following consideration, **Ms. Closshey moved, seconded by Mr. Gramling, to approve Board Policy 130-9, Fund Balance, as presented. Motion carried unanimously.** (Track 16 – 00:00/05:30)

26. **Encumbrances and Cash Projections Review** (Video B – 05:52)

Mr. Fritsch said staff is seeking to achieve two objectives: (1) provide greater clarity about the District's annual adopted budget and its ongoing modified budget; and (2) present a schedule of the largest grants and contracts comprising the modified budget to demonstrate (a) extent previously budgeted monies are allocated to projects and the current status of those projects, and (b) staff's current estimate of when budgeted monies will be spent. As of May 31, 2011, the District's modified budget is \$726 million and its cash balance is \$695 million. The Board's meeting materials contained a lengthy worksheet that lists every contract, grant, salary, operating expense and reserved dollar making up the \$726 million modified budget.

Mr. Fritsch discussed the project status categories, and reviewed a fund balance and cash schedule to show anticipated cash balances through 2016. (Track 17 – 00:00/19:17)

Mr. Beruff requested the original project completion date be included. Discussion ensued regarding budget fluctuations due to when cooperators bill the District and whether contract language needs to be modified to ensure cooperator has or will have the matching funds to move forward with the project. (Track 17 – 19:17/41:00)

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

Finance and Administration Committee Vice Chair Tharp recessed the Committee meeting and relinquished the gavel to Resource Management Committee Chair Gramling. (Track 17 – 41:00/41:11)

RESOURCE MANAGEMENT COMMITTEE (Video B – 47:15)

This item was heard out of order to accommodate county staff in attendance.

38. **Basin Activities**

Mr. Wirth provided introductory comments for each item.

b. **Pinellas County – Keystone Road Soccer Complex Parking Facility – Pinellas-Anclote River Basin**

Mr. Mark A. Hammond, Director, Resource Projects Department, said the District received an out-of-cycle funding request from Pinellas County for the Keystone Road Soccer Complex parking facility. Pinellas County has budgeted funding to construct a nine-acre soccer complex on Keystone Road in north Pinellas. The project will utilize treatment and attenuation ponds to meet stormwater treatment criteria under the District issued Environmental Resource Permit. The soccer complex will include a two-acre parking facility; the County is proposing to construct the parking facility with a material called Grasspave2 a porous media that allows for the planting of grass. This technology is considered a low impact development practice and allows for enhanced treatment through the bioremediation of hydrocarbons.

On April 28, 2011 the District received a letter from County Administrator Robert LaSala requesting out-of-cycle funding for 50 percent of the cost of parking lot material in the amount of \$103,109. Low impact development principles, such as this type of technology, are encouraged due to the potential water quality benefits to the water resources. However, the additional water quality benefits associated with the parking

facility are considered minimal. The water quality improvement projects that the District has historically funded are those that (1) treat storm water runoff from projects not associated with new development which are required to meet water quality criteria as part of the Environmental Resource Permit (ERP), and (2) provide treatment where none exists and are more regional in nature or directly discharge into surface waters and therefore have significant benefits to the water resources. This project is part of an approved ERP and is local in nature in that the water quality benefits are limited and primarily associated with the two-acre parking facility.

Staff recommended that, based on the limited water resource benefits, funding is not recommended. (Track 18 – 00:00/05:11)

Mr. Peter Yaunch, representing Pinellas County, provided an overview of the project. (Track 19 – 00:00/03:55)

Following consideration, **Mr. Tharp moved, seconded by Ms. Closshey, to approve the staff recommendation.** Mr. Pressman said this is a project to show environmental stewardship and the Pinellas-Anclote River Basin Board supported this project.

Committee Chair Gramling called the question. **Motion carried with Mr. Pressman voting in opposition.** (Track 19 – 03:55/11:22)

c. **Pinellas County – Bee Branch Channel Stormwater Improvements and Flood Protection – Pinellas-Anclote River Basin** (Video B – 01:03:55)

Mr. Mark A. Hammond, Director, Resource Projects Department, said this item is to request approval of a new cooperative funding agreement with Pinellas County to construct Phase I and II of the stormwater improvements and flood protection associated with Bee Branch Channel. The cooperative funding agreement required the County to complete construction of all three phases by October 31, 2010; the County has not commenced construction of any of the phases and the contract expired April 30, 2011. The cooperative funding agreement calls for the District to reimburse the County for 50 percent of the project costs, \$3,042,425, for all three phases; the Pinellas-Anclote Basin budgeted \$2,653,125 over fiscal years 2006 and 2007. No Basin funds have been expended since construction has not taken place. The project schedule was delayed because of permitting issues involving the U.S. Army Corps of Engineers and due to County budget constraints. The Basin did not budget its full amount because of the delays in the project schedule.

The County has requested the District enter into a new agreement for the construction of Phases I and II for a total cost of \$4,500,000 with the District contributing 50 percent or \$2,250,000. The County has funding for Phase I and II and will be requesting construction bids for the project this summer. Construction is to begin in the fall of 2011 and will be completed in one year. The County anticipates submitting a future funding request for Phase III when funds are available, possibly in 2015.

Staff recommended to approve the agreement with Pinellas County for \$4,500,000 with the District's share not to exceed \$2,250,000, and authorize the Executive Director to execute the agreement.

Following consideration, **Mr. Combee moved, seconded by Mr. Senft, to approve the staff recommendation. Motion carried unanimously.** (Track 19 – 11:22/15:05)

Resource Management Committee Chair Gramling recessed the Committee meeting and relinquished the gavel to Finance and Administration Committee Vice Chair Tharp. (Track 19 – 15:05/15:25)

FINANCE AND ADMINISTRATION COMMITTEE (Video B – 01:07:40)

27. **Fiscal Year (FY) 2012 Recommended Annual Service Budget**

Committee Vice Chair Tharp provided introductory comments. (Track 20 – 00:00/06:37)

Mr. Fritsch said the FY2012 Recommended Annual Service Budget is hereby submitted to the Governing Board for consideration pursuant to Section 373.536(2), Florida Statutes. He thanked the Board for the guidance it has provided since 2009 when it directed the District to begin changing course, and that has made it possible to reduce the budget by 43 percent and have a balanced budget.

Mr. Fritsch provided an overview of the budget, including a detailed review of proposed revenues and expenditures (reviewed by expenditure category, program and area of responsibility). A detailed explanation of operating and operating capital outlay was provided to complete the review of proposed FY2012 expenditures by expenditure category. (Track 21 – 00:00/34:47)

a. **Draft Five-Year Technology Plan – FY2012-FY2016** (Video B – 01:49:20)

Mr. Terry L. Redman, Director, Information Resources Department, presented the draft Information Resources Department's (IRD's) Five-Year Technology Plan and Computer Sinking Fund Strategy for FY2012-FY2016 and the proposed budget.

Following discussion, the Board requested information regarding Water Management Information System (WMIS) and its past and future costs, performance, scope of work, contractor (Plato), and time required for conversion to a 64-bit processor. Staff will provide a presentation at a future Board meeting. (Track 22 – 00:00/25:10)

b. **Draft Five-Year Capital Improvements Plan – FY2012-FY2016** (Video B – 02:14:35)

Mr. Lloyd A. Roberts, Director, General Services Department, presented the draft Five-Year Capital Improvements Plan for FY2012-FY2016 and the proposed budget.

Discussion ensued regarding the Bartow Service Office renovation. Mr. Fritsch briefly reviewed the actions planned for the office. The Board requested staff return with a presentation on the Bartow office project. (Track 23 – 00:00/19:04; Video B – 02:33:20)

Mr. Fritsch continued the review of the proposed budget. The District's program budget is available using a newly created online budget presentation which enables a review of the budget by the six program areas. Board members and staff have the ability to drill down through program activities and program categories to a specific project request with a description of the project and funding information. The electronic link to the program will be provided to the Board members. (Track 24 – 00:00/09:30)

Mr. Gramling requested funds be budgeted for an outside review of all IRD projects underway. He noted that Ms. Holly Greening, Tampa Bay Estuary Program Director, will be making an amended budget request for an additional \$70,000 due to Environmental Protection Agency's reduction in funding. Mr. Gramling said he suggests not reducing staff until the Executive Director provides recommendations regarding the Workload and Staffing Analysis. Ms. Closshey suggested budgeting for a repeat of the staff survey in 2012. She said funds are needed for a consultant to facilitate the next step in the Board's strategic planning. (Track 24 – 09:30/11:33)

Committee Vice Chair Tharp noted that the District's Standard Format Tentative Budget for FY2012 will be submitted to the Executive Office of the Governor and Legislative Budget Commission for review, due August 1, 2011. The District's FY2012 budget will be adopted in September following two public Truth in Millage budget hearings. The first hearing is scheduled for 5:01 p.m. at the Tampa Service Office on September 13, 2011.

Written disapproval of any portion of the 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. At this time, the second and final hearing is scheduled for 5:01 p.m. also at the Tampa Service Office on September 27, 2011. (Track 24 – 11:33/12:38)

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

28. **Executive Director Recruitment** (Video B – 02:46:15)
Ms. Elaine M. Kuligofski, Director, Human Resources & Risk Management Department, provided a status report on the recruitment process and outlined the next steps to move the Executive Director recruitment process forward. Following consideration, August 2, 2011 was chosen as the first tentative date for candidate interviews. Based on the Workload and Staffing Analysis final report, the Board requested to see a proposed organization chart at its July meeting. (Track 25 – 00:00/08:31)

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

29. **Board Travel**
Three Board members (Messrs. Senft, Gramling and Tharp) requested to attend the Environmental Permitting Summer School held at Marco Island from July 20 through July 22, 2011. Following consideration, **Ms. Closshey moved, seconded by Mr. Gramling, to approve the travel request. Motion carried unanimously.** (Track 26 – 00:00/00:40)

Submit & File Reports

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

30. **Total Compensation (Salary & Benefits) Review Status**
31. **Office of Inspector General – Closeout Reports**
a. **FY2010 Project Information Management System Security Audit**
b. **FY2009 Human Resource Information System Security Audit** (Video B – 02:55:50)
• In response to Mr. Gramling's concerns regarding security issues, Mr. Bob Dunne, Interim Inspector General, provided an update on the status of this audit. At the Board's request, Mr. Dunne will provide a monthly report regarding certification.
32. **May 2011 Report on Workforce and Vendor Diversity**

Routine Reports

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

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

Finance and Administration Committee Vice Chair Tharp adjourned the Committee meeting and relinquished the gavel to Resource Management Committee Chair Gramling. (Track 26 – 00:40/06:14)

Committee Chair Gramling recessed the meeting to provide a 10-minute break. (Track 27 – 00:00/00:23)

The meeting reconvened at 4:57 p.m. (Video B – 03:01:00)

RESOURCE MANAGEMENT COMMITTEE

Items 38.b. and 38.c. were heard earlier in the meeting.

Discussion Items

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

36. **Authorization to Allow Tampa Bay Water to Excavate and Use Soil Material from Chito Branch Reserve for the C.W. "Bill" Young Regional Reservoir Renovation Project**

Mr. Wirth said the purpose of this item is to recommend the Governing Board authorize staff to negotiate terms and conditions of an agreement with Tampa Bay Water (TBW) for the excavation and use of soil material from the Chito Branch Reserve in support of TBW's C.W. Bill Young Regional Reservoir Renovation Project. The reservoir encompasses approximately 1,200 acres of the 5,500-acre District-owned Chito Branch Reserve.

Staff recommended to (1) authorize staff to negotiate terms and conditions of an agreement for the excavation and use of soil material in support of TBW's C.W. Bill Young Regional Reservoir Renovation Project, and (2) not seek compensation for the soil material. With the Board's approval to proceed, staff will negotiate terms and conditions of an agreement with TBW for the Board's consideration at a later date.

Mr. Jon Kennedy, representing TBW, provided an overview of its proposal for excavation and use of soil material from Chito Branch Reserve and associated reclamation activities.

Following consideration, **Mr. Combee moved, seconded by Mr. Tharp, to approve the staff recommendation with the condition that value be estimated for the record as a contribution by the District to TBW as in-kind services.** (Track 28 – 00:00/18:00)

Committee Chair Gramling voiced his opposition to this request due to TBW's past contractual performance and that it will diminish future environmental use of Chito Branch Reserve. Discussion ensued about penalizing TBW's ratepayers and mitigation. (Track 28 – 18:00/23:10)

Mr. Eric Sutton, Director, Land Resources Department, said the District is responsible for the management of the property outside of the exclusive easement for the reservoir. He said the District takes care of the areas outside of the mitigation areas; TBW is responsible for the maintenance and management of those mitigation areas. Discussion ensued regarding maintenance responsibilities. (Track 28 – 23:10/26:12)

Mr. Combee withdrew his motion and Mr. Tharp withdrew his second.

Committee Chair Gramling said the motion now is to authorize staff to negotiate which is a change to the original motion. Mr. Senft said the agreement will be that TBW will not only maintain the forested wetlands which will be created but also take over maintenance of the entire property.

Committee Chair Gramling said the motion is to authorize staff to negotiate with TBW for the fill on the property in exchange for maintenance of the entire Chito property plus any other items staff can negotiate regarding the property and creation of the forested wetland. Motion carried with Committee Chair Gramling voting in opposition. (Track 28 - 26:12/29:37)

Ms. Closshey requested the Board hold a discussion of mitigation banking for better understanding the process. (Track 28 – 29:37/30:30, Video B – 03:31:50)

37. **Board Encumbrance – Flow Meter Reimbursement Program and Automatic Meter Reading (AMR) Equipment Installations within the Dover/Plant City Area**

Mr. Eric C. DeHaven, Director, Resource Data and Restoration Department, provided an overview of the District procedure that will guide the administration of the Program. The procedure is divided into two distinctive steps: (1) installation of flow meters, and (2) installation of AMR equipment. A total of \$1,394,980 was included in the Fiscal Year (FY) 2011 budget to begin the implementation of the program. However, implementation of the Program and use of these funds was deferred pending approval of the proposed

Dover/Plant City Water Use Caution Area rules. The rule became effective June 16, 2011 and Program implementation can now begin. There is currently \$1,394,980 available in the FY2011 budget for the combined Flow Meter and AMR Installation Program. These funds are expected to be sufficient to fund the Program through the remainder of FY2011 and for FY2012, with approval of the staff requested encumbrance. Therefore, no funds have been proposed for the FY2012 budget. Additional funds will be requested in future fiscal years (FY2013 – FY2016) to implement and operate the program.

Staff recommended to approve the encumbrance of \$1,394,980, without a contract, for the Dover/Plant City Water Use Caution Area Flow Meter and Automatic Meter Reading Equipment Installation Program, to be used in FY2012.

Following discussion, **Mr. Beruff moved, seconded by Mr. Beswick, to approve the staff recommendation and that this project be brought before the Board for annual consideration. Motion carried unanimously.** (Track 29 – 00:00/36:01)

38. **Basin Activities** (Video B – 04:08:10)

a. **Hillsborough County – Approve Budget Transfer and Facilitating Agricultural Resource Management Systems (FARMS) Program Project with William and Mary Keene – Alafia River Basin**

Mr. Ed Craig, Manager, FARMS Program, Resource Data and Restoration Department, said staff recommends to (1) authorize the transfer of \$28,991 from Alafia River Basin WSRD reserve funds (H100) to the FARMS Program (H017) for use in implementing the William and Mary Keene project (H630); (2) approve the William and Mary Keene project (H630) for a not-to-exceed project reimbursement of \$57,982 with \$28,991 provided by the Alafia River Basin Board and \$28,991 provided by the Governing Board; (3) authorize the transfer of \$28,991 from fund 011 H017 Alafia River Basin Board FARMS funds and \$28,991 from fund 010 H017 Governing Board FARMS funds, to H630 William and Mary Keene project fund; and (4) authorize the Executive Director to execute the agreement.

Following consideration, **Ms. Closshey moved, seconded by Mr. Beruff, to approve the staff recommendation. Motion carried unanimously.** (Track 30 – 00:00/02:00)

b. **Pinellas County – Keystone Road Soccer Complex Parking Facility – Pinellas-Anclote River Basin** – This item was heard earlier in the meeting.

c. **Pinellas County – Bee Branch Channel Stormwater Improvements and Flood Protection – Pinellas-Anclote River Basin** – This item was heard earlier in the meeting.

Submit & File Report

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

39. **Proposed Minimum Flows for the Gum Slough Springs Run Prior to Independent Scientific Peer Review Update**

Routine Reports

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

40. **Florida Forever Funding**

41. **Minimum Flows and Levels**

42. **Structure Operations**

43. **Watershed Management Program and Federal Emergency Management Agency Map Modernization**

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

- Mr. Wirth said a meeting has been scheduled for July 29, 2011, in the Tampa Service Office to discuss hunting issues and opportunities on District lands.

- Mr. Wirth noted that Land Resources and Operations Department staffs have been providing support to the Division of Forestry in fighting fires.

Resource Management Committee Chair Gramling adjourned the Committee meeting and relinquished the gavel to Resource Regulation Committee Chair Beswick. (Track 30 – 02:00/03:46)

REGULATION COMMITTEE (Video B – 04:11:48)

Discussion Items

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

46. **Hydrologic Conditions Status Report**

Mr. Owen said, overall, the dry season fell within the normal range; groundwater and surface water conditions remain within the normal or above-normal range in many areas due to lingering effects of above-normal rainfall in March. This item was presented for the Committee's information, and no action was required.

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

Mr. Owen noted that the water suppliers are in a positive condition. 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 31 – 00:00/01:15)

48. **Governing Board Approval of the District's First Annual Regulatory Plan Required by Governor Scott's Executive Order Number 11-72**

Mr. Owen said, at the March 29, 2011 meeting, the Governing Board approved submittal to the Governor's newly formed Office of Fiscal Accountability and Regulatory Reform (OFARR) of the District's rule reviews completed in compliance with Executive Order (EO) Number 11-01. This rule review mandated by the Governor was intended to identify rule language that is duplicative of statutes or other rules, unnecessarily burdensome to the regulated community or no longer necessary, for the purpose of pursuing amendment or repeal of such provisions. Upon Governing Board approval, the Annual Regulatory Plan will be submitted to OFARR as required by EO Number 11-72. Staff will continue to keep the Governing Board apprised of rulemaking priorities and anticipated scheduling through the monthly Rulemaking Update Report contained in the Board packets.

Mr. Owen addressed the requests made last month by Board members. He said staff recommends the Board approve submittal to the Governor's Office of Fiscal Accountability and Regulatory Reform of the District's First Annual Regulatory Plan for July 2011-June 2012.

Following consideration, **Mr. Tharp moved, seconded by Ms. Closshey, to approve the staff recommendation. Motion carried unanimously.** (Track 31 – 01:15/05:30)

49. **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.

50. **Public Supply Production Report**
51. **Southern Water Use Caution Area Quantities**
52. **Overpumpage Report**
53. **E-Permitting Metrics: Online vs. Paper Applications**
54. **Individual Permits Issued by District Staff**

55. **Resource Regulation Significant Initiatives**

Resource Regulation Committee Chair Beswick adjourned the Committee meeting and relinquished the gavel to Outreach and Planning Committee Vice Chair Closshey. (Track 31 – 05:30/05:45)

OUTREACH AND PLANNING COMMITTEE (Video B – 04:17:32)

Submit & File Reports – None

Routine Reports

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

- 56. **Comprehensive Plan Amendment and Related Reviews**
- 57. **Development of Regional Impact Reviews**
- 58. **Speakers Bureau**
- 59. **Significant Activities**

Outreach and Planning Committee Vice Chair Closshey adjourned the Committee meeting and relinquished the gavel to Chair Senft. (Track 32 – 00:00/00:19)

GENERAL COUNSEL'S REPORT (Video B – 04:17:47)

Discussion Items

- 60. **Consent Item(s) Moved for Discussion** – None
- 61. **Authorization to Request Formal Opinion of the Attorney General – Competitive Negotiation for Public Construction Projects**

Mr. Pepper noted that staff was recently made aware of an article published in the Gulf Coast Business Review, on May 19, 2011, indicating that Hillsborough County is in fact using a "hybrid" method for awarding Construction Management Services contracts. A request for formal opinion from the Attorney General must be authorized by a majority of the members of the District Governing Board.

Staff recommended to authorize the Office of General Counsel to request a formal opinion from the Florida Attorney General on the following issue:

Whether the District may lawfully use a hybrid process for awarding construction projects (which include construction and construction management services) that combines a request for bids or proposals with a competitive negotiation process such that the lowest or best responsive bidder is selected and then competitive negotiations are begun in an effort to arrive at a final project or service cost.

Following consideration, **Mr. Gramling moved, seconded by Mr. Beruff, to approve the staff recommendation. Motion carried unanimously.**

Submit & File Reports – None

Routine Reports

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

- 62. **Litigation Report**
- 63. **Rulemaking Update**
(Track 33 – 00:00/00:42)

COMMITTEE/LIAISON REPORTS (Video B – 04:18:35)

64. **Joint Agricultural and Green Industry Advisory Committees Meeting**
65. **Environmental Advisory Committee Meeting**
66. **Other Liaison Reports**
 - Ms. Kavouras noted that the reports were provided to each Board member. (Track 34 – 00:00/00:18)

EXECUTIVE DIRECTOR'S REPORT (Video B – 04:18:54)

67. **Executive Director's Report**
 - a. **September 28, 2010 Governing Board Workshop Summary Update**
 - b. **Other**
 - Mr. Bilenky noted that the PCL dispute case has been submitted to the Division of Administrative Hearings and staff will provide a report at the Board's July meeting. (Track 34 – 00:18/01:05)

CHAIR'S REPORT (Video B – 04:19:35)

68. **Chair's Report**
 - Chair Senft said that the following items were added for consideration:
 - (1) Resolution No. 11-12 Commending Maritza Rovira-Forino for Her Service as a Member of the Southwest Florida Water Management District Governing Board
 - (2) Resolution No. 11-13 Commending Ronald E. Oakley for His Service as Chair and a Member of the Southwest Florida Water Management District Governing Board
 - (3) Resolution No. 11-14 Commending David L. Moore for His Service as the Executive Director of the Southwest Florida Water Management DistrictFollowing consideration, **Mr. Gramling moved, seconded by Mr. Beruff, to approve the three resolutions. Motion carried unanimously.** (Track 34 – 01:05/01:38)
 - Chair Senft noted that a copy of the June 16 letter from the Florida Department of Environmental Protection relative to water management district budget direction was provided to Board members. At his request, staff has drafted a response letter for the Chair's signature. He asked Board members to read the draft letter and provide their comments. **Mr. Gramling moved to endorse the response letter. Mr. Combee seconded the motion and it carried unanimously.** (Track 34 – 01:38/05:32)

There being no further business to come before the Board, Chair Senft adjourned the meeting at 6:20 p.m. (Video B – 04:24:00)