

APPROVED

MINUTES OF THE MEETING

GOVERNING BOARD  
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

BROOKSVILLE, FLORIDA

JUNE 29, 2010

The Governing Board of the Southwest Florida Water Management District (SWFWMD) met for its regular meeting at 9:06 a.m. on June 29, 2010, at the District's headquarters in Brooksville. The following persons were present:

Board Members Present

Ronald E. Oakley, Chair  
Hugh Gramling, Vice Chair  
H. Paul Senft, Secretary  
Douglas B. Tharp, Treasurer  
Carlos Beruff, Member  
Bryan K. Beswick, Member  
Jennifer E. Closshey, Member  
Todd Pressman, Chair  
Maritza Rovira-Forino, Member  
Judith C. Whitehead, Member

Staff Members

David L. Moore, Executive Director  
William S. Bilenky, General Counsel  
Lou Kavouras, Deputy Executive Director  
Richard S. Owen, Deputy Executive Director  
Eugene A. Schiller, Deputy Executive Director  
Bruce C. Wirth, Deputy Executive Director

Board's Administrative Support

LuAnne Stout, Administrative Coordinator  
Tahla Paige, Senior Administrative Assistant

Board Member(s) Absent

Jeffrey M. Adams, Member  
Albert G. Joerger, Member  
Neil Combee, 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](http://www.WaterMatters.org)).

Former Chair Pressman formally passed the gavel to newly elected Chair Oakley.

## Public Hearing

1. Call to Order

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

2. Pledge of Allegiance and Invocation

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

## Public Hearing

Chair Oakley 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 Oakley 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 Oakley 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**

Chair Oakley noted for the record that there no changes to the agenda. (Track 1 – 00:00/05:02)

4. **District Recognition – Tampa Area Safety Council Fleet and Occupational Safety Contest**

Ms. Lucy Petruccelli, Manager, Human Resources & Risk Management Department, said as a member of the Tampa Area Safety Council, the District participates in the Council's annual safety contests for Fleet Safety and Occupational Safety. The District has participated in these contests for over 10 years. In 2009, the Bartow Service Office won a first place award in Fleet Safety and a third place award in Occupational Safety. Brooksville Headquarters won a third place award in Fleet Safety. Safety Representatives from Bartow and Brooksville were recognized at a Safety Council lunch in May and received a plaque for each contest category. (Track 1 – 05:02/06:10)

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 Oakley noted that no requests to speak were submitted. (Track 1 – 06:10/06:26)

## Consent Agenda

Item 21 was moved to the Resource Management Committee and Item 27 was moved to the General Counsel's Report for discussion purposes.

## Finance & Administration Committee

6. **Budget Transfer Report**

Staff recommended to approve the Budget Transfer Report covering all budget transfers for May 2010.

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

Staff recommended to (1) adopt Resolution No. 10-10 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.

8. **Budget Transfer for Automatic Meter Reading Project in the Dover/Plant City Area**

Staff recommended to approve a budget transfer of \$166,000 from the General Fund FY2010 Reserves for Contingencies for the Dover/Plant City Data Collection Project (\$116,000) and the expansion of the Automatic Meter Reading pilot project to include the Dover/Plant City area (\$50,000).

## Regulation Committee

9. **Initiate and Approve Rulemaking to Adopt Revised Well Construction Permit Application and Well Completion Report Forms**

Staff recommended to approve the new State of Florida Permit Application to Construct, Repair, Modify, or Abandon a Well, to be numbered as District Form No. LEG-R.040.01 (6/10) and the new State of Florida Well Completion Report, to be numbered as District Form No. LEG-R.005.03 (6/10) and authorize rulemaking to incorporate the forms by reference in Rules 40D-3.101 and 40D-3.411, F.A.C., and to list the forms in Rule 40D-1.659, F.A.C.

10. **Initiate and Approve Rulemaking to Amend Environmental Resource Permitting Rules to Clarify that Semi-Imperious Surfaces are Included in Requirements Relating to Imperious Surfaces**

Staff recommended to authorize the initiation of rulemaking and approve the amendments proposed to Rules 40D-1.607(1), 1.659(2)(a), 4.051(3)(b), 4.091(1), 4.101(1)(b) and

40.301(1)(b), F.A.C., to the ERP BOR and to the ERP application form, to clarify that semi-impervious materials are to be included in requirements relating to impervious materials.

**Resource Management Committee**

11. **Amendment to the Agreement to Transfer Property to Sumter County – Lake Panasoffkee Project, SWF Parcel No. 19-528-146S**  
Staff recommended to (1) approve the First Amendment to the Transfer Agreement with Sumter County; and (2) convey SWF Parcel No. 19-528-146S to Sumter County.
12. **Reconveyance of Property Interest, Peace River Integrated Model, SWF Parcel No. 20-020-099**  
Staff recommended to (1) declare SWF Parcel 20-020-099S as being no longer needed for the purposes acquired; and (2) execute the attached deed and re-convey SWF Parcel No. 20-020-099 to Carter's Baptist Church, Inc.
13. **Management Agreement with Polk County for the Marshall Hampton Reserve – SWF Parcel No. 20-503-240X**  
Staff recommended to authorize the Land Resources Director to execute the Management Agreement with Polk County for the management of the Marshall Hampton Reserve, SWF Parcel No. 20-503-240X.
14. **Award of Grazing/Haying Lease, Marshall Hampton Reserve – SWF Parcel No. 20-503-241X**  
Staff recommended to approve the grazing/haying lease with Mr. Waters for the Marshall Hampton Reserve and authorize the Land Resources Director to execute the grazing/haying lease assignment for the Marshall Hampton Reserve to Polk County.
15. **Consent and Joinder to Florida Fish and Wildlife Conservation Commission Gopher Tortoise Conservation Easement – Myakka Conservation Area, SWF Parcel No. 21-599-102C**  
Staff recommended to approve and execute the Consent and Joinder to the Perpetual Conservation Easement between Longino Ranch and Florida Fish and Wildlife Conservation Commission.
16. **Authorize Submission of Preliminary Flood Insurance Rate Maps (FIRMS) for the Trout Creek Watershed in Pasco County to the Federal Emergency Management Agency (FEMA)**  
Staff recommended to authorize staff to submit the preliminary FIRMs for the Trout Creek watershed in Pasco County to FEMA.
17. **Pasco County Reclaimed Water Natural Systems Treatment and Restoration Feasibility Study**  
Staff recommended to approve an agreement with Pasco County for the Reclaimed Water Natural Systems Treatment and Restoration Feasibility Study for \$98,382, and authorize the Executive Director to execute the agreement.
18. **Peace River Manasota Regional Water Supply Authority Regional Integrated Loop System Phase 3A Interconnect Project – First Amendment**  
Staff recommended to approve the first amendment to the agreement with the Authority for the Regional Integrated Loop System Phase 3A Interconnect and authorize the Executive Director to execute the amendment.
19. **Sawgrass Lake Restoration Project**  
Staff recommended to approve the amendment to the agreement with the City of St. Petersburg to add \$296,095 for the relocation of the City's water transmission line and authorize the Executive Director to execute the amendment.
20. **South Pinellas County Reclaimed Water Aquifer Storage & Recovery Testing Program – Phase II**  
Staff recommended to approve the First Amendment to the Agreement with the County to modify the project budget as presented and authorize the Executive Director to execute the amendment.
21. **Hillsborough County and City of Tampa Duck Pond Best Management Practices (BMP) Implementation Project – Amendment of the Cooperative Funding Agreement**  
This item was moved to the Resource Management Committee for discussion.

22. **Tampa Reclaimed Water-Tampa International Airport (TIA) Project – Third Amendment**

Staff recommended to approve the Third Amendment to the Agreement with the City of Tampa for the TIA Project to modify the scope of work and reduce the total cost of \$22,000,000 to \$1,300,000 with the Hillsborough River Basin's share not to exceed \$650,000; and authorize the Executive Director to execute the amendment.

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

a. **FLM, Inc. Prairie River Ranch - Phase 2 Reservoir - Pump 2 – DeSoto County**

Staff recommended to (1) approve the FLM, Inc. project for a not-to-exceed project reimbursement of \$112,500 with \$28,125 provided by the Peace River Basin Board, \$28,125 provided by the Governing Board, \$56,250 provided from State Appropriations; (2) authorize the transfer of \$28,125 from fund 020 H017 Peace River Basin Board FARMS funds, \$28,125 from fund 010 H017 Governing Board FARMS funds, \$56,250 from the State Appropriations allocated to fund 010 H017 FARMS funds, to the H604, FLM, Inc., project fund; and (3) authorize the Executive Director to execute the agreement.

b. **Orange-Co, LP - Reservoirs - Phase 1 – DeSoto County**

Staff recommended to (1) approve the Orange-Co, LP project for a not-to-exceed project reimbursement of \$262,500 with \$65,625 provided by the Peace River Basin, \$65,625 provided by the Governing Board, and \$131,250 provided from State Appropriations; (2) authorize the transfer of \$65,625 from fund 020 H017 Peace River Basin Board FARMS funds, \$65,625 from fund 010 H017 Governing Board FARMS funds, and \$131,250 from State Appropriations allocated to fund 010 H017 FARMS funds to H606 Orange-Co, LP project fund; and (3) authorize the Executive Director to execute the agreement.

c. **Splendid Blue Farms, LLC, Phase 2 – Sumter County**

Staff recommended to (1) approve the Splendid Blue Farms, LLC, Phase 2 project for a not-to-exceed project reimbursement of \$22,448, with \$5,612 provided by the Withlacoochee River Basin Board, \$5,612 provided by the Governing Board, and \$11,224 provided from State Appropriations; (2) authorize the transfer of \$5,612 from fund 019 H017 Withlacoochee River Basin Board FARMS funds, \$5,612 from fund 010 H017 Governing Board FARMS funds, and \$11,224 from State Appropriations allocated to fund 010 H017 FARMS funds, to H603 Splendid Blue Farms, LLC, Phase 2 project fund; and (3) authorize the Executive Director to execute the agreement.

d. **WFA Land Company, Inc. - Reservoir Project – Manatee County**

Staff recommended to (1) approve the WFA Land Company, Inc. Reservoir Project for a not-to-exceed project reimbursement of \$37,500 with \$9,375 provided by the Manasota Basin Board, \$9,375 provided by the Governing Board, and \$18,750 provided from State Appropriations; (2) authorize the transfer of \$9,375 from fund 021 H017 Manasota Basin Board FARMS funds, \$9,375 from fund 010 H017 Governing Board FARMS funds, and \$18,750 from the State Appropriations allocated to fund 010 H017 FARMS funds, to the H605 WFA Land Company, Inc. Reservoir Project fund; and (3) authorize the Executive Director to execute the agreement.

24. **Budget Transfer from the Polk County Southwest Regional Utilities Service Area (SWRUSA) Reclaimed Water Connection to Tampa Electric Company (TECO) to the Regional Reclaimed Water Partnership Initiative Phase I**

Staff recommended to approve the transfer of \$693,178 previously budgeted for the Polk County SWRUSA Reclaimed Water Connection to TECO project to the ongoing Regional Reclaimed Water Partnership Initiative – Phase I project, and authorize staff to amend the existing cooperative funding agreement with TECO.

**General Counsel's Report**

25. **Consent Order – Surface Water Activity - Wayne Moss and Joseph Gude, Trustee – Hillsborough County**

Staff recommended to approve the proposed Consent Order and authorize the initiation of litigation in the event that Wayne Moss and Joseph Gude, Trustee, fail to comply with the Consent Order.

26. **Consent Order – Water Use Activity - WUP No. 20008833.004 - Seville, LLC – Hernando County**  
Staff recommended to approve the proposed Consent Order and authorize the initiation of litigation against Seville, LLC to obtain compliance with the Consent Order.
  27. **Initiation of Litigation – WUP No. 20010392.005 - Milmack, Inc. (Oakwood Golf Club) – Polk County**  
This item was moved to the General Counsel's Report for discussion.
  28. **Initiation of Litigation – Well Construction - License No. 2146 - Luther A. Tullis, Jr. – Hillsborough County**  
Staff recommended to authorize the initiation of litigation against Mr. Tullis to take disciplinary action against his license, recover an administrative fine/civil penalty, and recover District enforcement costs, court costs and attorney's fees.
  29. **Occupancy Agreements – Lake Hancock Lake Level Modification Project**  
Staff recommended Board concurrence with the Executive Director's execution of Occupancy Agreements to allow extended possession of homes condemned in connection with the Lake Hancock Lake Level Modification Project.
  30. **Interagency Agreement – South Florida Water Management District (SFWMD) and Southwest Florida Water Management District (SWFWMD) for Designation of Regulatory Responsibility - Santa Rosa Ranch Wetlands Restoration Project – Highlands County**  
Staff recommended to approve the Interagency Agreement Between the SFWMD and the SWFWMD for Designation of Regulatory Responsibility for Santa Rosa Ranch Wetlands Restoration Project in Highlands County.
  31. **Interagency Agreement – South Florida Water Management District (SFWMD) and Southwest Florida Water Management District (SWFWMD) for Designation of Regulatory Responsibility - Rafter T Ranch – Highlands County**  
Staff recommended to approve the Interagency Agreement Between the SFWMD and the SWFWMD for Designation of Regulatory Responsibility for Rafter T Ranch in Highlands County.
- Executive Director's Report**
32. **Approve Governing Board May 25, 2010 Meeting Minutes**  
Staff recommended to approve the minutes.

Following consideration, **Mr. Gramling moved, seconded by Mr. Senft, to approve the Consent Agenda as amended (excluding Items 21 and 27). Motion carried unanimously.**  
(Track 2 – 00:00/01:09)

Chair Oakley relinquished the gavel to Finance and Administration Committee Chair Tharp.

## **Finance and Administration Committee**

### ***Discussion Items***

33. **Consent Item(s) Moved for Discussion** – None
34. **Fiscal Year 2011 Recommended Annual Service Budget**  
Committee Chair Tharp thanked Board members and staff for working together during the budget development process. The District's fiscal year (FY) 2011 proposed budget of \$276 million will allow the District to accomplish essential service goals and make significant progress in meeting its highest priorities. The District, along with state and local governments, continues to face increasing challenges in the development of budgets. In the last three years, property values in the District have decreased 28 percent and ad valorem revenue for FY2011 is \$72 million less than in FY2008 (the last year of tax base growth). During this same period, state appropriations also declined; annual state appropriations for FY2011 are \$70 million lower than for fiscal year 2008. As the District's revenue has declined, the revenue of local cooperators has also declined. This has led to a reduction in the number of cooperative funding requests, allowing the District's budget to contract, while still meeting the funding requirements of the Long-Range Water Supply and

Water Resource Development Funding Plan. All of these factors played a major role in developing a budget that is designed to live within the District's means and meet statutory mandates, on a pay-as-you-go basis, at a time of declining ad valorem revenue and state tax dollars. The proposed budget reflects ad valorem revenue based on the General Fund millage rate maintained at the same level as FY2010, although the Board may want to reconsider the millage rate after the Long-Range Funding Plan is updated in August. Five of the seven Basin Boards adopted proposed millage rates equal to FY2010; two basins are recommending reduced millage rates.

Committee Chair Tharp said ad valorem revenue in the proposed budget is based on the June 1 Estimates of Taxable Property Value which reflect an overall 10.7 percent decrease. He noted that the presentation today is for information only and meets the statutory requirement to deliver the budget. The Board is not required to take any action until the July Governing Board meeting when this Board will adopt proposed millage rates for FY2011. Staff will continue to provide updates through September and the FY2011 budget continues to be a work in progress. In July, the Governing Board will adopt proposed millage rates. In August and September, the Governing Board will consider any follow-up issues identified after the July meeting. Committee Chair Tharp asked that Board members contact Mr. Schiller or Ms. Linda Pilcher, Assistant Director, Finance Department, with any individual follow-up questions or requests for information. (Track 3 – 00:00/05:11)

Mr. Schiller presented the FY2011 Recommended Annual Service budget as required by statute. He noted that all proposed budget materials presented today are available online. Staff will provide monthly updates for the Governing Board's consideration through adoption in September. Mr. Schiller briefly reviewed the budget calendar's critical dates and noted that, at the July 27 Governing Board meeting, staff will present the Certifications of Taxable Value due July 1 and the proposed FY2011 Districtwide General Fund and Watershed Basin millage rates, in compliance with Section 200.065, Florida Statutes. The Governing Board will adopt proposed FY2011 millage rates for the Districtwide General Fund and the seven Watershed Basins for certification to the county property appraisers by August 4. The proposed millage rates are the rates that will be used for the Truth in Millage (TRIM) Notices of Proposed Property Taxes. After the proposed millage rates have been adopted, the millage rates can be lowered but not raised without a special first class mailing to all taxpayers within the relevant taxing area (i.e., District or watershed basin). The Standard Format Tentative Budget Submission to the Executive Office of the Governor (due August 1, 2010) will reflect the budget as of July 15, 2010, updated to reflect ad valorem revenue based on the July 1 Certifications of Taxable Value. The District's FY2011 budget will be adopted in September following two public TRIM budget hearings. The first hearing is scheduled for 5:01 p.m. at the Tampa Service Office on September 14, 2010. The Executive Office of the Governor will review and approve the budgets of all five water management districts before the second and final public hearing. The second and final hearing is scheduled for 5:01 p.m. at District headquarters on September 28, 2010. (Track 3 – 05:11/09:30)

Mr. Schiller said the FY2011 budget development process began in December 2009 with the Governing Board's acceptance of the budget development process memorandum, including the budget calendar, strategic initiatives and general budget preparation assumptions. Staff has been preparing the FY2011 budget since January 2010 with monthly updates reflecting decreasing projections in ad valorem revenue. The budget has been prepared with ad valorem revenue projections based on the FY2010 rates, and the initial June 1 estimates of taxable value from the 16 county property appraisers.

Mr. Schiller said the current budget for all Basins and the District is \$275.9 million, which is \$23 million or 7.7 percent below the FY2010 budget. The FY2011 budget is designed to allow the District to live within its means and meet its statutory mandates, on a pay-as-you-go basis, without incurring bonded debt at a time of declining ad valorem revenue and state tax dollars. Ad valorem revenue has returned to the FY2005 level of \$160 million. In developing the 2011 budget, staff targeted a five-percent reduction in all recurring and non-recurring budget items, zero-based requests, and held the line or reduced staffing. Mr. Schiller noted that Executive has been reviewing each full-time, Board authorized position, as well as part-time and contractual. He said that, at this point, staff has reduced 4.0 temporary full-time employees and 6.5 contracted positions creating a reduction of about \$400,000. This is combined with 14.5 temporary positions being eliminated in FY2010. Mr. Moore briefly reviewed the history of positions, noting responsibilities increased (i.e., Federal Emergency Management Agency (FEMA) project) in early to mid 2000s which led to temporary employee and contractual positions being added on a durational basis to address additional workloads. In response to Mr. Gramling's question, Mr. Schiller explained that contractual employees are a variety of positions across the District as part-time and contingent to meet staffing requirements by outsourcing based on cost benefit analyses. Mr. Gramling said that, with the reduction in ad valorem, growth has stopped and therefore permitting needs are reduced. He said it does not look like the District is adjusting to the reduction by having 52 more employees than in FY2003. Mr. Schiller said the goal over the next couple of years is to reduce temporary and contractual positions to under 100. Ms. Rovira-Forino asked whether full-time positions will be reduced when retirements occur or will the District keep the same positions in place plus the independent, part-time contractors. Mr. Schiller said Executive continuously evaluates the best way to carry out staff activity. He said vacant positions are reviewed to determine whether a temporary or part-time position should become part of regular staffing. (Track 3 – 09:30/21:42)

Ms. Closshey asked at what point the FEMA project came into play in this and how many specific employees of this temporary group were added as a result and how many permanent staff positions were affected. She requested, perhaps at the next meeting, a summary of the FEMA project as to what it entails, and outline how it is unfolding and evolving. Mr. Wirth said the District started internally with staff and then began outsourcing in FY2006-2007 to gain additional expertise. Mr. Beruff said, when he asked how much the District spent on outsourcing, the answer was de minimis. He said, if outsourcing today is \$55 million to \$60 million a year, it is like having employees on the payroll but it is what he terms "off balance sheet debt." In response to Mr. Beruff's inquiry, Mr. Owen noted that environmental resource permit applications have dropped significantly and are at about 50 percent of peak levels. Mr. Beruff said his goal is to reduce outsourcing dollars and asked for the last three years of outsourcing dollars. He asked what is projected in the future and whether there is a significant decrease in those numbers due to the decrease in business. Mr. Schiller said staff will provide that information. Ms. Closshey said that, given the scope of the discussion by the Board, she requested next month staff provide a comprehensive overview that shows outsourcing and temporary/full-time positions, impact of the FEMA and Information Technology (IT) projects, discussion about the growth factor relative to the number of permit applications, and any other substantial items that affect staffing levels. Mr. Moore said the District has not increased full-time, full-benefit employees but utilized temporary positions and outsourcing. He said staff is reviewing each of these categories in light of the 20-year horizon (2030). Mr. Senft commented that he agrees with Ms. Closshey, and he would like to see money made available for merit increases for staff. Mr. Pressman said he spends time with a number of government jurisdictions and they are firing/layoff employees by the hundreds. He asked how the District maintains its staff levels and whether the District is doing the same exercise as local governments to meet their budgets. Mr. Schiller responded that the District is financially structured different than the counties where 80 to 90 percent of their budgets are dedicated to staff. He said the District has never exceeded 24 percent because this Board's policy is that funds will be for

projects and not staff growth. Mr. Schiller noted that past staffing studies have advised the District to increase staff which was done through outsourcing as directed by state policy. Mr. Pressman emphasized Mr. Senft's point about looking at opportunities for merit increases. Ms. Closshey said Mr. Pressman's comments are well taken and noted that she served as the Board's Treasurer for two years during a time when activity was great which is different than today. She said she is currently serving on the Citizens Advisory Committee for Hillsborough County, specifically reviewing the County's budget line by line. She said it is like apples and oranges when looking at the County versus the District's structure and management. Ms. Closshey agreed the Board should examine the budget for merit pay opportunities and also closely evaluate the rapid rise in outsourcing allocations. Mr. Beruff said he understands the District is different than local governments, but it is a business and the economies of the state are changing. He said it was a great decision when the Governing Board created the water resource supply reserves. Mr. Beruff stated, in today's economy, growth is not going to occur as it has in past years so the District's business plan needs to change accordingly. Committee Chair Tharp thanked Board members for their comments and next month staff will provide a review of staffing levels. He expressed his agreement with rewarding staff for the outstanding job they do. (Track 3 – 21:42/39:06)

Mr. Schiller continued with the budget overview. This budget continues to maintain the financial course through 2030, though at a reduced funding level due to a decrease in projects since state and local governments are experiencing declining revenues. In order to achieve best business efficiencies by leveraging District dollars to meet strategic priorities, the FY2011 budget includes \$160 million being outsourced to positively impact the regional economy (58 percent of the \$276 million budget). This compares to \$175 million in FY2010 which represented 59 percent of the budget. The FY2011 budget includes \$29.6 million for Cooperative Funding and \$60.8 million for Water Supply and Resource Development (WSRD) (includes \$18 million WSRD Reserves in Basins: Hillsborough River - \$14.3 million and Pinellas-Anclote River - \$3.7 million).

Mr. Schiller noted that taxable property values are projected to decrease by 10.7 percent which results in \$22.5 million less for FY2011 than for FY2010 (\$12.8 million less for the General Fund and \$9.7 million less for the Basins). Actual ad valorem revenue will be determined following receipt of the Certifications of Taxable Value due July 1, 2010, and millage rates adopted in July. Mr. Schiller said the preliminary Basin Board budgets were presented for the first time to the Basin Boards in April. In June, the Basin Boards maintained their proposed millage rates for FY2011 at the FY2010 levels with the exception of the Hillsborough River and Pinellas-Anclote River Basins. The Hillsborough River Basin Board is recommending a proposed FY2011 millage rate of 0.2300 mill, a decrease from 0.2421 mill for FY2010; and the Pinellas-Anclote River Basin Board is recommending a proposed millage rate of 0.2900 mill, a decrease from 0.3200 mill for FY2010. The Governing Board serves as the Basin Board for the Green Swamp Basin which is included as part of the General Fund and there is no separate millage rate. These Basin millage rates and the General Fund millage rate would generate an estimated \$165 million in combined ad valorem revenue for FY2011. (Track 4 – 00:00/15:30)

Mr. Schiller noted that the Five-Year Capital Improvements Plan (CIP) is updated annually and includes only those major projects that cost over \$50,000 and will be owned and capitalized by the District. He briefly reviewed the District's planned major capital outlays for FY2011. First category of projects includes \$18.9 million for land acquisition. Starting in FY2012, the CIP assumes the state will resume funding of the Florida Forever program at \$22.5 million per year. The FY2010 modified budget of \$79 million includes \$53 million of the WSRD reserves remaining for the Lake Hancock Lake Level Modification project (\$50 million remains), and \$26 million allocated for FY2010 land acquisitions including Myakka preservation area and Three Sisters Springs. There are no identified District capital projects proposed in FY2011 and the next four years for WSRD and surface water management.



Mr. Schiller said the Facilities Construction and Major Renovations budget is \$2.8 million for FY2011. The two major projects proposed for FY2011 are the planned renovation of the Bartow Service Office Building 1 (\$1.8 million for FY2011 combined with \$750,000 in prior year funding for a total not to exceed \$2.55 million) and installation of the first solar photovoltaic system at Brooksville Building 5 that converts sunlight into electricity (\$500,000). This is an integral part of the Environmental Stewardship program at the District. The final CIP program category is Land Management and includes one project: expansion of the Starkey Trail at a total cost estimate of \$1.6 million, with the District to fund \$1.25 million over three years (funded by the Pinellas-Anclote River Basin). (Track 4 – 15:30/23:52)

Mr. Terry Redman, Director, Information Resources Department, provided an overview of the Five-Year Technology Plan. The plan contains the approved FY2010 Strategic Projects along with the proposed FY2011-FY2015 Strategic Project budgets. The totals continually decline as the District moves from a high level of applications development to more of a focus on operations and maintenance. Mr. Redman reviewed the three major programs highlighted in the Strategic Project Portfolio: Enterprise Content Management, Unified Communications, and Water Management Information System projects. He then reviewed priorities by allocations and programs. (Track 5 – 00:00/09:28)

Due to time constraints, Committee Chair Tharp said the presentation by Mr. Roy Mazur, Director, Planning Department, on areas of responsibility and the six statutory program areas will have to be deferred to the July meeting.

In response to Mr. Senft's concern regarding funds for emergency weather conditions, Mr. Moore noted that Board members receive a daily email update regarding the Gulf of Mexico oil spill. He said there are also two conference calls a day monitoring this event. The Florida Department of Environmental Protection has asked the District to inventory any intake structure within a mile of the coast, identify sensitive areas, send two senior level Geographic Information System technicians to Tallahassee to assist with mapping processes, and do baseline sampling. Mr. Moore provided an update on Hurricane Alex and its impact on the oil spill cleanup efforts. In the event the District is impacted, reserve funds are available in alternative water supply if contingency funds were to be exhausted. The District would offer staff to assist with cleanup and then long-term restoration of wetland systems; hopefully, BP will be held accountable. Mr. Senft mentioned impact on the desalination plant. Mr. Moore said there are multiple supply alternatives connected to that system so seawater could be shut off to prevent damage.

Committee Chair Tharp reiterated for Board members to contact staff with individual followup questions. In July, in addition to the program budget presentation by Mr. Mazur, this Board will adopt proposed FY2011 millage rates for the General Fund and the Basins. After that point, the proposed millage rates can be lowered but not raised. The budget process will conclude in September with two public TRIM budget hearings. Committee Chair Tharp said the Board looks forward to further discussion of staffing levels in July. He said the District is a business and compared to other governmental entities is doing a good job. He thanked staff for their continued efforts. (Track 5 – 09:28/20:50)

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

35. **Board Travel**

Ms. Kavouras noted that District policy states that in accordance with Chapters 112 and 373, Florida Statutes, travel expenses may be incurred for official District business or for a public purpose beneficial to the District. Scheduled travel for Governing Board members outside the District or to attend conferences or conventions requires prior approval. Messrs. Gramling and Senft would like to attend the July 20-23, 2010 Environmental Permitting Summer School in Marco Island. Ms. Rovira-Forino would like to attend the

August 4-6, 2010 Florida Minority Supplier Development Council 2010 Trade Fair in Orlando.

Following consideration, **Mr. Gramling moved, seconded by Ms. Whitehead, to approve the aforementioned Board travel.**

Ms. Rovira-Forino said the information gained from the annual Council Trade fair is to ensure minority participation is part of the District's daily operations. Mr. Pressman said he could not recommend spending funds for a Board member to attend the Summer School when staff will be there. Mr. Moore noted that not all staff attending will be speaking, some will be there for professional development. Discussion ensued regarding the valuable information received at the Permitting Summer School. Committee Chair Tharp expressed his desire to attend the Summer School.

**Mr. Gramling moved to amend the motion to extend this travel opportunity to any Board member consistent with the cost and to include the opportunity for Board members to attend the fall course or educational meetings of similar value. Mr. Senft seconded the amended motion. Ms. Whitehead was in agreement with the amended motion. Committee Chair Tharp requested his name be added to the attendee list and then called the question. Motion carried with Mr. Pressman voting in opposition.**

**Committee Chair Tharp called the question for the original motion and it carried with Mr. Pressman voting in opposition. (Track 6 – 00:00/17:55)**

36. **Office of Inspector General – Information Technology (IT) Procurement Audit Part I**

Mr. Kurt P. Fritsch, Inspector General, noted that the District Governing Board approved the IT Procurement Audit as part of the FY2010 Audit Plan. During the planning phase of the engagement, the District's Executive Director requested the Inspector General to complete an IT benchmark study. Staff has completed the study and briefed the Executive Director who requested that staff share the highlights of the study with the District Governing Board.

Mr. Fritsch provided an overview of the study including analysis of the District's FY2010 and FY2011 IT financial and staffing budgets as well as a projected FY2013 IT budget and staffing plan. Based on the information obtained through the study, the Inspector General has adjusted the individual audit work plan to include specific analysis of the following in Part II of the audit: application licensing agreements, build/buy software decisions and adherence to the District's IT architecture plans, carrier expenses, outsourcing opportunities, and personal computer (desktop and laptop) requirements. Staff will complete Part II by September of this year.

Mr. Fritsch said, since the District intended and budgeted substantial IT capital investments in FY2010 and FY2011, the Office of Inspector General also recommended that the District continue to benchmark IT performance through 2013. At that time, staff will have completed major IT infrastructure development, and resumed more routine maintenance and enhancement activities. (Track 6 – 17:55/44:45)

Discussion ensued regarding original budget for IT upgrade, current capital budget which includes personnel and outsourcing costs, equipment for staff needs to ensure efficiency of costs, and benchmark level targets. The Board members thanked Mr. Fritsch for his informative report. (Track 6 – 44:45/60:51)

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.

37. **Treasurer's Report, Payment Register, and Contingency Reserves**
38. **Management Services Significant Activities** (Track 7 – 00:00/00:20)

Finance and Administration Committee Chair Tharp relinquished the gavel to Regulation Committee Chair Beruff.

The order of consideration was altered to hear items of interest to the public earlier.

## **Regulation Committee**

### ***Discussion Items***

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

41. **Hydrologic Conditions Status Report**

Mr. Granville Kinsman, Manager, Hydrologic Data Section, said May historically marks the last month of the eight-month dry season and provisional rainfall totals for the month show accumulations in the normal range in all regions of the District. Analysis of the District-wide dry-season rainfall for October through May shows totals of 26.42 inches, equivalent to the 70<sup>th</sup> percentile and 4.86 inches above the historic "dry season" median rainfall of 21.56 inches. The majority of the month of May was very dry and dominated by high pressure, but was punctuated by regionally variable rainfall events associated with seasonal weather patterns (a mix of cool front, sea breeze and convective systems). The District-wide 12-month rainfall accumulation shows a surplus of approximately 2.6 inches above the long-term average. The 24-month and 36-month cumulative rainfall deficits continue to linger, but showed some improvement during May, ending the month approximately 1.7 and 7.6 inches, respectively, below the historic average. In response to the extended periods of dry weather, regional groundwater levels and streamflow conditions in regional index rivers posted minor declines, although ending the month within the normal or above-normal range of historic values. Regional lake levels also declined during May, ending the month within the annual normal range in the Tampa Bay region and remaining at below-normal levels in the Northern, Polk Uplands and Lake Wales Ridge regions. Normal rainfall during the wet season will be needed to maintain hydrologic conditions and above-normal rainfall will be needed to improve regional lake level conditions. In response to Ms. Closshey's query, Mr. Kinsman will include 48-month and 60-month averages in future reports. (Track 8 – 00:00/09:40)

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

42. **Consider Water Shortage Order No. SWF 07-02, Modified Phase II Restrictions**

Mr. Owen noted that once-per-week lawn watering and other Modified Phase II water shortage restrictions are currently in effect throughout the District, pursuant to Water Shortage Order No. SWF 07-02, except in communities where more stringent local restrictions are in effect. In addition, portions of unincorporated Marion County and all of the City of Ocala are allowed to follow restrictions declared by the St. Johns River Water Management District in accordance with an Interagency Agreement. During its February 22, 2010 meeting, the Governing Board extended the expiration date through June 30, 2010. The Phase II restrictions will expire on June 30, 2010 without further action by the Governing Board.

Mr. Owen said, during their meetings on May 27, 2010, the District's Green Industry, Agricultural and Environmental Advisory Committees each unanimously voted to recommend that the Governing Board allow the Water Shortage Order to expire on June 30, 2010. These recommendations were based on a number of factors, including current hydrologic conditions. Another factor was an assertion from irrigation professionals that the District's horticulture-based education efforts, combined with last

year's changes to Florida's rain sensor law, would result in greater water savings during the anticipated rainy season if people could take advantage of the flexibility provided in the District's Year-Round Water Conservation Measures (Rule 40D-22, Florida Administrative Code).

Mr. Owen said, if the Governing Board allows the current Order to expire, a twice-per-week lawn watering schedule and other provisions of the District's Year-Round Measures would go back into effect, subject to any more stringent local measures approved by the District. Significant improvements have occurred in aquifer and river levels as a result of this winter's above average rainfall. Also, the region's major public water suppliers have been able to capture and store large supplies of water to meet the needs of residents.

Staff recommended to (1) allow "Modified Phase II" to expire June 30, 2010; and (2) staff would implement such a decision in a manner that addresses long-term concerns. This includes a communication emphasis on Year-Round Water Conservation Measures and two watering opportunities per week, and to continue long-term water conservation efforts such as "Watch the Weather, Wait to Water" which would stress the "conservation through flexibility" approach.

Following consideration, **Mr. Gramling moved, seconded by Ms. Rovira-Forino, to approve the staff recommendation.** (Track 9 – 00:00/04:24)

Committee Chair Beruff said that one speaker card has been submitted for this item.

Mr. Al Grubman, resident of Inverness, said citizens have started good habits in regards to conservation, but he advocates staying at once-a-week irrigation. (Track 9 – 04:24/05:50)

Mr. Moore emphasized that twice-per-week watering allows residents additional flexibility for determining when to water, and watering should only be done when needed based on recent rainfall and other weather conditions.

**Motion carried unanimously.** (Track 9 – 05:50/07:25)

Regulation Committee Chair Beruff relinquished the gavel to Chair Oakley.

## **General Counsel's Report**

Item 27 was moved from the Consent Agenda for discussion.

### ***Discussion Items***

#### **64. Consent Item(s) Moved for Discussion**

##### **27. Initiation of Litigation – WUP No. 20010392.005 – Milmack, Inc. (Oakwood Golf Club) – Polk County**

Ms. Amy C. Wells, Staff Attorney, Office of General Counsel, noted that on January 1, 2003, the District issued Water Use Permit (WUP) No. 20010392.005 to Milmack, Inc. (Permittee) authorizing withdrawals of 259,900 gallons per day (gpd) on an annual average basis and 282,700 gpd on a drought annual average basis from one well for golf course irrigation in a community known as Oakwood, located in Polk County. On February 18, 2009, District staff issued the Permittee a Notice of Non-Compliance advising that the annual average quantity withdrawn for the 12-month period ending December 31, 2008 was 387,575 gpd, or approximately 30 percent in excess of the permitted quantity. The Permittee responded to the Notice of Non-Compliance, claiming that it had initiated litigation with the developer and engineer of the community concerning damage to the golf course and its irrigation system allegedly caused by the surface water management system serving the development. The Permittee's withdrawals continued to exceed its permitted quantity.

Ms. Wells said, in an attempt to resolve this matter, on September 14, 2009, the District mailed a proposed Consent Order to the Permittee calling for the payment of \$8,687 in penalties and costs for exceeding its permitted drought annual average quantities from April through July 2009 (\$8,187 for the overpumpage of permitted quantities pursuant to the overpumpage formula and \$500 in District enforcement costs). The Permittee responded to the proposed Consent Order on October 14, 2009, reiterating its involvement in litigation concerning the surface water management system. The Permittee requested that the District impose no penalty for prior overpumpage, which request was rejected. While the District recognized that issues may exist concerning the project's design and construction, the Permittee was notified that such issues did not excuse it from complying with the terms and conditions of its WUP, as issued.

Ms. Wells said District staff met with the Permittee and its representatives on October 26, 2009 to discuss possibilities for resolving the overpumpage, and agreed to a 90-day extension of time to calibrate the well's meters, to employ additional compliance measures, and to respond to the District's proposed Consent Order. According to the most recent pumpage data submitted by the Permittee to the District, the Permittee has steadily decreased its withdrawals but continues to exceed its permitted quantities by 15 percent.

Staff recommended that the Governing Board authorize the initiation of litigation against Milmack, Inc. and any other appropriate parties to obtain compliance, a monetary penalty, and recovery of District enforcement costs, court costs, and attorney's fees. (Track 10 – 00:00/03:44)

Chair Oakley said that three speaker cards have been submitted for this item.

Mr. Dan O'Neil, professional golf member of the course, noted that he has built and designed numerous courses. He said there are extenuating circumstances due to overseeding, sprigging, sodding and irrigating several acres for course construction. Mr. O'Neil said pumpage has decreased since heads in non-playing surfaces were decreased. He said the only time overpumpage occurred was during overseeding and applying curfew which requires 24-hour watering. Mr. O'Neil said the permitted amount is not adequate for the course. (Track 10 – 03:44/07:35)

Mr. Seth Schimmel, representing the Phelps Dunbar firm in Tampa, said he is not here on behalf of the golf course. He said he is counsel for the neighboring subdivision, Oakwood Land Company, and there are claims between the parties which have nothing to do with this enforcement proceeding. He said his client has nothing to do with the overpumpage issue nor any ability to effect or control the overpumpage. (Track 10 – 07:35/10:06)

Mr. Mackail, representing the golf course, said he agrees with Mr. Schimmel that the Oakwood Land Company has nothing to do with the course's irrigation system. He said the course's agronomic situation was in dire straits following 14 months of the course being underwater. Mr. Mackail said he met with District staff in October 2009 and the course's staff has been working to resolve the problems. He said the permit has different acreage listed and based on measurements the course is not permitted for adequate water for the fairways, tees and greens to survive. Mr. Mackail said he is requesting the Board to allow him to work out these issues with District staff to address the permit and acreage to resolve issues and discrepancies in pumpage. He asked that Board members visit the course and see the conditions first hand. (Track 10 – 10:06/12:28)

In response to clarification questions by Mr. Pressman, Ms. Wells responded that the permittee was provided 90 days to submit new information for evaluation but nothing

has been received. Mr. Pressman asked whether deferring action until July's Board meeting would give the permittee and staff time to resolve the issues. Mr. Brian Starford, Director, Bartow Regulation Department, briefly reviewed the course's wells and irrigation system, noting it is in the Southern Water Use Caution Area. Mr. Bilenky said staff is not requesting to file the litigation but authorization to proceed in the event the issue cannot be resolved. He said when staff reaches an impasse, authorization to proceed generally makes the permittee more cooperative in reaching an accord with staff and providing the necessary information.

**Ms. Closshey moved to authorize staff to initiate the litigation and encourage staff to proceed to continue to explore any additional information to come to a speedy resolution if possible.** Mr. Pressman asked that the Board consider deferring action for 30 days and come back to the Board's July meeting. Mr. Senft said he is agreement with the motion and Mr. Pressman's request. **Motion died for lack of a second.** (Track 10 – 12:28/20:44)

Discussion ensued about overpumpage occurring for four to five years, staff recognizing issues exist at the course, metering and permit conditions, and delaying action for 30 days as long as positive progress occurs to control overpumpage.

**Ms. Closshey moved that the Board authorize the initiation of litigation following a 30-day period as an attempt to work out and come to a resolution so that it does not come back to the Board and allows the District and the permittee 30 days to move forward and make progress. Mr. Gramling seconded the motion.** (Track 10 – 20:44/23:58)

Ms. Closshey commented the Board sets a precedent by its actions about a report received monthly and also sends a message to staff as to whether or not they should continue to do their work according to the rules. Mr. Pressman said a critical factor is for it to come back before the Board in 30 days. Discussion ensued regarding importance of cooperative effort and serious progress occurring, ensuring equal treatment for all permittees, and meaning of substantial progress.

**Chair Oakley called the question and it failed unanimously.** (Track 10 – 23:58/32:33)

**Ms. Closshey then moved that the Board defer action on this particular initiation of litigation until the Board's next meeting and give staff direction to make strong efforts to work with the permittee to come to a solution, and provide a complete and total report at the Board's next meeting. Mr. Beruff seconded the motion.** (Track 10 – 32:33/32:59)

Mr. Beswick asked whether 30 days is enough time for the permittee to resolve issues to enable staff to provide the Board with an evaluation. Mr. Starford said wells need meters installed and acreage identified, but time is an issue to ensure the permittee is in compliance with surface and ground water withdrawals. Ms. Closshey complimented staff on their efforts to continuously be open to new information and seek resolution.

**Chair Oakley called the question and it carried unanimously.** (Track 10 – 32:59/36:26; Track 11 – 00:00/00:50)

At this time, the meeting recessed to provide a lunch break and reconvened at 1:10 p.m.

Chair Oakley relinquished the gavel to Regulation Committee Chair Beruff.

## Regulation Committee

### *Discussion Items*

40. **January 2010 Freeze Event Update**

Ms. Alba E. Más, Director, Tampa Regulation Department, said staff continues to pursue resolution of dry well complaints associated with the January 3-13, 2010 freeze event. A fourth work session to obtain input from the sixteen Invitees and eight Technical Experts was held on June 9. The work session focused on two topics: (1) determining the need for a cap on groundwater use for freeze protection in the Dover/Plant City area and (2) a comprehensive overview of the management strategy for the area.

Ms. Más, described outcomes from the fourth work session, providing a comprehensive overview of the Management Strategy for Freeze Protection in the Dover/Plant City area, and seeking Board concurrence with this Strategy. The nine topics discussed at the work sessions are funding, well standards, complaint allocation, communications, planning, optimizing use, data, reducing pumping, and alternative methods. Regarding funding, the Small Business Administration will provide loans up to \$200,000 to homeowners for repair or replacement of damaged or destroyed real estate, and up to \$40,000 for damaged or destroyed personal property. The disaster declaration covers Hillsborough, Polk, Hardee, Manatee, Pasco and Pinellas counties. Assistance was provided by the District for well complaints and there is now industry assistance available.

Ms. Más reviewed the methodology for determining the number of permittees assigned investigation responsibility and investigations assigned to a permittee. Following consideration, **Ms. Rovira-Forino moved, seconded by Mr. Tharp, to concur with the new allocation procedure for well complaints that will provide enhanced equity among permittees and pursue any rule modification required to use this process. Motion carried unanimously.** (Track 12 – 00:00/10:23)

Ms. Más explained the enhanced communications to be implemented: letter to permittees at beginning of cold season, news media alert, automated telephone calls to residents (projected 25-foot NGVD at DV-1), how to report a dry well, and timely communication with complainants and permittees. Following consideration, **Mr. Gramling moved, seconded by Ms. Rovira-Forino, to concur with the enhanced communications as presented and pursue any rule modification required to use this process. Motion carried unanimously.** (Track 12 – 10:23/15:24)

Ms. Más noted that local government coordination and land use planning will include transfer/clustering of development rights, disclosure of well conditions at time of sale, and renovation of substandard wells at time of sale or improvement.

Ms. Más reviewed the options available for optimizing water use for freeze protection are Florida Automated Weather Network (FAWN) (on/off alerts, mobile tools, education), mobile irrigation labs, Institute of Foods and Agricultural Sciences research, and automatic meter reading (AMR). Staff is proposing to expand the data collection system by adding 11 monitor wells at existing sites (FY 2011 - \$305,000), adding three new monitor well sites and nine wells (FY2011 - \$514,000); and expanding meters to all permits with freeze protection quantities and implement AMR (FY2010-2013 - \$4,250,000). Following consideration, **Ms. Closshey moved, seconded by Ms. Rovira-Forino, to concur with expanding the data collection system as proposed by staff.** Discussion ensued regarding AMR and associated costs, and public purpose for expending these costs. **Motion carried unanimously.** (Track 12 – 15:24/35:42)

Ms. Más reviewed proposals for limiting additional groundwater quantities for freeze protection:

- (1) Establish a Water Use Caution Area (WUCA) within which no new groundwater freeze protection quantities would be issued (prevents the problems from getting worse).
- (2) Establish a minimum aquifer level associated with freeze protection withdrawals. If actual groundwater levels remain above this minimum during future freeze events, the potential for sinkholes and well complaints would be reduced.
- (3) Adopt management goals to reduce freeze protection using groundwater (10 percent in five years and 20 percent in 10 years).
- (4) Implement an incentive-based, cooperatively funded program to reduce freeze protection quantities (tailwater recovery ponds, covers and foam; and including use of the District's Facilitating Agricultural Resource Management Systems (FARMS) program to provide up to 75 percent of the costs).
- (5) Prohibit new freeze protection quantities outside the WUCA from impacting levels within the WUCA.

Ms. Más said staff is recommending the Board concur moving forward with modifying the FARMS program rules to provide up to 75 percent of the costs (from 50 percent), and expanding the type of technologies and equipment to be included in the program. Mr. Owen said staff is requesting conceptual approval, and will return to the Board in August with specific recommendations on necessary rule changes and/or Governing Board policies governing the FARMS program. **Ms. Rovira-Forino moved, seconded by Mr. Gramling, to conceptually approve the staff recommendation as presented. Motion carried unanimously.** (Track 12 – 35:42/42:02)

Discussion ensued regarding tailwater recovery ponds, downward trend of the aquifer, limiting pumpage, and recovery strategy. Ms. Más said the next steps in the freeze protection action plan are outreach/stakeholder meetings in July and August; initiate rulemaking at the July Governing Board meeting; and rule adoption at the November Governing Board meeting. (Track 12 – 42:02/53:31)

Items 41 and 42 were heard earlier in the meeting.

43. **Adopt Order Delegating Authority to Staff for Certain Individual Water Use Permits (WUPs) and all Environmental Resource Permits (ERPs) and Permit Denials; and Initiate and Approve Rulemaking to Amend Rule 40D-1.6051, Florida Administrative Code (F.A.C.), to Make Denial Process for Incomplete Permit Applications Consistent with Proposed Order**

Mr. Owen said, in June 2009, legislation was enacted that mandated delegation to staff for agency actions on all individual water use permits (WUPs) and environmental resource permits (ERPs) and on all petitions for waivers or variances of permitting requirements. In response to this legislation, the Governing Board issued Order No. SWF 09-022, delegating to the Executive Director and designated staff the authority to make all individual ERP and WUP permitting decisions and act on all petitions for variances or waivers of permitting requirements. The Order also specified a process whereby permit applicants and petitioners whose application or petition was being processed for staff denial could request referral to the Governing Board for final action. Accordingly, a standing Governing Board agenda item is now maintained for any staff-proposed denials of permits or petitions that are referred to the Governing Board for final action. Monthly public meetings are also held at the District's Tampa Service Office to provide the public an opportunity to comment on pending individual permit applications.

The Legislature has recently amended Chapter 373, Florida Statutes, to revise last year's mandatory permit delegation requirements. Pursuant to the new law, L. 2010 Ch.205 (formerly Senate Bill 550), the delegation of all individual WUPs to staff is now discretionary. Delegation to staff of all individual ERPs and all petitions for variances or waivers of permitting requirements continues to be mandatory. Such delegations are not subject to rulemaking requirements. In light of the new legislation, staff is recommending continued delegation of individual WUPs, provided the Executive Director retains the right



to refer a WUP application to the Governing Board for final action if, in the Executive Director's opinion, such permit should be reviewed by the Governing Board. Delegation to staff of individual ERPs and petitions for variances or waivers of permitting requirements will continue unchanged. Accordingly, staff proposes that the Governing Board issue a new delegation Order that continues the delegation to staff of authority to act upon all Individual ERPs, petitions for variances and waivers, and permit denials unless referred to the Board for agency action, and which delegates authority to act upon all individual WUPs unless the Executive Director requests referral to the Board for final agency action. If approved, the new Order will rescind Governing Board Order No. SWF 09-022.

In addition to the delegation Order, staff is also proposing some minor changes to Rule 40D-1.6051, F.A.C., to make the process for staff denials of incomplete permit applications that is described in the rule consistent with the process for permit denials as described in the proposed Order. If amended, staff will no longer issue a notice of proposed agency action. Instead, applicants will be advised earlier in the process of staff's intended permit denial and that the applicant may request referral to the Governing Board for final action. A copy of the proposed rule amendments was included in the Board's meeting information. If the proposed amendments are approved, staff will proceed with rulemaking without further Governing Board action unless substantive comments are received or changes are proposed, in which case amendments to Rule 40D-1.6051, F.A.C., will be brought back to the Board for further consideration.

Staff recommended to (1) approve proposed District Order authorizing a revised delegation process for certain individual WUPs and continuing delegation to staff of all individual ERPs, petitions for variance or waiver of permitting requirements and all permit denials not referred to the Governing Board for final action; and (2) authorize the initiation of rulemaking and approve proposed amendments to Rule 40D-1.6051, F.A.C., to make the denial process for incomplete permit applications consistent with the denial process as described in the proposed District Order.

Following consideration, **Ms. Closshey moved, seconded by Mr. Gramling, to approve the staff recommendation. Motion carried unanimously.** (Track 13 – 00:00/05:44)

44. **Denials Referred to the Governing Board**

There were no requests for applications or petitions referred to the Governing Board for final action.

***Submit & File Report***

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

45. **Individual Permits Issued by District Staff**

46. **Lifespan of Water Well Systems**

***Routine Reports***

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

47. **Southern Water Use Caution Area Quantities**

48. **Overpumpage Report**

49. **Resource Regulation Significant Initiatives**

(Track 14 – 00:00/01:06)

Regulation Committee Chair Beruff relinquished the gavel to Resource Management Committee Vice Chair Rovira-Forino.

## Resource Management Committee

Item 21 was moved from the Consent Agenda for discussion.

### *Discussion Items*

#### 50. Consent Item(s) Moved for Discussion

##### 21. Hillsborough County and City of Tampa Duck Pond Best Management Practices Implementation Project – Amendment of the Cooperative Funding Agreement

In response to Mr. Gramling's question, Mr. Wirth said there is not a memorandum of understanding between three parties and noted that standard conditions in the agreement ensure the District will be reimbursed if the project is not completed. He said this is a multi-year, cooperatively funded project with the City for implementation of best management practices (BMPs) within the Duck Pond Watershed. Staff recommended to approve the amendment with Hillsborough County and the City of Tampa for the Duck Pond BMP Implementation Project to increase the total project budget to \$18,000,000 with the Basin Board's share not to exceed \$7,100,000. Following consideration, **Mr. Gramling moved, seconded by Ms. Closshey, to approve the staff recommendation. Motion carried unanimously.** (Track 15 – 00:00/04:05)

##### 51. Construction Management Options for the Lake Hancock Outfall Treatment Project

Mr. Wirth noted that, at the April 27, 2010 Governing Board meeting, the Board directed staff to provide additional information on alternative construction management options for the Lake Hancock Outfall Treatment Project. At the April 2010 Board meeting, staff recommended amending the existing agreement with Parson's Inc. (the design consultant) to add funds for construction management services that included performing on-site construction engineering and inspection (CEI) oversight. The task of CEI services was included in the original procurement of services with Parson's. The CEI element was conditioned on the District successfully negotiating a cost for providing those services. This arrangement for having Parson's provide upfront design and permitting and construction inspection services is consistent with a typical Design-Bid-Build (DBB) project delivery approach. At the April meeting, an alternative approach to construction management services was discussed by the Board and the Board postponed action directing staff to investigate options and return to the Board with a final recommendation.

Mr. Wirth said that, as a part of the alternative project delivery method review, legal staff advised of the applicability of the Consultants' Competitive Negotiation Act (CCNA) to these project delivery options. In summary, under any of the various procurement methods, construction management services that require licensed professionals, either by law or contract, must be procured following the CCNA. There are several procurement options available for acquiring consultant and construction services related to this type of project. In addition to the DBB option, two commonly used alternatives for construction projects of this type are Design-Build and Construction Management at Risk.

Mr. Wirth said, as a result of this review and coordination with Governing Board members, staff will move forward with the traditional DBB approach and focus on completing the final project design and subsequent bid documents. It is anticipated that bid documents will be ready for release in September 2010. Once bid prices have been received, staff will resume negotiations with Parsons for CEI services. If negotiations with Parsons are unsuccessful, staff will solicit a third-party consultant under the CCNA process to perform CEI services. (Track 16 – 00:00/06:50)

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

52. **Memorandum of Understanding with the City of Crystal River; Option Agreement for Sale and Purchase between the Florida Communities Trust, the District, the City of Crystal River and the Property Owners; Appraisals and Resolution Requesting Funds – Three Sisters Springs, SWF Parcel No. 15-347-123**

Mr. Eric Sutton, Director, Land Resources Department, recognized individuals in attendance to provide support and answer any questions: Mr. Andy Houston, City Manager, City of Crystal River; Ms. Kristen Kunz, Attorney, Florida Communities Trust (FCT); Mr. Michael Lusk, Refuge Manager, U. S. Fish and Wildlife Service (USFWS); Ms. Lace Blue McClane, President, Friends of Chassahowitzka; and Mr. George Willson, The Conservation Trust.

Mr. Sutton provided an overview of the details for acquisition of the property. Because of these qualities, a number of agencies have attempted to acquire the site over the years. The proposed acquisition represents the latest attempt and includes numerous partnerships such as FCT, USFWS, the City of Crystal River, the District and other public and private contributors. This item was presented to the Coastal Rivers Basin Board at its June meeting.

Mr. Sutton said the Three Sisters Springs acquisition represents a 57-acre parcel that contains a number of unique environmental features. These features include three second-order magnitude springs, an important manatee refuge and an opportunity to develop a stormwater treatment system for Kings Bay. The District will construct a stormwater treatment system for the purpose of treating stormwater runoff from adjacent development ultimately improving water quality within Kings Bay and the Crystal River spring system. This acquisition is consistent with the District's Florida Forever Work Plan, which specifically identifies the property for acquisition, and meets the Florida Forever program goals.

Mr. Sutton said the total purchase price for the land is \$5,500,000. The District would acquire a 30 percent interest for the purposes of protecting water resources and to construct a stormwater treatment system. The remaining 70 percent interest is being acquired through FCT on behalf of the City of Crystal River. The agency contributions are as follows:

- \$2,982,000 of FCT funds through its standard competitive grant award process;
- \$725,000 through a Special Grant Appropriation by the Florida Legislature;
- \$515,000 from the City of Crystal River made up of various public and private funding sources and contributions; and
- \$1,278,000 by the District utilizing Florida Forever funds.

Mr. Sutton said, in the Memorandum of Understanding with the City of Crystal River, the District will contribute \$1,278,000 toward the purchase of the property. The City and the District will share undivided fee title interest in the property with the City holding a 70 percent interest and the District holding 30 percent interest. The City and the District will engage the USFWS to manage the property.

Mr. Sutton said the option for sale and purchase involving the District, FCT and the City is contingent upon the USFWS closing a separate transaction with the property owners. The USFWS is offering \$3,100,000 to the owners based upon the valuation of a water business, which includes the owners granting an easement to the USFWS for access to the borrow pit. The purchase of land by the District, FCT and the City would be subject to this easement. Separate and aside from the land purchase, the Felburn Foundation has pledged to contribute \$1,900,000 to facilitate the acquisition of the property. The total compensation to the owners would be approximately \$10,500,000.

Staff recommended to (1) authorize the Land Resources Department Director to execute a Memorandum of Understanding with the City of Crystal River to define the parameters of an acquisition partnership for SWF Parcel No. 15-347-123; (2) approve an Option

Agreement in amount of \$5,500,000 (District's portion is \$1,278,000) for Sale and Purchase between the District, Florida Communities Trust, the City of Crystal River and the property owners for interest in Three Sisters Springs for the purpose of water resource protection, including the construction of a stormwater treatment system; (3) accept the appraisals; (4) authorize the Land Resources Director to execute the management agreement with the City of Crystal River and USFWS; (5) approve the resolution requesting funds; and (6) authorize any other instruments determined by the Office of General Counsel to be necessary for acquisition of Three Sisters Springs, SWF Parcel No. 15-347-123. (Track 17 – 00:00/10:22)

**Ms. Closshey moved, seconded by Mr. Senft, to approve the staff recommendation as presented.**

Discussion ensued regarding appraisals, taxpayer dollars, cost sharing, land and business components of the acquisition, and the water use permit (224,000 million gallons per day). Messrs. Willson and Lusk provided additional details for the Board's information. (Track 17 – 10:22/41:31)

**Mr. Gramling said he supported the work staff has done and called the question. Motion carried with Messrs. Beruff and Pressman voting in opposition.** (Track 17 – 41:31/45:17)

**Submit & File Reports** – None

#### **Routine Reports**

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

53. **Florida Forever Funding**
54. **Minimum Flows and Levels**
55. **Structure Operations**
56. **Watershed Management Program and Federal Emergency Management Agency Map Modernization**
57. **Significant Water Supply and Resource Development Projects**  
(Track 17 – 45:17/45:34)

Resource Management Committee Vice Chair Rovira-Forino relinquished the gavel to Outreach and Planning Committee Chair Beswick.

## **Outreach and Planning Committee**

#### **Discussion Items**

58. **Consent Item(s) Moved for Discussion** – None
59. **Withlacoochee Regional Water Supply Authority Regional Framework Overview**  
Mr. Jackson Sullivan, AICP, Executive Director, Withlacoochee Regional Water Supply Authority (WRWSA), provided an update on the status of the WRWSA's Master Water Supply Planning and Implementation Program (MWSP&IP) which is a comprehensive process to plan for the region's water supply future. He provided an overview of the master plan's completion, development of the plan, changes in the regional setting from 2005-2010, summary of the issues addressed in the plan, and the plan recommendations.

The WRWSA Board of Directors held a workshop in April 2010 to review and discuss the future role of the WRWSA. The recommendations in the Phase II report suggest a more active role for the WRWSA in water supply planning and development, and playing a bigger role with respect to these initiatives for its members. These recommendations were condensed into eight broader categories. These categories are supported by the 30 recommendations that are included in the Phase II report. The WRWSA Board tentatively accepted all of the recommendations. However, before implementing any of

the recommendations, the Board directed staff and consultants to further develop the recommendations and determine the budgetary, staffing, and timing considerations in greater detail and bring them back to subsequent Board meetings for discussion and consideration. These actions are currently underway. (Track 18 – 00:00/14:57)

Discussion ensued regarding coordination with the two water management districts, funding, regional partnerships, reliance on groundwater supply, identification of specific projects, and conservation. (Track 18 – 14:57/37:44)

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

**Submit & File Report** – None

**Routine Reports**

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

- 60. **Comprehensive Plan Amendment and Related Reviews**
- 61. **Development of Regional Impact Reviews**
- 62. **Speakers Bureau**
- 63. **Significant Activities**  
(Track 19 – 00:00/00:20)

Outreach & Planning Committee Chair Beswick relinquished the gavel to Chair Oakley.

**General Counsel's Report**

**Discussion Item** – Item 64 was heard earlier in the meeting.

**Submit & File Reports** – None

**Routine Reports**

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

- 65. **Litigation Report**
- 66. **Rulemaking Update**  
(Track 19 – 00:20/00:50)

**Committee Reports**

- 67. **Agricultural Advisory Committee Meeting**  
Mr. Gramling said the meeting was held on May 27, 2010. The Committee meeting presentations included updates on the hydrologic conditions and water shortage plan, non-production agricultural facilities rulemaking, rulemaking, frost/freeze event, Numeric Water Quality Standards for Nutrients, 2010 Regional Water Supply Plan, and Water Use Condition Data/Permit Information Center. A joint Green Industry and Agricultural Advisory Committee meeting will be scheduled in July to review staff recommendations on water shortage rules. The next meeting is scheduled for August 26, 2010 in the Tampa Service Office.
- 68. **Environmental Advisory Committee Meeting**  
Mr. Gramling said the meeting was held on June 16, 2010. Mr. Dwayne Carlton, Ocala/Marion County Chamber of Commerce, was elected Chair and Mr. Mark Alderson, Sarasota Bay National Estuary Program, was elected Vice Chair. The Committee meeting presentations included updates on the hydrologic conditions and water shortage plan, Celery Fields Regional Stormwater Facility Project, Numeric Nutrient Criteria, rulemaking, frost/freeze event, 2010 Regional Water Supply Plan, rulemaking process overview, and Water Use Condition Data/Permit Information Center. The next meeting is scheduled for September 13, 2010 in the Tampa Service Office.

69. **Green Industry Advisory Committee Meeting**

Ms. Kavouras said the meeting was held on May 27, 2010. Ms. Corrine Olvey, Florida Cemetery, Funerals & Cremation Association, was elected Chair but subsequently declined the position due to health reasons; and Mr. Travis Council, Florida Sod Growers Cooperative, Inc., was elected Vice Chair. The Committee meeting presentations included updates on the hydrologic conditions and water shortage plan, rulemaking, frost/freeze event, Homeowner Association Outreach on SB2080/Landscape Requirements, Florida Water Star Gold, Numeric Water Quality Standards for Nutrients, 2010 Regional Water Supply Plan, Water Use Condition Date/Permit Information Center, and rulemaking process overview. The next meeting is scheduled for August 26, 2010 in the Tampa Service Office.

Mr. Pressman said the Tampa Bay Regional Planning Council met on June 14, 2010 and the meeting included a panel discussion on the Gulf of Mexico oil spill. (Track 19 – 00:50/03:20)

## **Executive Director's Report**

70. **Executive Director's Report**

- Mr. Moore said the annual Florida Cattlemen's Association conference was held this month. He was one of the four water management district executive directors on a panel and the main topic of discussion was numeric criteria standards.
- Mr. Moore said, about six months ago, staff began exploring ways to expedite utilizing the City of Tampa's reclaimed water sooner rather than later. The parties involved met this month to discuss expediting projects and finding a way to beneficially use the reclaimed water immediately, but there are economic and technological constraints. Staff will continue to work on this issue.
- Mr. Senft noted that he and Mr. Moore will attend the MyRegion.org Water Summit being held July 15-16, 2010 in Orlando. (Track 19 – 03:20/15:00)

## **Chair's Report**

71. **Chair's Report**

- Chair Oakley and Mr. Pressman expressed their appreciation of the work staff has done to respond to the frost-freeze event.
- Chair Oakley noted that he and several other Board members attended the Peace River Manasota Regional Water Supply Authority's Water Conservation Summit on June 24, 2010.

There being no further business to come before the Board, Chair Oakley adjourned the meeting. (Track 19 – 15:00/17:12)

The meeting was adjourned at 4:08 p.m.