The Governing Board of the Southwest Florida Water Management District (SWFWMD) met for its regular meeting at 9:02 a.m. on July 21, 2014, at the District’s Tampa Service Office. The following persons were present:

Board Members Present
Michael A. Babb, Chair
Randall S. Maggard, Vice Chair
Jeffrey M. Adams, Secretary
David W. Dunbar, Treasurer
H. Paul Senft, Member
Carlos Beruff, Member
Wendy Griffin, Member
George W. Mann, Member
Bryan K. Beswick, Member
Michael A. Moran, Member
Ed Armstrong, Member

Board Member(s) Absent
Thomas E. Bronson, Member

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

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

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

PUBLIC HEARING (Video – 00:00)

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

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

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

Chair Babb stated that anyone wishing to address the Governing Board concerning any item listed on the agenda or any item that does not appear on the agenda should fill out and submit a speaker’s card. To assure that all participants have an opportunity to speak, a member of the public may submit a speaker’s card to comment on agenda items only during today’s meeting. If the speaker wishes to address the Board on an issue not on today’s agenda, a speaker’s card may be submitted for comment during "Public Input." Chair Babb stated that
comments would be limited to three minutes per speaker, and, when appropriate, exceptions to the three-minute limit may be granted by the chair. He also requested that several individuals wishing to speak on the same issue/topic designate a spokesperson.

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

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

   The following item was deleted from consideration:
   **Consent Agenda - Operations & Land Management Committee**
   6. Approve Sale of Surplus Lands – Green Swamp Wilderness Preserve, SWF Parcel No. 10-200-1226S

   The following items were moved to Discussion:
   **Consent Agenda - Operations & Land Management Committee**
   7. Approve Sale of Surplus Lands – Chito Branch Reserve, SWF Parcel No. 11-709-145S
   8. Approve Sale of Surplus lands – Chito Branch Reserve, SWF Parcel No. 11-709-146S

   Chair Babb said there is good cause to amend the published agenda as allowed by Section 120.525, Florida Statutes.

   **Mr. Beruff moved to approve the Consent Agenda as amended. The motion was seconded and carried.** (Video – 04:23)

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

**CONSENT AGENDA** (Video – 04:36)

Chair Babb asked that, before the Board considers action on the Consent Agenda, whether there is anyone in the audience who wishes to address the Board regarding an item listed on the Consent Agenda. No one responded to the Chair’s request to speak to the Board.

**Regulation Committee**
5. **Individual Water Use Permits (WUPs) Referred to the Governing Board** – None

**Operations & Land Management Committee**
6. **Approve Sale of Surplus Lands – Green Swamp Wilderness Preserve, SWF Parcel No. 10-200-1226S**
   This item was deleted from consideration.

7. **Approve Sale of Surplus Lands – Chito Branch Reserve, SWF Parcel No. 11-709-145S**
   This item was moved for discussion purposes.

8. **Approve Sale of Surplus Lands – Chito Branch Reserve, SWF Parcel No. 11-709-146S**
   This item was moved for discussion purposes.

**Resource Management Committee**
9. **First Amendment Scope Change for UF/IFAS Research Determination of Landscape Irrigation Water Use in Southwest Florida (B283)**
   Staff recommended the Board 1) approve the change in scope-of-work for the UF/IFAS research project Determination of Landscape Irrigation Water Use in Southwest Florida and extend the contract until December 31, 2017; and 2) authorize the executive director or his
designee to execute the first amendment to the agreement with UF/IFAS for the revised scope of work.

10. Facilitating Agricultural Resource Management Systems (FARMS) – Baum, L.L.C. (H710), Hillsborough County
   Staff recommended the Board 1) approve the Baum, L.L.C. project for a not-to-exceed project reimbursement of $193,425 provided by the Governing Board; 2) authorize the transfer of $193,425 from fund 010 H017 Governing Board FARMS Funds to the H710 Baum, L.L.C. project fund; and 3) authorize the assistant executive director to sign the agreement.

11. Surface Water Improvement and Management (SWIM) – MacDill Air Force Base Mangrove Restoration – Cooperator Change (W325)
   Staff recommended the Board approve to add Ecosphere Restoration Institute as a Cooperator to the MacDill Air Force Base Mangrove Restoration project.

Finance/Outreach & Planning Committee

12. Contract Life Cycle Management System Implementation
   Staff recommended the Board approve the transfer and encumbrance of $200,000 previously approved for the upgrade of the District’s financial system and authorize the procurement of software and consulting services for a Contracts Lifecycle Management System.

13. Adopt SunTrust Custodial Agreement Resolution
   Staff recommended the Board adopt the SunTrust Corporate Resolution document to give the new slate of officers the authority to give direction or confirmation to the bank on all matters regarding the District’s Custody Agreement and Account.

14. District Fleet Vehicle Replacements
   Staff recommended the Board authorize a FY2014 budget transfer of $800,000 from Recurring Operating Expenses to be used for the procurement of the replacement vehicles needed within the District’s Fleet. Staff also recommended the continuation of replacements to be budgeted beyond FY2014 to maintain the District’s Fleet.

15. Budget Transfer Report
   Staff recommended the Board approve the Budget Transfer Report covering all budget transfers for June 2014.

16. Board Travel
   Staff recommended the Board approve travel as designated below.

As of July 21, the following travel outside the geographic boundaries of the District is scheduled:

<table>
<thead>
<tr>
<th>Name(s)</th>
<th>Purpose</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael Babb</td>
<td>The International Citrus &amp; Beverage Conference UF/IFAS Extension</td>
<td>Registration ($160 x 3) $480</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hotel (3 x $141) x 3 nights $1,269</td>
</tr>
<tr>
<td>Paul Senft</td>
<td></td>
<td>Per Diem $270</td>
</tr>
<tr>
<td>George Mann</td>
<td>Clearwater Beach, FL September 16-19, 2014</td>
<td>Mileage varies</td>
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<tr>
<td></td>
<td></td>
<td>Parking ($12 x 3) $36</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Estimated Total $2,055</td>
</tr>
</tbody>
</table>

General Counsel’s Report

17. Administrative, Enforcement and Litigation Activities that Require Governing Board Approval - None

18. Rulemaking
Minutes of the Meeting  
SWFWMD Governing Board  

Staff recommended the Board authorize initiation of rulemaking to amend Rule 40D-4.091, F.A.C., and Environmental Resource Permitting Applicant’s Handbook Volume II.

Executive Director’s Report  
19. Approve Governing Board Meeting Minutes – June 24, 2014  
Staff recommended the Board approve the minutes as presented.

Chair Babb asked for a motion to approve the Consent Agenda as amended. **A motion was made to approve the Consent Agenda as amended, which was seconded. The motion passed.** (Video – 05:06)

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

FINANCE/OUTREACH & PLANNING COMMITTEE (Audio – 05:16)  
**Discussion Items**

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

21. Investment Strategy Quarterly Update  
The District’s financial investment advisor, Mr. John Grady, provided a quarterly update of the investment portfolio as required by Board Policy 130-3.

There being no questions and as recommended by staff, the Board accepted and placed on file the District’s Quarterly Investment Reports for the quarter ended June 30, 2014.

At this time, the published agenda was altered slightly and Chair Dunbar relinquished the gavel to Mr. Senft, who called the Resource Management Committee to order.

RESOURCE MANAGEMENT COMMITTEE (Video – 14:43)  
**Discussion Items**

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

30. Peace River Manasota Regional Water Supply Authority - Out-of-Cycle Funding Request  
Mark Hammond advised the Board that the Authority is refurbishing the 35 year old treatment facility originally constructed by General Development Utilities in the late 1970’s and acquired by the Authority in 1991. They identified an opportunity to increase the treatment capacity from 12 mgd to 15 mgd at a cost of $3 million. The Authority received a state of Florida 2014-2015 grant in the amount of $1.5 million for the Peace River Facility Treatment Capacity Expansion – Phase I. The Authority is requesting the District cooperatively fund 50 percent of the remaining portion of the project costs in the amount of $750,000 and the Authority will fund $750,000.

The Authority is also requesting the District consider including $250,000 in the FY2014-2015 budget for engineering services associated with the Phase I Interconnect and they would provide $250,000 for a total amount of $500,000. Punta Gorda, Charlotte County, and the Authority met subsequent to the June 2014 Governing Board meeting to discuss potential options for the Phase I Interconnect; additional meetings are anticipated. These funds would allow the Authority to proceed in a timely manner should agreement be reached on an option to move forward with the Phase I Interconnect. The Authority Board will be provided an update on this item at their August 25, 2014 meeting, and proceeding forward with the engineering work is contingent upon their consideration and action.

Mr. Hammond advised the Board that there was a slight change in the recommendation from what was included in the Board packet. The recommendation is broken up into two separate actions: 1) the treatment capacity increase and 2) the pipeline. In the packet there was a $1 million request from Punta Gorda for both items.
The first item is for the treatment capacity increase. The Authority has an opportunity to upgrade and increase the capacity of their water treatment facility by three million gpd for $3 million, essentially $1 per gallon of capacity. Typically it costs around $10 - $15 per gallon. The Authority is getting $1.5 million from the State and asking for $750,000 from the District. The Authority would match that with $750,000. Mr. Lehman from the Authority was available to make a presentation if the Board so desired.

Mr. Beruff moved to approve, seconded by Mr. Maggard. Mr. Senft called for discussion on the motion. There was none. He then called the question on the motion, which carried unanimously. (Video – 16:47)

Mr. Hammond advised the Board that the next item is related to the Authority’s Phase 1 interconnect. This is the interconnect which was talked about last month when the Punta Gorda facility was discussed. Board members indicated that the Authority, Punta Gorda and Charlotte County were going to be meeting following the June Governing Board meeting. Mr. Hammond stated they did meet and representatives indicated it was a very positive meeting; they were very encouraged but, they did not close a deal. They are agreeing to continue to work to proceed on further discussions on the Phase 1 interconnect. As a result, the Authority is asking that the District include $250,000, to be matched by $250,000 from the Authority for engineering services for the Phase 1 interconnect. Staff’s recommendation is to include $250,000 in the budget but also to require the execution of any necessary contracts for the Authority to construct the Phase 1 interconnect prior to the District executing an agreement to fund that with the Authority. The reason for that is we don’t want to spend engineering services on something before they close the deal and get a concept and agreement in place to build the pipeline.

Mr. Beruff made a motion to approve staff recommendation, and the motion was seconded. Discussion ensued.

Mr. Maggard asked if this is the piece that we’re wanting to hook to Punta Gorda. Mr. Hammond confirmed that to be correct. Mr. Maggard then sought clarification from what was discussed at the June Board as it was his understanding that part of the deal was to have the agreement before the pipeline was constructed.

Mr. Hammond clarified this would be the pipeline that would bring the water from the Authority to Punta Gorda but there is not an agreement in place at this time.

Mr. Beruff addressed Mr. Maggard’s comments by stating that Staff has recommended that we put the money aside subject to Charlotte County and the Authority coming to terms in an agreement that Punta Gorda can live with. There is no obligation to the District if that doesn’t get fulfilled. The District is just encumbering the money in case it happens this cycle.

Mr. Babb expressed his thought that the feeling of the Board from the last meeting was that this Board would not spend anything until there was an agreement between the organizations to make sure that they’re moving forward and the pipeline can even be built and the words “subject to” were used. Mr. Babb asked Ms. Donaldson if she agreed with that in the way the motion was carried through at the last Board meeting.

Ms. Donaldson disagreed. She said that the way the motion was drafted based on the discussions, the Board would commit to fund up to 50 percent of the $3 million subject to the appropriations now and then once a contract was put in place for the pipeline and the RO study was complete, then they could come back to the Board. It is slightly different than the motion in front of the Board today, which is the District is committing to encumber the funds but we’re not going to execute an agreement until the contract is in place. In the vote last
month, the funding for the study was not contingent on a contract being put in place. Mr. Senft then clarified that a contingency was not connected to last month’s action but, it is for today. Ms. Donaldson stated that what was contingent was for the additional funds. Mr. Babb pointed out that the two motions would be slightly different because we’re stating here it would be subject to an agreement and in the one last month that is not the case.

Mr. Beruff stated that he believes it was the intention of the Board to tie them together and it got a little confusing and suggested we do whatever is necessary to correct the error to commit the funds, but all paperwork has to get done.

Chair Senft clarified the motion on the floor is to approve staff recommendation. Chair Senft called the question on the motion, motion carried unanimously. (Video – 23:53)

Ms. Donaldson advised that under Robert’s Rules or Order, the Board could either do a motion to rescind or a motion to amend a prior action. In addition to when the funding comes into place, the original motion was based on an agreement between Charlotte County and the Authority. This one is just any necessary contracts so it’s broader. Her recommendation is to do a motion to rescind the prior vote and do a motion that’s similar to these requirements for the RO study funding.

Mr. Beruff moved to rescind the prior motion approved at the June Board. Mr. Maggard seconded. Mr. Senft asked for additional comments. Having no additional comments, Mr. Senft called the question on the motion, motion carried by unanimous vote to rescind. (Video – 26:02)

Mr. Beruff moved for a new motion to approve the District funding up to $1.5 million in the District’s FY2014-15 budget for the RO study subject to the appropriations language from the policy and require the execution of any necessary contracts for the Authority to construct the Phase 1 interconnect prior to the District executing a cooperative funding agreement with the City of Punta Gorda for the RO study and then also having the ability to come back to the Board for additional funding upon the construction of the pipeline and the RO study being complete. Mr. Babb seconded (Video – 27:34)

Mr. Mann expressed some concern about using the word “necessary”. Ms. Donaldson stated that the agreements that would be needed for the pipeline to be constructed would be a water supply agreement between the Authority and Punta Gorda, as well as a pipeline construction agreement between the Authority and some other party to actually have it constructed. There may be others but at a minimum you cannot provide water to Punta Gorda unless those two things are covered.

Chair Senft asked for public comment. There was none. Chair Senft called the question on the motion. The motion carried by unanimous vote. (Video – 32:04)

Submit & File Reports
31. Lower Hillsborough River Recovery Strategy Implementation – Annual Update
   This item was presented for the Board’s information only, and no action was required.

Routine Reports
32. Minimum Flows and Levels
33. Significant Water Supply and Resource Development Projects

Chair Senft relinquished the gavel back to Mr. Dunbar, who reconvened the Finance/Outreach & Planning Committee.

FINANCE/OUTREACH & PLANNING COMMITTEE (Audio – 32:23)
22. Fiscal Year 2014-15 Budget Development
a. **FY2014-15 Budget Update Since June 24, 2014**

John Campbell presented the proposed FY2014-15 budget and recapped changes that were made at the June Board meeting; provided an update of any changes included in the budget since the June Board meeting; reported the results of the July 1 certifications of taxable value and a recommended adoption of a proposed millage rate; and requested approval to submit the District’s *Standard Form Tentative Budget* on or before August 1, 2014. Since June 24, the proposed budget for the August 1 tentative budget submission has decreased by $5,359,188 to $154,178,786, subject to approval by the Governing Board on July 21.

Changes made at the June 24 meeting:

1) Pasco County Boyette Wet-Weather Reclaimed Water Reservoir Project funding was reduced $6,826,245 from the requested $10,325,000 to $3,498,755 approved in the budget.

2) City of Punta Gorda Brackish Wellfield Investigation Project was added to the budget in the amount of $1,500,000.

The proposed changes for July 21 are as follows:

1) The ad valorem tax revenue has been reduced $2,252,139 due to adjustment of the millage rate to the rolled-back rate of 0.3658 from a proposed rate of 0.3818.

2) Florida Department of Transportation (FDOT) Mitigation Program funding increased $823,083; projects previously funded with ad valorem revenue now to be funded with FDOT mitigation funding.

3) River Tower Shoreline Restoration and Stormwater Treatment project grant funding from the Tampa Bay Environmental Fund not received which removes $200,000 from the budget.

4) Balance from Prior Years has been increased $1,596,113 to balance the budget.

5) The salaries and benefits budget has been decreased by $1,943 due to staffing changes.

6) City of Clearwater Beach Low Impact Development Best Management Practices project has been withdrawn due to scope and timeline change which removes $31,000 from the budget.

7) Addition of any state revenue approved by the Legislative Budget Committee (LBC) for Springs protection.

Mr. Campbell advised the Board that there was a request from TECO, which is an amendment to an existing project. Staff are currently evaluating the request so they can present it to the Board at a future meeting. Authorization to expend the funds is contingent upon Board approval of the amendment at a future meeting.

Staff recommended the Board approve the budget changes that have been made since the June 24, 2014 Governing Board meeting and any modifications made by the Governing Board on July 21, 2014 and the addition of any state revenue approved by the LBC for Springs protection.

b. **Adoption of Proposed District Millage Rate for FY2014-15**

Mr. Campbell presented the certifications of taxable value and the proposed FY2014-15 District millage rate, in compliance with s. 373.503, Florida Statutes (F.S.), and s. 200.065, F.S. Overall taxable property values in the District increased by 5.19 percent. This is composed of a 3.54 percent in increased values and 1.65 percent in new construction. The rolled-back millage rate based on s. 200.065, F.S., equates to 0.3658, which is less than the 0.3818 approved in FY2013-14. Based on the certified values and the rolled-
back millage rate, staff has decreased the ad valorem revenue budget by $2,252,139 resulting in ad valorem revenue budgeted at $102,258,638.

Mr. Dunbar asked Mr. Campbell to clarify what was meant by saying the taxable value District-wide went up 5.19 percent and yet we’re short on ad valorem tax. He asked for comments on the “roll back” and on only getting increases on new construction. Mr. Campbell explained the values went up 5.19 percent and staff presented in June a roll back budget. Essentially that meant the District wasn’t going to collect any additional dollars of tax revenue on existing properties despite the fact they may increase in value based on the Board’s recommendation to present a roll back ad valorem budget. Staff projected a three percent new growth rate, taxing that at a projected roll back millage. The three percent turned out to be on the July 1 certification 1.65 percent. That meant from a dollar standpoint the 1.35 percentage point drop from the three to the 1.65 new growth meant we were estimating about $1.35 or $1.4 M too much in ad valorem revenue. Additionally, after the certification last year, Citrus County’s values dropped tremendously, about 22.4 percent, which by definition by statute, roll back, we have an impact of about $850,000 on District taxes. Those two items collectively amount to about $2.2M.

Mr. Maggard commented to Mr. Hammond that he just wanted to make sure TECO understands even though we are possibly going to encumber this, it is not a sign of an agreement and the Board is going to scrutinize it just like everything else. He doesn’t want TECO to think that if the Board agrees to the $4.7 million that they’ve got the deal. He stated that communication is important. Mr. Hammond acknowledged that there are TECO representatives in the room today.

Mr. Adams asked regarding the new construction projection, what was the basis for projecting at the three percent and what did we learn from it. Why was the projection off? Mr. Beltran explained that we felt that last year the economy was kicking in and so we went with an estimate of three percent. Obviously, as we continue to move forward, staff will continue to try to put all the pieces together and move forward.

Staff recommended the Board approve Resolution No. 14-09, Adoption of Proposed District Millage Rate for Fiscal Year 20114-15.

c. **Approval of August 1 Standard Format Tentative Budget Submission**

Mr. Campbell requested approval to submit the *Standard Format Tentative Budget Submission* to the Executive Office of the Governor, Department of Environmental Protection, Florida Legislature and other parties, as required by statute, for delivery by August 1, 2014. The report reflects the budget as presented to the Governing Board on June 24 and adjusted for the changes discussed in item a. above.

Staff recommended the Board approve the August 1 submittal of the *Standard Format Tentative Budget Submission* report, with the budget modifications approved by the Governing Board on July 21, 2014.

Mr. Babb inquired if the approved resolution for the new millage rate will be advised as a tax cut. Mr. Campbell confirmed that it would be.

**Mr. Beruff moved to approve staff recommendation, Mr. Babb seconded. Motion passed.**

(Video – 44:50)
Submit & File Reports – None
Routine Reports
23. Treasurer's Report and Payment Register
24. Monthly Financial Statement
25. Monthly Cash Balances by Fiscal Year
27. Review of Developments of Regional Impact
28. Significant Activities

Chair Dunbar then relinquished the gavel to Mr. Maggard, who called the Operations & Land Management Committee to order.

OPERATIONS & LAND MANAGEMENT COMMITTEE (Video – 45:05)
Discussion Items
34. Consent Item(s) Moved for Discussion
7. Approve Sale of Surplus Lands – Chito Branch Reserve, SWF Parcel No. 11-709-145S

Steven Blaschka presented this item to request the Governing Board accept the offer for this property which has been declared surplus, enter into a contract for the sale and purchase, and execute the instruments necessary to convey SWF Parcel No. 11-709-145S.

The Chito Branch Reserve is located in southeastern Hillsborough County south of Lithia in the vicinity of Boyette Road. The parcel was purchased in 2001 in cooperation with Tampa Bay Water (TBW) for the primary purpose of building the C.W. "Bill" Young Regional Reservoir. The 1,100-acre reservoir was completed in 2005 and is designed to collect and store water to help meet the region's drinking water needs in times of dry weather, while helping to limit excessive pumping within the region's wellfield system. Two properties within the Reserve were identified for surplus because they were unnecessary for the operation and maintenance of the C.W. "Bill" Young Regional Reservoir and their surplus would remove irregularities in the Reserve's boundaries without sacrificing any significant resource protection or conservation values.

The Chito North parcel consists of approximately 88 acres with frontage on Lithia Pinecrest Road. TBW has an easement over the property that was conveyed by the District at the time of acquisition. The District has discussed the surplus of its fee simple title with TBW and they are not interested in owning this property. Accordingly, title will be transferred subject to the existing Tampa Bay Water easement. Obtaining a release of the TBW easement would be the responsibility of the buyer who has been fully informed of the existing encumbrance.

The Governing Board declared this property surplus at their meeting on June 25, 2013. Upon declaration as surplus, the necessary due diligence was performed and was subsequently advertised to the public for offers through an Invitation to Submit (ITS) process. An offer meeting the statutory requirements and fulfilling the terms desired by the Governing Board has been received.

The District utilized an appraisal performed by Lee F. Pallardy, MAI with Lee Pallardy, Inc., with a review provided by Leslie A. McKeon, MAI with Valbridge Property Advisors. The initial appraisal report had a date of value of July 25, 2013 and the second report to confirm the price has a date of May 9, 2014. Both reports were determined to meet the necessary legal or District requirements and contain sufficient factual data to support the value conclusion.

The highest and best use determined by the appraiser was based on the physically possible, legally permissible and financially feasible uses for this property subject to the TBW easement.
The highest and best use was determined to be for agriculture or recreation with possibly limited residential use. The appraiser considered the existing encumbrance together with the property’s location, zoning, physical characteristics and the Governing Board’s direction for full disclosure to potential buyers as to restrictions affecting use of the property.

The appraiser applied the Sales Comparison Approach (Market Approach) to determine the value of the property. Recent sales of comparable property in Pasco and Manatee counties were considered. The sales were adjusted for differences that included location/access, potential uses, and physical characteristics such as size and ground cover.

The following is a summary of the appraisal and offer process:

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<tbody>
<tr>
<td>Total Amount</td>
<td>$222,000.00</td>
<td>$600,000.00</td>
</tr>
<tr>
<td>Per Acre</td>
<td>$2,500.00</td>
<td>$6,756.76</td>
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The offer of $600,000 is 170 percent above the minimum bid price and the May 9, 2014 appraised value.

The District agreed to deliver marketable title free of all encumbrances objectionable to the Buyer, subject to the easement to Tampa Bay Water. There is to be no adjustment for actual acreage as determined by survey.

The Buyer will bear all expenses of the transaction with the exception of the appraisal and initial advertising costs.

The sale of this property will offer at most only a nominal savings to the District’s annual land management costs. Funds derived from the sale may only be used for the purchase of other lands meeting the criteria in Section 373.139, F.S. resulting in more effectively meeting the District’s core mission.

Staff recommended the Board accept the offer; approve the Contract for Sale and Purchase and authorize execution of the instruments necessary to convey the property.

Mr. Beruff advised the Board that he was briefed on the property and, based on the information received from staff, the property has 90 to 95 percent utilization. He also was told that the comprehensive plan for this area is two to three units per acre. Conservatively, the market is $30,000 an acre for residential dirt in the area. He feels that the offer is severely underpriced because of the way it was presented with the easement but the easement is a construction easement. Conservatively it’s worth $30,000 an acre.

The question was raised if the appraisal mentioned that the value was constrained because of the easement. Mr. Blaschka acknowledged that it was. Discussion ensued regarding the appraisal and the Tampa Bay Water easement.

Mr. Beruff would direct staff, subject to this discussion with the Board, would be to have a conversation with Tampa Bay Water and ask if they don’t need the property, why don’t we sell it and they would get their 25 percent of whatever we sell it for so they’ll make a profit too. Mr. Beruff asked what we paid for the property. Mr. Blaschka responded that we paid around $2,000 per acre. Mr. Beruff doesn’t think it’s prudent to sell this property under this condition.
Mr. Beruff moved to deny staff recommendation and direct staff to work with Tampa Bay Water to come up with a scenario where we get more utilization out of this property from a financial perspective. Mr. Adams seconded.

Mr. Babb asked if we have an opinion from Tampa Bay Water as to why they would want to keep this conservation easement. Mr. Blaschka said we have talked to them and they said they wanted to keep the easement just for access potentially in the future if they needed additional spoil material. Right now it is included within their DEP permit for the existing reservoir and the reservoir mitigation. They had talked to potential purchasers about possibly releasing the easement and they asked what kind of appraisal numbers we had for that, which we provided.

Mr. Senft asked Warren Hogg with Tampa Bay Water if they wanted to comment. Mr. Hogg stated the real estate transaction is handled by a different group within the agency and he would need to defer to their engineering manager, John Kennedy, to continue the discussion. However, he doesn’t believe that Tampa Bay Water would have any objection to delaying the process and discussing the matter further with the District.

Mr. Frink mentioned that there have been discussions with Tampa Bay Water. We have time so we could step back and investigate a little further.

Mr. Babb asked for Mr. Beruff’s expert opinion. In the market place today, he asked Mr. Beruff what is property going for that is not encumbered versus property that is. Mr. Beruff responded that with that kind of density in the comp plan, so you don’t require a comp plan amendment, conservatively $50,000 an acre. The only question would be the availability of sewer and water is to the site. The key is the property is high utilization. That’s why the price is at the top end.

Wendy Griffin stated she has no problem with anything discussed here except that she would like the Board to give clearer direction in the future. She doesn’t like the idea of going out for a bid, having people bid with one idea in mind or one set or rules and then changing them.

Mr. Beruff said that the surplus property process was started over two years ago and at the time, the Board just identified parcels to be surplus with the recognition that as the economy came back, all of those things would be revalued. That was the reason why he wanted to take the matter off of consent for discussion because this is where we can take advantage of the market and take the money and re-appropriate it to the mission of the District, which is preservation of lands critical to our mission.

After discussion, Chair Maggard noted that there was a motion and a second to deny staff recommendation; staff recommendation was denied.

8. **Approve Sale of Surplus Lands – Chito Branch Reserve, SWF Parcel No. 11-709-146S**
   The Chito East parcel consists of 37.8 acres with frontage on State Road 39. TBW has an easement over the property that was conveyed by the District at the time of acquisition. The District has discussed the surplus of its fee simple title with TBW and they are not interested in owning this property. Accordingly, title will be transferred subject to the existing Tampa Bay Water easement. Obtaining a release of the TBW easement would be the responsibility of the buyer who has been fully informed of the existing encumbrance.
The appraiser applied the Sales Comparison Approach (Market Approach) to determine the value of the property. Recent sales of comparable property in Pasco and Manatee Counties were considered. The sales were adjusted for differences that included location/access, potential uses, and physical characteristics such as size and ground cover.

The following is a summary of the appraisal and offer process:

<table>
<thead>
<tr>
<th></th>
<th>Minimum Bid/Offer 7/25/2013 Appraisal</th>
<th>High Bid/Offer Submitted</th>
<th>Minimum Price 05/09/2014 Appraisal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Amount</td>
<td>$94,500.00</td>
<td>$133,000.00</td>
<td>$94,500.00</td>
</tr>
<tr>
<td>Per Acre</td>
<td>$2,500.00</td>
<td>$3,518.52</td>
<td>$2,500.00</td>
</tr>
</tbody>
</table>

The offer of $133,000 is 41 percent above the minimum bid price and the May 9, 2014 appraised value.

- The District agreed to deliver marketable title free of all encumbrances objectionable to the Buyer, subject to the easement to Tampa Bay Water.
- There is to be no adjustment for actual acreage as determined by survey.
- The Buyer will bear all expenses of the transaction with the exception of the appraisal and initial advertising costs.

The sale of this property will offer at most only a nominal savings to the District's annual land management costs. Funds derived from the sale may only be used for the purchase of other lands meeting the criteria in Section 373.139, F.S. resulting in more effectively meeting the District's core mission.

Staff recommended the Board accept the offer; approve the Contract for Sale and Purchase and authorize execution of the instruments necessary to convey the property.

Mr. Beruff stated his recommendation to be the same as for the previous parcel.

Laura Donaldson said the Board doesn't need to make a motion; they don't need to do anything. (Video 1:03:30)

Mr. Maggard clarified to staff that before we put these parcels back on the market, we want to have the easement worked out with Tampa Bay Water; the District is going to pull these two parcels off the market; go back to Tampa Bay Water to work out the issues and if they can't then, it comes back to the Board.

35. **Hydrologic Conditions**

Granville Kinsman, Manager, Hydrologic Data Section, provided information on the general state of the District's hydrologic conditions, by comparing rainfall, surface water, and groundwater levels for the current month to comparable data from the historical record.

Rainfall totals for June indicated rainfall was within the normal range in all three regions of the District. The normal range is defined as rainfall totals that fall on or between the 25th to 75th percentiles derived from the historical data for each month.

June streamflow data indicated regional streamflow decreased in the northern region of the District, while it increased in the central and southern regions, compared to the previous month. Based on flow conditions in regional index rivers, streamflow in all three regions of the
District ended the month within the normal range of historic values. Normal streamflow is defined as flow that falls on or between the 25th and 75th percentiles.

June groundwater data indicated levels in the Floridan/Intermediate aquifer increased in all three regions of the District compared to last month. Groundwater conditions ended the month within the normal range in all three regions of the District. Normal groundwater levels are defined as those falling on or between the 25th and 75th percentiles.

June lake level data indicated average lake levels increased in all regions of the District, compared to the previous month. Regional lake levels ended the month below the base of the annual normal range in the Northern, Polk Uplands and Lake Wales Ridge regions, while the Tampa Bay region ended the month within the normal range. Normal lake levels are generally considered to be levels that fall between the minimum low management level and the minimum flood level.

Although June marks the start of the official four-month rainy season (June through September), rainfall during the month consisted of widely scattered showers, resulting in generally drier-than-average conditions. Drier conditions were especially evident in the northern region of the District. Storms that developed during the month generally tended to be stationary, and often delivered intense amounts of rainfall in a short period of time in localized areas. The District-wide 12-month rainfall accumulation shows a surplus of approximately 1.71 inches above the long-term average. The 24-month cumulative rainfall deficit worsened during June, ending the month approximately 4.43 inches below the historic average.

NOAA climate forecasts for the wet season (June-September) are inconclusive, predicting equal chances for below-normal, normal or above-normal rainfall. Current NOAA models continue to suggest that the Pacific Ocean may transition from existing neutral conditions into El Niño conditions sometime during the coming summer, fall or winter months, which could create wetter-than-normal conditions in the winter and spring. 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.

Mr. Kinsman reminded the Board that the Phase II Water Shortage Order for the Tampa Bay region is expiring on July 31, 2014, and staff is not recommending extension. By expiration there are no changes to water shortage restrictions or days of the week or time. There is a change for public suppliers, they will no longer have to provide statistics. (Video – 1:05:37 – 1:11:41)

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

Submit & File Reports – None
Routine Reports
36 Structure Operations
37 Significant Activities

Chair Maggard then relinquished the gavel to Mr. Moran, who called the Regulation Committee to order.
REGULATION COMMITTEE (Video - 1:11:58)

Discussion Items
38. Consent Item(s) Moved for Discussion - None
39. Denials Referred to the Governing Board - None
Submit & File Reports – None
Routine Reports
40. Overpumpage Report
41. Individual Permits Issued by District Staff

Chair Moran then relinquished the gavel to Chair Babb.

GENERAL COUNSEL’S REPORT (Video – 1:12:38)

Discussion Items
42. Consent Item(s) Moved for Discussion - None
43. Lobbyist Registration Update and Initiation of Rulemaking to Create Rule 40D-X.XX, Florida Administrative Code (F.A.C.), to Establish Procedures and Adopt Forms for the Registration of Lobbyists that Lobby the District

During the 2014 Legislative Session, Senate Bill 846 passed requiring persons who lobby water management districts to annually register with the district as a lobbyist. That legislation became effective July 1, 2014. Therefore, pursuant to Section 112.3261, Florida Statutes, a person wanting to lobby the Southwest Florida Water Management District (District) must register with the District Clerk before lobbying the District. There is no fee for registering to lobby the District.

The District has implemented a number of communication tactics to ensure that the public and interested stakeholders are aware of the new law and able to easily access the required registration forms. The District issued a press release in advance of the new law taking effect, developed a new webpage that includes the registration forms, lobbyist database, an FAQ, and an additional guidance document. Internally, an all-user email was sent to staff and the Governing Board explaining the new law and a tip card was developed that includes the website information. Primary audiences for this card can include local government stakeholders and cooperators.

Since the legislation required water management district lobbyist registration to start July 1, the District has been utilizing the Executive Branch Lobbyist Registration Form. The proposed new rule, Rule 40D-X.XX, F.A.C., will provide definitions, procedures, and District-specific forms by which a person wanting to lobby the District can register with the District Clerk. Specifically, the forms adopted will include a lobbyist registration form, cancellation form, and principal authorization form, very similar to the Executive Branch forms, but specific to the District. Registration is required upon initially being retained to lobby and is renewable on a calendar-year basis thereafter. The statute also requires the District to approve a classification system that will be used by the principal to identify and designate its main business. All the water management districts have agreed to use the 6-digit NAICS Code, which is the classification system used by both the executive and legislative lobbying registrations. The District is currently working with the Department of Environmental Protection (DEP) and the other water management districts to ensure consistency in rule language and forms. Upon agreement, the rule language will be presented to the Governing Board for approval.

Staff Recommended the Board approve initiation of rulemaking to adopt new rule 40D-X.XX, F.A.C., to provide definitions, procedure, and forms for the registration of lobbyists.
Mr. Beruff moved, seconded by Mr. Maggard, to approve staff recommendation. After discussion, the motion passed. (Video – 1:39:01)

Submit & File Reports – None
Routine Reports
44. Litigation Report
45. Rulemaking Update

COMMITTEE/LIAISON REPORTS (Video – 1:39:54)
46. Well Drillers Advisory Committee
   A summary and minutes was provided to the Governing Board.
47. Environmental Advisory Committee
   Ms. Griffin reported that the meeting was held on July 15, 2014, and minutes were provided. Attendance was very low but mostly because of summer vacations. Elections had been slated for this month but, due to low attendance, they were delayed for this quarter.

Robert Fahey from the City of Clearwater made a presentation on their groundwater replenishment project. Since this project is cutting edge, in the past the concept has been somewhat controversial and it could in the future lead to significant funding on the District’s part, we have asked them to give us some comments as our Citizens Advisory Committee. The final report will be out in August.

Ms. Griffin thanked Ron Basso for making a presentation on the Peace River integrated model and she recommended in the future when we have a short agenda, that we invite him. He was very informative and gave a good idea of how they go about their modeling, how they validate it and calibrate it.

48. OTHER COMMITTEE/LIAISON REPORTS – None

EXECUTIVE DIRECTOR’S REPORT (Video – 1:41:45)

49. Executive Director’s Report
   a. Florida Archaeological Council Award
      Mr. Beltran mentioned that the District recently received the Stewarts of Heritage Preservation Award by the Florida Archaeological Council. This award was presented to individuals and organizations who have made significant contributions to aid archaeological preservation, further research, educate or promote public awareness of Florida’s vast archaeological finds. We have sponsored over 31 archaeological investigations, typically associated with some of our restoration projects such as Terra Cia, Rock Ponds and most recently, Chassahowitzka Springs. The Chassahowitzka Springs helped ensure that restoration projects and other activities that we are doing as part of these restoration efforts do not disturb our cultural resources of the state. As a result during the Chassahowitzka Springs restoration, more than 700 artifacts were recovered. The cultural resources have been returned to Citrus County and are now on display at the Old Courthouse Heritage Museum in Inverness. Mr Beltran thanked staff for doing such a great job and all the hard work they’ve done.

Mr. Beltran informed the Board that after last month’s meeting, and in preparation to try to help the parties agree with regard to regionalism, a meeting has been set for August with the Authority, the City and the County, which will include Mr. Beltran, our Chair, and their respective chairs and directors. He thanked the Board for the direction provided and expressed appreciation for their input.
CHAIR’S REPORT (Video – 1:44:06)
50. Chair’s Report
   a. Employee Service Milestones
      This item provided a list of employees who have reached five-year increments in service
      to the District. Chair Babb noted staff who have reached 20-year, 25-year and 35-year
      milestones, and thanked them for their service. This item was provided for the Board’s
      information, and no action was required.
   b. Other
      Chair Babb announced that the August meeting is in Tampa; September is in Tampa;
      October is in The Villages.

Mr. Maggard made a motion to adjourn the meeting, which was seconded by Mr. Senft.
The meeting was adjourned at 10:47 a.m. (Video – 1:44:51)

Attest: [Signature]
Chair

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