

APPROVED

MINUTES OF THE MEETING

GOVERNING BOARD SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

TAMPA, FLORIDA

JULY 26, 2011

The Governing Board of the Southwest Florida Water Management District (SWFWMD) met for its regular meeting at 9:00 a.m. on July 26, 2011, at the District's Tampa Service Office. The following persons were present:

Board Members Present

H. Paul Senft, Chair
Hugh Gramling, Vice Chair
Douglas B. Tharp, Secretary
Albert G. Joerger, Treasurer
Michael A. Babb, Member
Jeffrey M. Adams, Member
Carlos Beruff, Member
Bryan K. Beswick, Member
Neil Combee, Member
Todd Pressman, Member
Judith C. Whitehead, Member

Staff Members

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

Board's Administrative Support

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

Board Member(s) Absent

Jennifer E. Closshey, Member (participating via phone)

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

PUBLIC HEARING (Video A – 00:00)

1. Call to Order

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

2. Pledge of Allegiance and Invocation

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

Public Hearing

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

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

3. **Additions/Deletions to Agenda**

Mr. Bilenky noted that one item is added to today's agenda:

REGULATION COMMITTEE

The following item is added:

- Approval of Memorandum of Agreement with the Department of Agriculture and Consumer Services Regarding Binding Determination of Exemptions Under Subsection 373.406(2), Florida Statutes

Chair Senft noted for the record that the agenda was accepted as amended.

4. **Oath of Office for Newly Appointed Board Member**

Ms. Kavouras administered the Oath of Office to newly appointed Board Member Michael A. Babb who was appointed by Governor Scott to a term beginning June 23, 2011 and ending March 1, 2015. Chair Senft noted that Mr. Babb will serve as the Outreach and Planning Committee's Second Vice Chair. (Track 1 – 00:00/07:10, Video A – 07:00)

5. **Ceremony to Honor Maritza Rovira-Forino for Her Service on the Governing Board**

Chair Senft said Ms. Rovira-Forino was appointed to the Governing Board in March 2006 and served through August 2010. Mr. Gramling presented her with a plaque and a resolution honoring her service and leadership. He noted that she was recently named the Hispanic Woman of the Year for Tampa Bay. Ms. Rovira-Forino said it has been an honor to serve on this Board and to serve as an advocate for the citizens of Florida. (Track 1 – 07:10/14:45)

6. **Ceremony to Honor Ronald E. Oakley for His Service on the Governing Board**

Chair Senft said Mr. Oakley was appointed to the Governing Board in June 2007 and served through June 2011. Mr. Tharp presented him with a plaque and a resolution honoring his service. Mr. Oakley expressed his gratitude and thanks to Board members and staff for this honor. He charged Board members to meet the District's employees and visit the region's lands to truly appreciate what this District does for its citizens. Chair Senft expressed his appreciation for Mr. Oakley's leadership and friendship. (Track 1 – 14:45/30:12)

7. **Ceremony to Honor David L. Moore for His Service as the District's Executive Director**

Chair Senft said Mr. Moore was appointed as Executive Director in March 2003 and he continued in that position until June 2011. He was presented with a resolution honoring his service. Mr. Moore expressed his thanks to Board members and staff for this honor. He said staff has a passion for their work and have made many accomplishments for the District. (Track 1 – 30:12/34:50)

8. **Ceremony to Honor Basin Board Members for Their Service**

Mr. Gramling honored Ms. Cheryl Johnson and Mr. Steve Bissonnette for their service on the Alafia River Basin Board.

Mr. Gramling honored Mr. George Burt for his service on the Hillsborough River Basin Board.

Mr. Pressman honored Messrs. Terry England and Housh Ghovae for their service on the Pinellas-Anclote River Basin Board.

Mr. Combee expressed his appreciation to Mr. Moore, Mr. Oakley and Ms. Rovira-Forino. He then honored Ms. Pat Crisman and Mr. Fred Trippensee for their service on the Peace River Basin Board.

Mr. Tharp honored Dr. Burt Eno and Mr. Al Grubman for their service on the Withlacoochee River Basin Board. Dr. Eno expressed his appreciation of the District's staff, and concerns for the future water resources of the state and his region, especially the Rainbow River. He said he is also concerned about the elimination of the Basin Boards resulting in no local representation. Mr. Grubman thanked Messrs. Oakley and Moore for their support. (Track 1 – 00:34:50/01:02:55)

9. **Employee Recognition** (Video A – 01:03:10)

Mr. Bilenky recognized staff members who have achieved milestones of 20 years or greater for the period of June 1, 2011 to July 31, 2011. (Track 1 – 01:02:55/01:24:53)

| MILESTONE | EMPLOYEE | TITLE | DEPARTMENT | LOCATION |
|-----------------|-------------------|------------------------------|-----------------------------|----------|
| 30 Years | Paul Hites | Sr Heavy Equipment Operator | Operations | Tampa |
| 25 Years | Daryl Flatt | Senior Professional Engineer | Sarasota Regulation | Sarasota |
| 20 Years | Hank Higginbotham | Senior Professional Engineer | Tampa Regulation | Tampa |
| | Jack Moore | Senior Professional Engineer | Tampa Regulation | Tampa |
| | Robert Parker | Field Technician | Resource Data & Restoration | Sarasota |
| | Jesse Watson | Senior Field Technician | Bartow Regulation | Bartow |

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

Following each presentation, Governing Board members and honorees posed for photographs.

10. **Public Input for Issues Not Listed on the Published Agenda** (Video A – 01:24:30)

Chair Senft noted that there were several requests to speak.

Mr. Alan Jones will be offered the opportunity to speak if there is any discussion on Consent Agenda Item 13.

Ms. Eileen Hart, resident of Odessa, said she has concerns regarding the elimination of the Basin Boards and asked the Board questions to address her concerns. At Chair Senft's direction, Mr. Bilenky said staff is working on a process to begin in next year's budget preparation for alternatives to allow local participation, such as committees or groups of Governing Board members from local areas to act in the capacities as the Basin Boards did. Chair Senft noted that Board members value the input received from citizens.

Ms. Linda Martin, wife of former Basin Board Member Charles Martin and a resident of the Keystone-Odessa area, said lake levels and ponds are close to returning to their former levels. She reiterated the concerns expressed by Ms. Hart, and noted that her husband felt his main responsibility and duty was to bring back information to the local citizens so they could provide input. Mr. Pressman said one of the great successes has been the reduction of pumping and great advances at protecting the public.

Ms. Gail Parsons, former Basin Board member and resident of Odessa, said it is with great consternation that the Governing Board thought in their wisdom to do away with the Basin Boards. She said the Basin Boards were the local citizens' advocate which is now missing. She asked for the Governing Board to consider a reconstitution into perhaps three Basin Boards because committees do not provide the same advocacy. She requested personal notice when such matters are considered. Chair Senft said Ms. Kavouras will create a list to ensure notice is sent.

Dr. Burt Eno, former Withlacoochee River Basin Board, said he already had his say earlier.

Ms. Janet Dougherty was no longer in attendance due to time constraints. (Track 2 – 00:00/12:49)

CONSENT AGENDA (Video A – 01:37:20)

Resource Management Committee

11. **Conveyance of Land to Polk County – Old Florida Plantation, SWF Parcel No. 20-502-111S**

Staff recommended that, subject to concurrence by the Department of Environmental Protection, to (1) concur that SWF Parcel No. 20-502-111S is not necessary for District projects; (2) accept the appraisal; (3) execute a Right-of-Way Agreement with Polk County; and (4) execute instruments necessary for the conveyance of right-of-way.

12. **Appraisal and Purchase/Sale Agreement – Regional Observation and Monitor Well Program (ROMP), SWF Parcel No 20-020-120**

Staff recommended that, subject to concurrence by the Department of Environmental Protection, to (1) accept the appraisal; and (2) approve the Purchase/Sale Agreement.

13. **Facilitating Agricultural Resource Management Systems – Jones Potato Farm, Inc., Phase 1 – Manatee County**

Staff recommended to (1) approve the Jones Potato Farm, Inc. Phase 1 project for a not-to-exceed project reimbursement of \$700,000 with \$350,000 provided by the Manasota Basin Board and \$350,000 provided by the Governing Board; (2) authorize the transfer of \$350,000 from fund 021 H017 Manasota Basin Board FARMS funds and \$350,000 from fund 010 H017 Governing Board FARMS funds to 010 H640, Jones Potato Farm project fund; and (3) authorize the Executive Director to execute the agreement.

Finance & Administration Committee

14. **Budget Transfer Report**

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

15. **Board Encumbrances**

Staff recommended to approve the encumbrance amounts indicated for the following projects:

(a) **Lower Hillsborough River Recovery Strategy - Morris Bridge Sink Diversion Project (H402)** – The amount remaining unencumbered and requested to be encumbered without a contract for construction is \$386,740 in General Fund (Fund 10) and \$1,813,260 Hillsborough River Basin.

(b) **Flatford Swamp Hydrologic Restoration (H089)** – The FY2011 amount remaining for encumbrance without a contract is \$2,741,000, from the Fund 10.

(c) **Three Sisters Springs Wetland Treatment Project (W471)** – The FY2011 amount remaining in the Coastal Rivers Basin unencumbered is \$245,619.

(d) **Facilitating Agricultural Resource Management Systems (FARMS) (H017)** – The following FY2011 FARMS monies remain in Fund 10 and the basins and are requested to be encumbered for projects in FY2012 and not yet allocated to specific projects: Fund 10 - \$504,545, Hillsborough - \$709,430, Peace - \$357,945 and Manasota - \$47,567.

16. **Information Resources Department – Key Government Finance Capital Lease**

Staff recommended to authorize a transfer of \$195,163 from the existing Information Resources Department hardware and software maintenance accounts to the capital lease accounts with the intent to prepay the Key Government Finance capital lease for the acquisition of network core infrastructure equipment.

General Counsel's Report

17. **Initiation of Litigation – ERP No. 49009200.011 - Dollar Golf, Inc. and the Trails at Rivard Homeowners' Association, Inc. (The Trails at Rivard Phase VI) – Hernando County**

Staff recommended to authorize the initiation of litigation against the Trails at Rivard Homeowners' Association, Inc. and Dollar Golf, Inc. and any other appropriate parties to

obtain compliance, to recover an administrative fine/civil penalty for the violations, and to recover District enforcement costs, court costs and attorney's fees.

Executive Director's Report

18. **Approve Governing Board Minutes**

a. **June 17, 2011 Special Meeting**

b. **June 28, 2011 Monthly Meeting**

Staff recommended to approve the minutes.

Mr. Gramling moved, seconded by Mr. Tharp, to approve the Consent Agenda as presented. Motion carried unanimously. Chair Senft noted that Mr. Jones did not need an opportunity to speak since Item 13 was approved. (Track 3 – 00:00/00:35)

Chair Senft relinquished the gavel to Regulation Committee Chair Beswick who called the Committee meeting to order.

REGULATION COMMITTEE (Video A – 01:37:55)

Discussion Items

19. **Hydrologic Conditions Status Report**

Mr. Granville Kinsman said, although June marks the start of the official four-month rainy season, rainfall during the month mainly consisted of widely scattered showers, resulting in generally drier-than-average conditions. Storms that developed during the month were generally stationary, of short duration and delivered modest amounts of rainfall to localized areas. The provisional District-wide 12-month rainfall accumulation shows a deficit of approximately 7.64 inches below the long-term average. The 24-month and 36-month cumulative rainfall deficits worsened during June, ending the month approximately 6.60 and 11.77 inches, respectively, below the historic average. Climate forecasts continue to indicate above-normal rainfall for the rainy season, based on a predicted above-average Hurricane Season and conditions in the Pacific Ocean that have transitioned from La Nina to ENSO-neutral conditions. (Track 3 – 00:35/10:22)

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

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

Ms. Lois Sorensen, Demand Management Program Manager, Tampa Regulation, said the current Water Shortage Order is scheduled to expire July 31, 2011. She provided a summary of the continuing resource and supply monitoring for the Board's consideration. She presented three options: (1) let the current Order expire; (2) extend the current Order to October 31, 2011, and revisit the Board's decision each month; or (3) enter into a new Order.

Staff recommended to extend the current Water Shortage Order through October 31, 2011, and to revisit the Board's decision each month. Following consideration, **Mr. Gramling moved, seconded by Mr. Pressman, to approve the staff recommendation. Motion carried unanimously.** (Track 4 – 00:00/08:33)

At this time, the item added to the Regulation Committee Discussion Items was considered.

Approval of Memorandum of Agreement with the Department of Agriculture and Consumer Services Regarding Binding Determination of Exemptions under Subsection 373.406(2), Florida Statutes

Ms. Marti Moore, Senior Attorney, Office of General Counsel, said the District currently has a Memorandum of Agreement (MOA) with Department of Agriculture and Consumer Services (DACCS) for a nonbinding determination concerning whether an activity qualifies for the agricultural exemption set forth in Subsection 373.406(2), Florida Statutes (F.S.). Since

passage of the new legislation, staffs from DACS and the water management districts have met to discuss and draft a revised MOA that meets the new statutory requirements for binding determinations. A new MOA has been drafted, and staff anticipates receiving a final MOA, to be executed by the Commissioner of Agriculture and circulated in counterparts for execution by each water management district executive director. A copy of the final draft MOA was provided to the Board members prior to the meeting.

Staff recommended to approve the MOA with DACS regarding Binding Determination of Exemptions under Subsection 373.406(2), F.S.; to authorize the Interim Executive Director to execute the MOA; and to approve rulemaking to amend Rule 40D-4.0195 to incorporate the MOA by reference should it become necessary to do so. Following consideration, **Mr. Gramling moved, seconded by Mr. Beruff, to approve the staff recommendation as presented. Motion carried unanimously.** (Track 4 – 08:33/08:52, Track 5 – 00:00/03:17)

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

Submit & File Reports – None

Routine Reports

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

22. **Public Supply Production Report**

- Mr. Owen asked for Board direction regarding the monthly report. Mr. Gramling requested the entire report be available on the District's website. Following consideration, **Mr. Tharp moved, seconded by Mr. Gramling, to consolidate the Districtwide Public Utilities Report with the previous and current years, to report quarterly to the Board, and to provide the entire report on the District's web site. Motion carried unanimously.** (Track 6 – 00:00/04:30)

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

24. **Overpumpage Report**

25. **E-Permitting Metrics: Online vs. Paper Applications**

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

27. **Resource Regulation Significant Initiatives**

Chair Senft noted that Ms. Closshey asked to be contacted so she can participate via teleconference for Items 36 and 47. There were no objections to altering the order of consideration.

Board members expressed their appreciation to Mr. Bilenky for the manner in which he handled the circumstances regarding the July 3 water damage to Brooksville Building 4.

Resource Regulation Committee Chair Beswick adjourned the Committee meeting and relinquished the gavel to Resource Management Committee Chair Gramling who called the Committee meeting to order. (Track 6 – 04:30/08:06)

RESOURCE MANAGEMENT COMMITTEE (Video A – 02:08:00)

Discussion Items

36. **Basin Activity – Plant City - Sydney Road Reclaimed Water Project (L816)**

Mr. Mark A. Hammond, Director, Resource Projects Department, said Plant City is requesting an amendment to the existing agreement to upsize the Sydney Road reclaimed water line and extend both internal and completion timelines. The City is also requesting expansion of the project scope to include a reclaimed water line along Park Road on the east side of the City. The funding agreement amount will need to be increased for the upsize and expansion; however, no additional funds are requested at this time. The Alafia River Basin budgeted a total of \$1,382,285 through fiscal year 2011. An additional

\$603,630 was approved in Water Protection Sustainability Trust Funds and the Department of Environmental Protection provided \$200,000 to the City.

(Ms. Closshey connected via teleconference.)

The funding agreement amount will need to be increased by \$1,005,000 (\$130,000 to upsize line and \$875,000 to add new line) from \$1,985,915 to \$2,990,915 for the project expansion, and will be contingent upon the Governing Board's approval to transfer up to \$130,000, if needed following receipt of bid, from Hillsborough River Basin's existing Water Supply and Resource Development reserves and budgeting \$875,000 for the project in fiscal year 2013, subject to approval of the annual budget approval process. Combining both lines into one project, the Sydney Road and Park Road, would provide an offset of 0.4 mgd with an estimated cost benefit of \$3.57 per thousand gallons saved.

Mr. Greg Horwedel, City of Plant City Manager, provided information regarding this project and its funding. He noted his appreciation of the diligent work being done by District staff.

Staff recommended to (1) approve amending the existing agreement to (a) adjust timeline and requirements for obtaining 50 percent of the proposed project offsets; (b) upsize the Sydney Road pipeline to 24-inch diameter; (c) include the 18-inch reclaimed water line along Park Road; (d) extend the contract termination date to December 31, 2014; and (e) increase District's contribution by up to \$1,005,000 from \$1,985,915 to \$2,990,915; and (2) authorize staff to negotiate the amendment with Plant City and authorize the Interim Executive Director to execute the amendment.

Following consideration, **Mr. Beruff moved, seconded by Ms. Whitehead, to approve the staff recommendation with no additional extensions allowed. Motion carried unanimously with Ms. Closshey casting her affirmative vote over the phone.**

Resource Management Committee Chair Gramling recessed the Committee meeting and relinquished the gavel to Finance and Administration Committee Chair Joerger who called the Committee meeting to order. (Track 7 – 00:00/26:34)

FINANCE AND ADMINISTRATION COMMITTEE (Video A – 02:35:35)

Discussion Items

47. Executive Director Recruitment

Chair Senft noted that Board members had provided their short list of candidates to Ms. Kuligofski.

Ms. Elaine M. Kuligofski, Director, Human Resources & Risk Management Department, provided a status report on the recruitment process. At the June meeting, the Board requested for North Highland Consulting Company (NHCC) to provide competency models, skill sets and behavioral sets that the Board may want to focus on for the Executive Director position.

Ms. Jan Sullivan, representing NHCC, reviewed the competency models, position responsibilities, proficiency levels and possible questions for the Executive Director. She provided Board members with a copy of her presentation. (Track 8 – 00:00/31:00)

Chair Senft said the Board will determine the short list of candidates to be interviewed from the 19 candidates chosen from the 51 applicants. Discussion ensued. Chair Senft provided the Board with copies of SFWMD's new organization chart. Mr. Rathke briefly reviewed the timetable for senate confirmation of the selected Executive Director.

The Board consensus was to short list the top seven candidates and to send each a list of questions via email today for written responses by noon on July 29.

Following discussion, **Mr. Adams moved that the interviews occur on August 2, 2011 and then narrowing the candidate list for final interviews on August 29, 2011, followed by the final decision for the Executive Director. Ms. Closshey seconded the motion via teleconference.** (Track 8 – 00:31:00/01:02:30)

Discussion ensued; the August 29 meeting start time will be determined by the number of candidates to be interviewed. At the Board's request, Ms. Kuligofski reiterated the recruitment process schedule. **Motion carried with Committee Chair Joerger abstaining.** (Track 8 – 01:02:30/01:09:20)

Ms. Closshey ended her participation via phone. Committee Chair Joerger recessed the meeting to provide a lunch break and reconvened the meeting at 1:30 p.m. (Track 8 – 01:09:20/01:12:13, Video A – 03:46:42/Video B – 00:00)

Discussion continued regarding Item 47, Executive Director Recruitment. Ms. Kuligofski requested the Board finalize a pre-interview questionnaire to be administered to the short-listed candidates and a list of in-person interview questions.

Following consideration, **Mr. Gramling moved, seconded by Ms. Whitehead, to approve the list of pre-interview questions. Motion carried with Committee Chair Joerger abstaining.** (Track 9 – 00:00/01:55)

Following discussion, **Mr. Tharp moved, seconded by Mr. Beruff, to approve the list of five questions for the in-person interview scheduled for August 2. Motion carried with Committee Chair Joerger abstaining.** (Track 9 – 01:55/09:40)

Finance and Administration Committee Chair Joerger recessed the Committee meeting and relinquished the gavel to Outreach and Planning Committee Chair Adams who called the Committee meeting to order. Chair Senft noted that the order of consideration returned to the published agenda. (Track 9 – 09:40/10:00)

OUTREACH AND PLANNING COMMITTEE (Video B – 10:40)

Discussion Item

28. 2010 Regional Water Supply Plan Approval

Mr. Roy Mazur, Director, Planning Department, said the Regional Water Supply Plan (RWSP) is required by statute every five years for areas where 20-year demand is anticipated to overcome available supplies. The RWSP is a "catalogue" of demand projections, potential sources, potential projects to develop sources and potential funding sources for the projects. The District's northern six counties are included for the first time not because demand is anticipated to exceed supply but to prevent that occurrence from happening. The RWSP lists conservation and reclaimed water projects which will assist in extending the groundwater supply in the Northern Planning Region and throughout the District.

Mr. Mazur presented staff's evaluation of the growth management changes, the population projection differences and the analysis which lead to staff's recommendation. Staff has determined the impact of growth management legislation to be minimal and the population projections, while different in some areas, are not significantly different enough to alter the overall conclusion that there is enough water supplies until at least 2030. The overall conclusion of the RWSP is while the northern Tampa Bay and southern portion of the

District remain in a water use caution area, water supply should meet demand for all categories of use until at least 2030.

Mr. Mazur said the Board has two options: (1) approve the Plan for staff to notify local governments and initiate a Community Planning Sheet program; or (2) direct staff to update the Plan through review/redo of all numbers and “re-shop” the Plan to stakeholders.

Staff recommended to approve the 2010 Regional Water Supply Plan. Following consideration, **Mr. Joerger moved, seconded by Mr. Combee, to approve the staff recommendation. Motion carried unanimously.** The Board expressed its appreciation for an outstanding report. (Track 10 – 00:00/19:20)

Submit & File Report

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

29. **FY2011 Public Service Advertising Campaign Review**

Routine Reports

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

30. **Comprehensive Plan Amendment and Related Reviews**
31. **Development of Regional Impact Reviews**
32. **Speakers Bureau**
33. **Significant Activities**

Outreach and Planning Committee Chair Adams adjourned the Committee meeting and relinquished the gavel to Resource Management Committee Chair Gramling who called the Committee meeting to order. (Track 11 – 00:00/00:36)

RESOURCE MANAGEMENT COMMITTEE (Video B – 30:40)

Discussion Items

34. **Consent Item(s) Moved for Discussion** – None
35. **Request to Waive the Cooperative Funding Agreement Condition Regarding Property Rights for the Peace River Manasota Regional Water Supply Authority Regional Integrated Loop System Phase 1A and Phase 2 Interconnect Projects (H069, H051)**

Mr. Brian Armstrong Water Supply & Resource Development Manager, Resource Projects Department, said the projects are currently under construction, and a total of \$1,048,539 in eligible District funding is currently on hold until a few remaining parcels are acquired. The Regional Integrated Loop System is a series of pipelines to regionally transfer and deliver water from existing and future alternative supplies to demand centers in the Peace River Manasota Regional Water Supply Authority’s (PRMRWSA’s) four-county region.

On June 15, 2011, the Authority submitted a letter to the Executive Director requesting to waive the condition that all property rights must be obtained prior to any reimbursement for the two projects. The letter states that the Authority would not request funds for construction of pipeline segments where property acquisitions are not yet finalized. The Authority has stated that project construction was expedited to maintain contractual timelines and to meet scheduled future deliveries of water supply. The Authority is authorized to exercise eminent domain power if necessary to acquire the remaining properties to complete the projects, but has chosen to exercise good stewardship to the community by patiently negotiating the sale transfer of the parcels. Waiving the funding agreement condition that all property rights must be obtained before any payment is made will not change the cost of the projects. This action will allow the District to release a total

of \$1,048,539 in funds encumbered in prior years for two critical infrastructure projects that are currently under construction. The payments will assist with the Authority's ongoing expenses.

Staff recommended to approve the request by the Authority to waive the condition in the cooperative funding agreements for the PRMRWSA Regional Integrated Loop System Phase 1A Interconnect Project (H069) and the PRMRWSA Regional Integrated Loop System Phase 2 Interconnect Project (H051) stating that all property rights must be obtained prior to reimbursement for any cost under the agreement. Following consideration, **Mr. Beruff moved, seconded by Mr. Combee, to approve the staff recommendation. Motion carried unanimously.** (Track 12 – 00:00/05:20)

36. **Basin Activity – Plant City - Sydney Road Reclaimed Water Project (L816)**

This item 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.

37. **Florida Forever Funding**
38. **Minimum Flows and Levels**
39. **Structure Operations**
40. **Watershed Management Program and Federal Emergency Management Agency Map Modernization**
41. **Significant Water Supply and Resource Development Projects** (Video B – 37:00)
 - In response to Mr. Gramling's question, Mr. Eric Sutton, Director, Land Resources Department, provided an update on the hunting issue and the public meeting scheduled for July 29 at 3:30 p.m. in Plant City.

Resource Management Committee Chair Gramling adjourned the Committee meeting and relinquished the gavel to Finance and Administration Committee Chair Joerger who reconvened the Committee meeting. (Track 12 – 05:20/10:05)

FINANCE AND ADMINISTRATION COMMITTEE (Video B – 40:48)

Discussion Items

42. **Consent Item(s) Moved for Discussion** – None
43. **Request to Withdraw Bid Without Penalty – Lucas Marine Construction, LLC – Request for Bid 11-02, Lake Hancock Lake Level Modification P-11 Structure Project**
Ms. Mary Beth McNeil, Senior Attorney, Office of General Counsel, said the purpose of this item is for the Board's consideration of a request by Lucas Marine Construction, LLC to allow Lucas Marine to withdraw its bid without penalty, in connection with Request for Bid (RFB) 1102, Lake Hancock Lake Level Modification P-11 Structure Project. She provided a brief overview of this matter.

On June 2, 2011, the District opened bids received in response to RFB 1102, Lake Hancock Lake Level Modification P-11 Structure Project. The project involves demolishing the existing P-11 outfall structure and constructing a new outfall structure comprised of two large motorized lift gates for flood control and two smaller motorized drop gates for meeting minimum flows and levels. Lucas Marine submitted the lowest bid of \$4,629,500 which represented a bid of \$4,129,500 with a \$500,000 contingency allocation. As required by the RFB, Lucas Marine provided the District a bid bond in the amount of \$231,475 which represented five percent of the amount Lucas Marine bid. Under the terms of the bid bond, if Lucas Marine withdraws its bid within 90 days after the

bid opening date or fails to enter into a written contract with the District within ten days from the date of the Notice of Intended Decision, the bid bond amount is payable to the District.

On June 21, 2011, the District posted its Notice of Intent to Award naming Lucas Marine as the vendor awarded the bid. The Notice of Intent to Award was subject to legal challenge for a period of 72 hours from posting. The District received no legal challenges and the award became final. On June 30, 2011, Lucas Marine notified the District that Lucas Marine was withdrawing its bid because they were concerned that they had "underestimated the earthwork portion of the project." On July 8, 2011, the District received a request by Lucas Marine to allow it to withdraw its bid without penalty.

Ms. McNeil said the options available to the District in response to Lucas Marine's request to withdraw its bid without penalty are as follows:

- (1) Allow Lucas Marine to withdraw its bid without penalty including the return of its bid bond.
- (2) Deny Lucas Marine's request to withdraw its bid without penalty and proceed to demand payment of the bid bond from the surety if Lucas Marine does not pay the District directly.
- (3) Allow Lucas Marine to withdraw its bid with a partial forfeiture of the bid bond in an amount to be determined by the Governing Board.

Ms. McNeil said it is District legal staff's opinion that Lucas Marine is not legally entitled to withdraw its bid without the forfeiture of its bid bond.

Staff recommended to deny Lucas Marine's request to withdraw its bid without penalty as set forth as option (2) above. Following consideration, **Mr. Beruff moved, seconded by Mr. Adams, to approve the staff recommendation.** (Track 13 – 00:00/09:05)

Ms. Lyzza Heffernan, representing Lucas Marine Construction, provided information regarding the company and stated its position.

Discussion ensued. **Motion carried with Chair Joerger abstaining and Mr. Combee voting in opposition.** (Track 13 – 09:05/23:20, Video B – 01:04:00)

44. **Budget Transfer – Lake Hancock Outfall Structure P-11 Replacement**

Mr. Mark A. Hammond, Director, Resource Projects Department, said the Lake Hancock Outfall Structure P-11 replacement is needed to implement the Lake Hancock Lake Level Modification Project to raise the lake level to help meet the minimum flows for the upper Peace River. The next lowest bid is CenState Contractors with a bid of \$5,281,000 plus a \$500,000 contingency allocation, which exceeds the \$5 million budgeted for the Outfall Structure P-11 Replacement. The contingency allocation would be reduced so that the contract with the next lowest bidder would not exceed \$5.5 million.

Staff recommended the Board transfer \$500,000 from the Lake Hancock Lake Level Modification Project (H008) funds to the Outfall Structure P-11 Replacement (H009) to provide a budget of \$5.5 million.

Discussion ensued. Mr. Malcolm Wilson, Manager, Purchasing Section, said staff will contact Lucas Marine within five working days to ask what course of action the company will be taking.

Mr. Gramling moved, seconded by Ms. Whitehead, to approve the staff recommendation. Motion carried with Chair Joerger abstaining. (Track 13 – 23:20/30:41)

45. **Liquidation of Encumbrances and Transfer to Reserves** (Video B – 1:11:27)

Mr. Fritsch discussed certain projects previously presented to the Governing Board as “delayed – cause for concern” or “project implementation reserve.” Since the June Governing Board presentation, staff has concluded that two of the concerned projects and the one project in the project implementation reserve should be discontinued and the budgeted dollars should be placed in an appropriate basin or district reserve account. The three projects are:

- H403 Restoration – Tampa Bay-McKay Bay Segment Brackish Environment Restoration Using Reclaimed Water (Hillsborough River \$2,850,000 and General Fund \$500,000)
- W205 Restoration – Water Quality – Old Tampa Bay Restoration (Hillsborough River Basin \$4,500,000 and Pinellas-Anclote River Basin \$4,500,000)
- W202 Restoration – Water Quality – Old Tampa Bay Lake Tarpon Redirect Flow (Hillsborough River \$250,000 and Pinellas-Anclote River \$250,000)

Staff recommended to approve the liquidation of the encumbrances for the projects listed above and authorize staff to restrict or commit the available dollars to the appropriate reserve accounts based on the source of funding pending future Board action. Following discussion, **Mr. Beruff moved, seconded by Mr. Adams, to approve the staff recommendation.** (Track 14 – 00:00/18:55)

Discussion ensued. **Motion carried with Chair Joerger abstaining.**

Chair Joerger said the message to the other 18 projects is that the Board wants to know whether the project is moving forward or, if not, then participation by the District will end. (Track 14 – 18:55/24:11)

46. **Fiscal Year 2012 Budget Update** (Video B – 01:36:00)

Mr. Fritsch provided an overview of items to be considered including Board member requests and various projects in follow-up to the June Governing Board meeting. Cooperators were invited to address the Governing Board regarding any FY2012 Cooperative Funding requests, particularly those requests that are not currently included in the budget for funding.

Mr. Fritsch noted that the objective is to achieve consensus by the Board on several issues related to the budget in preparation for the first budget hearing. The District's FY2012 budget will be adopted in September following two public Truth in Millage budget hearings. The first hearing is scheduled for 5:01 p.m. at the Tampa Service Office on September 13, 2011. 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 the Tampa Service Office on September 27, 2011, following the monthly Governing Board meeting. (Track 15 – 00:00/04:50)

a. **Medium-Ranked Basin Projects – Alafia River and Peace River Basins**

Mr. Fritsch noted that, in June, the Governing Board agreed to fund through only the high-ranked projects for those Basins not having adequate existing Basin funds. The result was that the medium-ranked Basin projects in the Alafia River and Peace River Basin projects were not approved at the June 28, 2011 meeting; and those projects removed from the proposed FY2012 budget are:

Alafia River Basin

- Stormwater Improvement/Flood Protection – Mulberry Watershed (N299) – \$56,250
- Conservation – Home Depot Rainwater Harvesting and Commercial Reuse (N397) – \$39,000

Peace River Basin

- Planning – Charlotte County Reclaimed Water Master Plan (N347) – \$100,000
- Study – Fort Meade Stormwater Utility Study (N362) – \$37,500
- Conservation – Home Depot Rainwater Harvesting and Commercial Reuse (N397) – \$91,000

Committee Chair Joerger noted that there are several speaker cards for this item. Mr. Combee said this is an example of how this process will work post-Basin Boards.

Mr. Jeff Spence, Polk County Parks and Natural Resources Director, spoke in support of the Mulberry Watershed project.

Mr. Frank Comparetto, representing the City of Mulberry, provided information regarding the Mulberry Watershed project. Mr. Alan Rayl of Rayl Engineering provided details of the project.

Discussion ensued. Committee Chair Joerger noted there is another speaker card. (Track 15 – 04:50/29:54)

Mr. Marcello Ranelli, representing the City of North Port, said he submitted a speaker card to address Water Structure 101 next to the North Port Water Plant project, but it is not listed for consideration so he may be here in error. (Track 15 – 29:54/30:35)

Mr. Wirth noted that last month the Board decided not to fund these medium-ranked projects. He said this is the process to allow local cooperators to address the Board to continue funding their projects.

Following discussion, **Mr. Combee moved, seconded Ms. Whitehead, to approve funding the following medium-ranked project: Stormwater Improvement/Flood Protection – Mulberry Watershed (N299) – \$56,250.** (Track 15 – 30:35/33:30)

Discussion ensued regarding process for considering projects in the future.

Motion carried with Messrs. Adams, Joerger and Tharp voting against and Chair Joerger abstaining. (Track 15 – 33:30/42:23)

Mr. Senft moved, seconded by Mr. Combee, to approve funding the following medium-ranked project: Study – Fort Meade Stormwater Utility Study (N362) – \$37,500. Mr. Bilenky said the motion failed due to the lack of a majority vote. (Track 15 – 42:23/44:49)

b. **Capital Improvement Projects** (Video B – 02:20:00)

Mr. Fritsch said the Board members had requested additional review of the following proposed FY2012 capital improvement projects:

- (1) Districtwide Parking Lot Repair and Resurfacing (C164) – No paving projects are planned for FY2012. Paving of overflow parking lot at Sarasota Service Office is planned for FY2013.
- (2) Districtwide Carpet Replacement (C143) – Replacement of carpet in Brooksville Building #2 planned for FY2012.
- (3) Districtwide Security Upgrade Project (C185) – Installation of security cameras for equipment parking lots at Sarasota Service Office planned for FY2012.
- (4) Flying Eagle Youth Center (SB06) – Renovations of existing facilities in support of an environmental education/recreation youth center currently operating on District-owned Flying Eagle Preserve.

Mr. Fritsch said the first item regarding parking lot repair and resurfacing is removed from the budget since no funds were included. He said the third item regarding a security upgrade is recommended for removal from the budget since it has been determined to no longer be needed.

Mr. Pressman moved, seconded by Mr. Tharp, to remove (3) Districtwide Security Upgrade Project (C185) from the budget. Motion carried with Chair Joerger abstaining. (Track 16 – 00:00/01:36)

Mr. Fritsch said that the second item regarding carpet replacement raised concerns about pricing. Committee Chair Joerger noted that there is a state contract for carpet so that the District can benefit from the state's purchasing power. Mr. Beruff relayed his experience with using a state contract versus bidding it out. He said it was more efficient to bid out the project.

Following discussion, **Mr. Beruff moved, seconded by Mr. Gramling, to bid out the Districtwide Carpet Replacement (C143), accept the funding amount for the budget, and utilize the state contract unless the bid amount is lower. Motion carried with Chair Joerger abstaining.** (Track 16 – 01:36/07:35)

Mr. Beruff suggested the Board hold a discussion on how the budget gives providers a target price which may inflate project costs. Chair Senft said he has requested a list of items be developed for future Board workshops and this topic should be included. (Track 16 – 07:35/12:40, Video B – 02:33:13)

Mr. Fritsch said the last project on the list is the Flying Eagle Youth Center which is budgeted for this year. Mr. Eric Sutton, Director, Land Resources Department, provided a brief overview of the project.

Discussion ensued. Mr. Beruff expressed his two concerns: how does this project tie into the core mission and, if for education, why not budgeted through education and outreach.

Chair Senft moved for the record that this project be considered core mission. Mr. Tharp seconded the motion.

Discussion ensued regarding definition of core mission. Mr. Bilenky noted that core mission is not defined in statutes. He said, as long as the District is within statutory authority and carrying out duties consistent with supervisory authority (Governor's Office and Department of Environmental Protection (DEP)), those activities are core mission. Mr. Bilenky said the Board sets the policy on what it considers priorities to fund, and those priorities become core mission with direction from supervisory authority. (Track 16 – 12:40/46:27)

Discussion ensued regarding the project and public access to the property. **Chair Senft withdrew his motion and Mr. Tharp withdrew his second.** Committee Chair Joerger recognized the two speakers for this item. (Track 16 – 46:27/51:55)

Mr. Al Grubman, former Withlacoochee River Basin Board member and resident of Citrus County, said the Board has the responsibility to be stewards for Florida land under the District's authority and spoke in support of funding this project using the taxes paid by the citizens of the Basin.

Dr. Burt Eno, former Withlacoochee River Basin Board member and resident of Marion County, said he supports this project and the mission of education and environmental protection.

Committee Chair Joerger said that this matter may be resolved during approval of the District's proposed millage. (Track 16 – 51:55/56:15, Video B – 03:17:00)

c. **Governing Board, Basin Works, Initiatives and Cooperative Funding**

Mr. Fritsch noted that Board members have requested additional review of various programs. Mr. Hammond reviewed the Pasco County Light Detection and Ranging (LiDAR) project to address the questions raised by Board members as follows: can environmental resource permits provide topographical information, is that cost effective and how often does data require updating. Mr. Beruff said his point is that once LiDAR is complete, then information just needs to be updated as a permit is renewed.

Mr. Wirth addressed the Minimum Flows and Levels (MFL) information request. He reviewed the program components requiring completion over the next four years when the program ends. (Track 16 – 56:15/56:57, Track 17 – 00:00/13:05)

In response to Mr. Beruff's question about the Flying Eagle Youth Center, Committee Chair Joerger said no motion was made so the item continues in the budget. He noted that any management plan for the Center will need Board approval and the Governor has line-item veto authority. (Track 17 – 13:05/14:13, Video 03:30:33)

d. **Adoption of Proposed District Millage Rate** (Video – 30:31:35)

Mr. Fritsch reviewed the updated budget charts. The FY2012 budget has been prepared based on a total maximum levy of \$107,766,957 pursuant to Section 373.503(4)(b), Florida Statutes, which was amended by the Florida Legislature during the 2011 session through Senate Bill 2142 and established the maximum levy for FY2012 at \$107,766,957. The actual amount budgeted is \$103,449,973, which represents 96 percent of the maximum levy based on the historical collection rate. The proposed millage rate in order to generate this ad valorem revenue is 0.3928 mill. This is based on the July 1 Certifications of Taxable Value received from the 16-county Property Appraisers.

Staff recommended to approve Resolution No. 11-09, Adoption of Proposed District Millage Rate for Fiscal Year 2012. Following consideration, **Mr. Tharp moved, seconded by Mr. Gramling, to approve the staff recommendation to adopt a proposed millage of .3928 mill. Motion carried with Chair Joerger abstaining.** (Track 18 – 00:00/02:45, Video B – 03:34:30)

In response to Mr. Beruff's question, Mr. Fritsch said the Bartow Service Office renovation is in the budget and already fully funded. He noted that next month the Bartow office and Brooksville Building 5 roof will be presented for final consideration by the Board. Discussion ensued regarding changes to the retirement system, salaries and benefits, deferred compensation and leave payout. Mr. Combee requested information about annual leave payouts to senior staff. Mr. Fritsch continued by providing a brief overview of the discussions with the Governor's Office including in-school education and staffing levels. (Track 18 – 02:45/23:00)

Committee Chair Joerger expressed his appreciation to staff for meeting these objectives.

47. **Executive Director Recruitment**

This item was heard earlier in the meeting.

Submit & File Reports

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

48. **Fiscal Year 2011 Third Quarter Financial Report**

49. **Total Compensation (Salary & Benefits) Review Status**

50. **Office of Inspector General**
 - a. **Supervisory Control and Data Acquisition (SCADA) Fiscal Year 2011 Security Audit**
 - b. **Human Resources Information System (HRIS) Security Certification Update**

Routine Reports

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

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

Finance and Administration Committee Chair Joerger adjourned the Committee meeting and relinquished the gavel to Chair Senft. (Track 18 – 23:00/25:51, Video B – 03:57:32)

GENERAL COUNSEL'S REPORT (Video C – 00:00)

Discussion Items

53. **Consent Item(s) Moved for Discussion** – None
54. **Certification of Election of Exemption from Rule Reviews Required by Section 120.745, Florida Statutes**

Ms. Karen West, Deputy General Counsel, said Chapter 2011-225, Laws of Florida (HB 993/HB 7239), effective June 24, 2011, has amended the agency rulemaking provisions of the Administrative Procedures Act, Chapter 120, Florida Statutes (F.S.). The amendments establish additional rule review provisions in line with Governor Scott's recent executive orders directing agencies to conduct rule reviews. Section 120.745(9), F.S., of the new law further provides that an agency is exempt from the enhanced rule review and compliance economic review if it has cooperated or cooperates with the Office of Fiscal Accountability and Regulatory Reform (OFARR) in a review of the agency's rules in a manner consistent with Executive Order 11-01; if the agency or OFARR identifies each data collection rule and each revenue rule; and if the information developed thereby becomes publicly available on the agency website by December 1, 2011. Such agencies are also exempt from the biennial review required in section 120.74(2), F.S., for the year 2011. This exemption does not apply unless the agency head certifies in writing to JAPC, on or before October 1, 2011, that the agency has chosen such exemption and has cooperated with OFARR in undertaking the review required by Executive Order 11-01.

All of the water management districts voluntarily complied with the mandates of Executive Orders 11-01 and 11-72 and submitted their rule reviews to OFARR as directed. The District thus qualifies for the exemption available pursuant to Section 120.745(9), F.S. Staff has coordinated with the appropriate staff at the other water management districts and the Department of Environmental Protection, and all are planning on recommending that their agencies execute and submit the required certification of exemption status to JAPC before October 1, 2011.

Staff recommended to authorize the Governing Board Chair to execute a certification of election of exemption from the rule review provisions of Section 120.745, F.S., as required by Section 120.745(9), F.S. Following consideration, **Mr. Gramling moved, seconded by Mr. Adams, to approve the staff recommendation. Motion carried unanimously.** (Track 19 – 00:00/03:33)

Submit & File Reports – None

Routine Reports

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

55. **Litigation Report**
56. **Rulemaking Update** (Track 19 – 03:33/03:38)

EXECUTIVE DIRECTOR'S REPORT (Video C – 03:45)

57. Executive Director's Report

a. Brooksville Building 4 Update

Mr. Lloyd A. Roberts, Director, General Services Department, provided an update of activities occurring in Building 4 in response to the water damage which occurred on July 3, 2011. Board members viewed a slide presentation of damage to the offices. Ms. Lucy Petruccelli, Risk Manager, briefly reviewed the District's insurance coverage. Mr. Bilenky expressed his appreciation for staff who worked over the holiday to assist in moving equipment and setting up alternate offices for staff.

Chair Senft suggested the District's insurance coverage be included for information purposes at a future Board workshop. (Track 20 – 00:00/24:00)

b. Workload and Staffing Analysis – Implementation Update (Video C – 28:00)

Ms. Elaine M. Kuligofski, Director, Human Resources & Risk Management Department, provided a status report of the implementation plan. Discussion ensued regarding the technology review of the District's information technology program. (Track 20 – 24:00/32:05)

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

c. Revisions to District's Organization Chart

Ms. Elaine M. Kuligofski, Director, Human Resources & Risk Management Department, provided an update on initial changes to the District's overall organization chart based upon the North Highland Consulting Company Report on District Workload and Staffing. One of those recommendations was to redesign the organizational structure with clear integration strategies. As an initial step, North Highland recommended reinstating the position of Assistant Executive Director to serve as a chief operating officer in conjunction with the Executive Director. (Track 20 – 32:05/33:50)

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

d. Other – None

CHAIR'S REPORT (Video C – 37:55)

58. Chair's Report

- Chair Senft said the Board needs to establish a date for receipt of the salary and wage study presentation. The Board consensus was for the final report to be delivered to the members as soon as available and presentation occur at the Board's August 30, 2011 meeting. (Track 20 – 33:50/37:00)

There being no further business to come before the Board, Chair Senft adjourned the meeting at 6:13 p.m. (Track 20 – 37:00/37:33, Video C – 41:10)