

MINUTES OF THE MEETING

GOVERNING BOARD SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

BROOKSVILLE, FLORIDA

OCTOBER 24, 2017

The Governing Board of the Southwest Florida Water Management District (District) met for its regular meeting at 9:00 a.m., on October 24, 2017, at the Brooksville Office. The following persons were present:

Board Members Present

Randall S. Maggard, Chair
Bryan Beswick, Secretary
Ed Armstrong, Treasurer
H. Paul Senft, Member*via phone
Kelly S. Rice, Member
John Henslick, Member
Michelle Williamson, Member
Mark Taylor, Member
Joel Schleicher, Member*via phone
Rebecca Smith, Member
James G. Murphy, Member*via phone

Board Members Absent

Michael A. Babb, Member
Jeffrey M. Adams, Vice Chair

Staff Members

Brian J. Armstrong, Executive Director
Amanda Rice, Assistant Executive Director
Karen E. West, General Counsel
Kurt P. Fritsch, Inspector General
John J. Campbell, Division Director
Ken L. Frink, Division Director
Alba E. Más, Division Director
Michael Molligan, Division Director
Jennette Seachrist, Division Director

Board's Administrative Support

Cara Martin, Board & Executive Services Manager
Lori Manuel, Administrative Assistant

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 website (www.WaterMatters.org).

PUBLIC HEARING (Audio – 00:00)

1. Call to Order

Chair Maggard called the meeting to order and opened the public hearing. Secretary Beswick stated a quorum was present.

2. Invocation and Pledge of Allegiance

Board Member Taylor offered the invocation and led the Pledge of Allegiance to the Flag of the United States of America.

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

Chair Maggard 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 "Request to Speak" 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 Maggard 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. Employee Recognition

Chair Maggard recognized employees who have reached at least 20 years of service with the District and thanked them for their service. The following staff were recognized: Ramzi Chehaib and James Lewis.

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

4. Additions/Deletions to Agenda

Mr. Brian Armstrong, executive director, stated there was one deletion:

CONSENT AGENDA

Resource Management Committee

10. Sarasota County – Dona Bay Surface Water Storage Facility – Scope Change (N786)

Staff recommended the Board approve the scope change to delete the 30 percent design third-party review process as a condition for funding the Sarasota County Dona Bay Surface Water Storage Facility project (N786).

Chair Maggard said there is good cause to amend the published agenda as allowed by Section 120.525, Florida Statutes. A motion was made to approve the amendments to the published agenda, as amended, which was seconded. The motion carried unanimously. (Audio 00:06:32)

5. Public Input for Issues Not Listed on the Published Agenda

Chair Maggard stated he received one Request to Speak card.

Mr. David Ballad Geddis, Jr., expressed his concern regarding stormwater infrastructure and associated fees.

Board Member Smith asked how the District is associated with this issue and are we involved with potential solutions.

Mr. Brian Armstrong, executive director, responded that stormwater is permitted through the District's Environmental Resource Permitting (ERP) program.

Ms. Alba Más, director of regulation, responded that subdivisions are permitted with retention ponds, not individual stormwater vaults.

Board Member Henslick asked if this is a requirement of homeowners or could there be a retrofit for existing projects constructed prior to stormwater criteria.

Ms. Más responded that swales have been built between houses and vaults have been used to handle stormwater. However, vaults are an expensive solution.

CONSENT AGENDA

Chair Maggard 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.

Finance/Outreach & Planning Committee

6. Annual Review of Board Policy 130-3, District Investment Policy

Staff recommended the Board approve and accept the recommendation for no modifications to Board Policy 130-3, *District Investment Policy*.

7. Authorization to Dispose of Equipment

Staff recommended the Board approve the disposition of one John Deere Agricultural Tractor (Unit 2052) through the auction process.

8. Budget Transfer Report

Staff recommended the Board approve the Budget Transfer Report covering all budget transfers for September 2017.

Resource Management Committee

9. Minimum flows and Levels Priority List and Schedule Update

Staff recommended the Board approve the 2017 (2017-2018) Minimum Flows and Levels Priority List and Schedule and Reservations List and Schedule for submission to DEP for review and approval as required by Chapter 373, F.S.

10. Sarasota County – Dona Bay Surface Water Storage Facility – Scope Change (N786)

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11. FARMS – FLM, Inc. – Blossom Grove Phase 4 Amendment – (737), Manatee

Staff recommended the Board:

- 1) Approve the FLM, Inc. – Blossom Grove – Phase 4 project amendment for an increase of \$177,237 (from \$426,282 to \$603,519) with \$177,237 provided by the Governing Board;
- 2) Authorize the transfer of an additional of an additional \$177,237 from fund 010 H017 Governing Board FARMS Fund to the H737 FLM, Inc. – Blossom Grove – Phase 4 Amended project fund;
- 3) Authorize the Assistant Executive Director to sign the agreement.

Operations, Lands and Resource Monitoring Committee

12. Release and Relocation of Access Easement for Mitigation Areas Within the Starkey Wilderness Preserve, SWF Parcel Number 16-705-104S

Staff recommended the Board accept the appraisal, approve the Easement Relocation Agreement and the Amendment to the Easement, SWF Parcel Number 16-705-104S.

Regulation Committee

13. Emergency Order SWF 17-053-Tampa Bay Water – Alafia River Withdrawal Facility

Staff recommended the Board concur with Emergency Order No. SWF17-053.

14. Individual Water Use Permits Referred to the Governing Board

- a. **WUP No. 2009741.018 – Pine Level Property/Mosaic Fertilizer, LLC, CMI and Family Dynamics, Inc. (DeSoto, Manatee, Sarasota Counties)**

Staff recommended the Board approve the proposed permit attached as an exhibit.

General Counsel's Report

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

- a. **Interagency Agreement Between the SWFWMD and SJRWMD – Designation of Regulatory Responsibility – FDOT Recreation Trail Project – South Lake Trail Phase IV – Sumter and Lake Counties**

Staff recommended the Board approve the Interagency Agreement between the St. Johns River Water Management District and the Southwest Florida Water Management District for Designation of Regulatory Responsibility for FDOT's South Lake Trail Phase IV Project.

- b. **Agreement and Release – Applied Drilling Engineering, Inc.**

Staff recommended the Board approve, and authorize the Board Chair to execute, the Agreement and Release.

16. Rulemaking – None

Executive Director's Report

17. Approve Governing Board Minutes – September 26, 2017

Staff recommended the Board approve the minutes as presented.

18. Approve Fiscal Year 2018 Final Budget Hearing Minutes – September 30, 2017

Staff recommended the Board approve the minutes as presented.

A motion was made and seconded to approve the Consent Agenda as amended. Motion carried unanimously. (Audio 00:14:32)

Chair Maggard relinquished the gavel to the Finance/Outreach & Planning Committee Chair Armstrong who called the meeting to order. (Audio 00:15:00)

Finance/Outreach & Planning Committee

Discussion

19. Consent Item(s) Moved for Discussion – None

20. Investment Strategy Quarterly Update

Mr. John Grady, Public Trust Advisor, provided a presentation on the quarterly investment strategy from July 1, 2017 to September 30, 2017. This presentation included an overview of the yield curve for United States treasury yields, projected interest rates and economic indicators,

Mr. Grady stated that rates are continuing to trend up but with an expectation of increase in shorter term rates than longer term rates. The yield curve will continue to flatten. The second quarter Gross Domestic Product (GDP) was 3.1 percent but expectations are lower for the next quarter.

Mr. Grady provided a comparison summary for the period of July 1, 2017 to September 30, 2017 of the District's portfolios. These portfolios included: liquidity, enhanced cash and all aggregate funds. He also provided a summary of the District's assets earnings as of September 30, 2017.

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

Staff recommended the Board accept and place on file the District's Quarterly Investment Reports for the quarter ended September 30, 2017.

21. ePermitting System Replacement

Mr. Tom Hughes, information technology bureau chief, provided a presentation regarding the options for ePermitting replacement. He stated funding for this item will be in the 2019 initial budget. He explained that preliminary information is being presented because it is a multi-year effort with a significant budget.

Mr. Hughes provided an overview of the District's current ePermitting system, Water Management Information System (WMIS). He explained that WMIS is the core of our permitting, review and compliance processes. Mr. Hughes stated that 90 percent of permits are submitted online.

Mr. Hughes explained the process used to determine the end of life of a system. He indicated that the two factors that are considered are, if the underlying technology is supported, and if the system is maintainable/expandable. Outside software vendors were consulted and validation was provided to ensure that staff evaluation was correct in that while WMIS was maintainable but not necessarily extendable. In addition, outreach was provided to the South Florida Water Management District (SFWMD) as they are also researching options to replace their business process management application.

Mr. Hughes provided a comparison chart of three options for replacement. He explained that option three is the preferred option and outlined a time line associated with the implementation.

Board Member Smith asked if the 9.5 million dollars associated with option three is the total cost. Mr. Hughes responded in the affirmative.

Board Member Schleicher stated that he would like to continue to research the implementation cost associated with option three.

Board Member Henslick asked if security concerns increase with increased technology. Mr. Hughes responded in the negative.

Chair Maggard asked if there were any hardware costs associated with option three. Mr. Hughes responded that costs will be minimal due to the use of virtual servers.

This item was presented for the Board's informational purposes only and no action was required.

22. Development of Preliminary Fiscal Year 2019 Budget

Mr. John Campbell, management services director, provided a presentation that included the Fiscal Year (FY) 2019 budget calendar, budget metrics, recurring budget assumptions, non-recurring budget assumptions, revenue budget assumptions, projected new growth, and a chart outlining millage rate versus investment in projects.

Mr. Campbell outlined the recurring budget assumptions which included, salaries and benefits, operating expenses, contracted services, and operating capital outlay over one thousand dollars.

Mr. Campbell outlined the non-recurring budget assumptions which included contracted services for District projects, cooperative funding, District grants and fixed capital outlay.

Revenue budget assumptions included Ad Valorem, permits and license fees, interest on investments, and state funding.

Board Member Williamson asked if this budget considers homestead exemptions. Mr. Campbell responded in the negative.

Staff recommended the Board approve the general budget assumptions as outlined in the October 24, 2017 budget presentation for development of the District's preliminary budget for FY2019.

A motion was made and seconded to approve the staff recommendation. The motion carried unanimously. (Audio 00:51:00)

23. Fiscal Year 2018 Annual Audit Plan

Mr. Kurt Fritsch, inspector general, provided a presentation that outlined proposed annual audit plan projects. These projects were categorized as follows: performance metrics; assurance and consulting projects; external audit coordination; policy, procedure, guideline and rule review; other statutory duties; and discretionary assistance.

Mr. Fritsch outlined proposed long-term audit plans which are considered two to three-year projects. He specifically addressed 1B26 compliance, which addresses storage of records and information technology security.

Mr. Fritsch presented the performance metrics that will be used with the actual work completed on the annual audit plan to evaluate the inspector general's performance.

Mr. Fritsch provided an overview of the annual risk assessment process which is used to design the annual audit plan. He explained that risk is any event that helps or hinders achieving

objectives. Controls are actions taken by the Board or management that can take advantage of a risk event or mitigate, reduce or avoid the consequences of a risk event. Mr. Fritsch used the cooperative funding program as an example.

Mr. Fritsch provided a chart that outlined the disbursement methods used by the District. Information was presented by the number of transactions and dollars associated with these transactions.

Mr. Fritsch outlined inherent risk assessments that were in four categories: strategic, operations, finance and information.

Board Member Smith asked when the auditor general report will be received. Mr. Fritsch responded that review comments are being received from the auditors and because of his familiarity of this process, this is an indicator that the report is in the final stages of being completed.

Staff recommended the Board approve the Fiscal Year 2018 Annual Audit Plan and Office Performance Metrics as presented in the exhibits.

A motion was made and seconded to approve the staff recommendation. The motion carried unanimously. (Audio 01:15:22)

Submit & File Reports

24. Self-Funded Health Insurance Plan – Year-To-Date Financial Update

Routine Reports

The following items were presented for the Board's informational purposes only and no action was required.

25. Treasurer's Report and Payment Register

26. Monthly Financial Statement

27. Monthly Cash Balances by Fiscal Year

28. Comprehensive Plan Amendment and Related Reviews Report

29. Development of Regional Impact Activity Report

Committee Chair Armstrong relinquished the gavel to the Resource Management Committee Vice Chair Rice who called the meeting to order. (Audio 01:15:38)

Resource Management

Discussion

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

31. Fiscal Year 2018-19 Cooperative Funding Process

Mr. Eric DeHaven, resource management assistant division director, provided a presentation regarding the Cooperative Funding Initiative (CFI) program. He presented a history of the CFI program and the changes that have occurred. Mr. DeHaven outlined the schedule that is followed each fiscal year and explained the associated measures. He outlined the CFI process overview and the metrics used for ranking cost effectiveness.

Mr. DeHaven provided a comparison of cooperative funding project requests which indicated fiscal year, number of proposals, amounts requested and amounts funded.

Chair Maggard asked if there is a way to indicate if a project requesting cooperative funding is receiving funding from other sources and what ranking should be considered based on that

information. Mr. DeHaven responded the application does ask the cooperators to indicate if outside funding is provided. He stated this is something that can be evaluated further.

Mr. DeHaven informed the Board that the District received 12 projects related to septic/sewer projects in springs regions. He explained these will be reviewed and evaluated by staff and the Springs Coast Steering Committee. The Board will vote on which projects will be forwarded to the Florida Department of Environmental Protection (FDEP).

Mr. DeHaven stated that staff will be developing CFI policy changes to institute the proper controls to fund septic to sewer projects as discussed at the August workshop.

This item was presented for the Board's informational purposes only and no action was required.

Submit & File Reports

The following items were presented for the Board's informational purposes only and no action was required.

32. Minimum Flows and Levels Status Reports

33. Routine Report

Committee Vice Rice relinquished the gavel to the Operation, Lands & Resource Monitoring Committee Chair Beswick who called the meeting to order. (Audio 01:44:30)

Operations, Lands and Resource Monitoring Committee Discussion

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

35. Hydrologic Conditions Report

Mr. Granville Kinsman, hydrologic data manager, provided a presentation on the hydrologic conditions. He outlined rainfall distribution and stated that September received eleven inches of rainfall. Groundwater levels for the northern, central and southern regions remain normal to above normal with usual signs of declining. Surface water levels for northern areas are in the normal range with indicators that they are beginning to decline. Tampa Bay, Polk Upland and Lake Wales Ridge lakes showed a sharp increase. The Withlacoochee River showed a sharp increase and is at its highest level in three years. The Hillsborough, Alafia and Peace Rivers are in the upper range of normal. The Hillsborough Reservoir is full, and the Bill Young Reservoir is almost at capacity. The climate forecast has shifted to a La Niña type event which will result in warmer and drier weather for the next six months.

Mr. Kinsman reminded the Board that the tropical season ends November 30.

This routine report provides 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.

This item was presented for the Board's informational purposes only and no action was required.

Submit & File Reports – None

Routine Reports

36. Surplus Lands

37. Structure Operations

38. Significant Activities

Committee Chair Beswick relinquished the gavel to the Regulation Committee Vice Chair Henslick who called the meeting to order. (Audio 01:54:28)

Regulation Committee

Discussion

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

40. Denials Referred to the Governing Board

If any items are requested to be referred to the Governing Board, these will be presented at the meeting.

Submit & File Reports – None

Routine Reports

The following items were presented for the Board's informational purposes only and no action was required.

41. Dover/Plant City Water Use Caution Area Flow Meter and Automatic Meter Reading (AMR) Equipment Implementation Program Update

42. Overpumpage Report

43. Individual Permits Issued by District Staff

Committee Vice Chair Henslick relinquished the gavel to Chair Maggard. (01:55:44)

General Counsel's Report

Discussion

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

45. 2017 Annual Sunshine Law Presentation

Mr. Chris Tumminia, general counsel staff attorney, provided a presentation of the Sunshine Law. He explained the Sunshine Law is a right of access to governmental proceedings of public boards. This is applicable to any board or commission of any state agency, county, municipal corporation, or political subdivision

Mr. Tumminia outlined the requirements that Board members need to adhere to in-order to maintain compliance with the Sunshine Law. He stated that meetings must be open to public, reasonably noticed, and minutes of meetings must be taken and promptly recorded. Mr. Tumminia provided hypothetical examples of violations and penalties associated.

Mr. Tumminia explained requirements and exceptions associated with Board member voting.

Mr. Tumminia provided an overview of the Public Records Act and the various mediums that are included. He provided hypothetical examples of violations and penalties associated.

This item was presented for the Board's informational purposes only and no action was required.

46. Independent Auditor Engagement Period

Ms. Mary Beth McNeil, assistant general counsel and acting procurement manager, outlined the draft policy for the independent auditor engagement period. She stated the contract term resulting from a Request for Proposals (RFP) will have a maximum term of five years and the total continuous engagement may not exceed 10 years. If a firm becomes ineligible after providing services for 10 years, it can become re-eligible if there is a gap in services by at least one year. She explained if that firm responds to a subsequent RFP and is selected, a new engagement

partner would be named for that new contract period. If the contracted firm merges with another firm, the existing contract may be amended to have the newly formed firm added for the balance of the contract period but it must be approved by the Board.

This item was presented to the Board for its consideration and no action was required.

Submit & File Reports – None

Routine Reports

The following items were presented for the Board's informational purposes only and no action was required.

47. October 2017 – Litigation Report

48. October 2017 – Rulemaking Update

Committee/Liaison Reports

49. Well Drillers Advisory Committee

Board Member Taylor provided an update on the October 11 meeting. He stated the meeting is well attend and complimented Mr. David Arnold for his leadership.

50. Other Committee/Liaison Reports

Executive Director's Report

51. Executive Director's Report

Mr. Armstrong, executive director, welcomed Jennette Seachrist as the director of resource management.

Mr. Armstrong informed the Board that the Rock Ponds Ecosystem Restoration Project received the top environmental award from the Hillsborough County City-County Planning Commission for 2017. The project received the "Award of Outstanding Contribution to the Community" during the 35th Annual Planning and Design Awards Program of the Planning Commission. The Rock Ponds Project is the largest coastal ecosystem restoration project ever performed for Tampa Bay, encompassing 1043 acres of estuarine, freshwater, and upland habitats. It also created 16.2 miles of new shoreline.

Mr. Armstrong outlined his goals for FY2018. These goals included: implementation and monitoring of the strategic plan, continuing to pursue District process improvements, gain efficiencies and ensure customer service, development and implementation of long term vision to exemplify core values to maintain organizational sustainability.

Chair's Report

52. 2017 Employee Evaluation and 2018 Performance Goals for the Executive Director

Chair Maggard thanked the Board their feedback on the executive director evaluations. He stated a recommendation has been provided to the Board Members.

Staff recommendation:

- Adopt and approve the 2017 employee evaluations of the executive director
- Adopt and approve the 2018 executive director goals

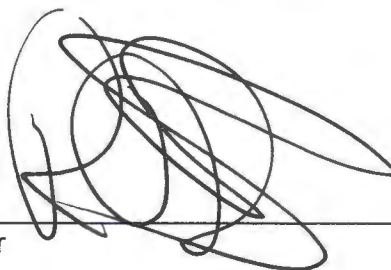
A motion was made and seconded to approve the staff recommendation. The motion carried unanimously. (Audio 02:22:05)

The next Board meetings are scheduled for November 14 at the Tampa Office, December 12 at Starkey Environmental Education Center and January 23 at the Tampa Office

53. Other

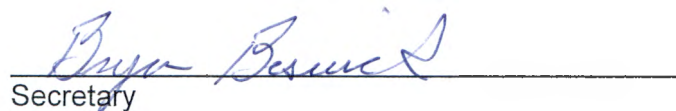
54. Employee Milestones

The meeting was adjourned at 11:23 a.m.



Chair

Attest:



Secretary