

# APPROVED

## MINUTES OF THE MEETING

### GOVERNING BOARD SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

THONOTOSASSA, FLORIDA

DECEMBER 15, 2009

The Governing Board of the Southwest Florida Water Management District (SWFWMD) met for its regular meeting at 12:50 p.m. on December 15, 2009, at the TECO Center at Nature's Classroom in Thonotosassa. The following persons were present:

#### Board Members Present

Ronald E. Oakley, Vice Chair  
Hugh Gramling, Secretary  
Carlos Beruff, Member  
Jennifer E. Closshey, Member  
Neil Combee, Member  
H. Paul Senft, Member  
Douglas B. Tharp, Member  
Judith C. Whitehead, Member

#### Board Member(s) Absent

Todd Pressman, Chair  
Sallie Parks, Treasurer  
Bryan Beswick, Member  
Albert G. Joerger, Member  
Maritza Rovira-Forino, Member

#### Staff Members

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

#### Board's Recording Secretary

LuAnne Stout, Administrative Coordinator  
Tahla Paige, Senior Administrative Assistant

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

## Public Hearing

### 1. Call to Order

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

### 2. Pledge of Allegiance and Invocation

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

## Public Hearing

Vice Chair Oakley introduced each member of the Governing Board and said that Chair Pressman is not able to attend the meeting due to public hearing scheduling conflicts. He noted that the Board's meeting was recorded for broadcast on government access channels. Public input was only taken during the meeting onsite.

Vice Chair Oakley stated that anyone wishing to address the Governing Board concerning any item listed on the agenda or any item that does not appear on the agenda should fill out and submit a speaker's card. To assure that all participants have an opportunity to speak, a member of the public may submit a speaker's card to comment on one agenda item only during today's meeting. If additional time is needed or 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 at the end of the meeting during "Public Input." Vice Chair Oakley stated that comments would be limited to three minutes per speaker, and, when appropriate, exceptions to the three-minute limit may be granted by the Chair. He also requested that several individuals wishing to speak on the same issue/topic designate a spokesperson. (CD 1/Track 1 – 00:00/05:55)

3. **Additions/Deletions to Agenda**

According to Section 120.525(2), Florida Statutes, additions or deletions to the published agenda will only be made for "good cause" as determined by the "person designated to preside." Mr. Moore noted the following item that was deleted from the agenda after publication of the regular agenda.

**Consent Agenda – General Counsel's Report**

*The following item is deleted from consideration:*

14. Consent Order – WUP No. 20000590.006 - Mad Hatter Utility, Inc. (South Central Pasco Service Area) – Pasco County

Vice Chair Oakley said, hearing no objection to the deleted item, he accepted the change to the meeting agenda.

4. **Employee Recognition**

Mr. Moore presented to the Board employees who have achieved milestones of 20 years or greater. He specially acknowledged and commended the contributions of the following individuals who chose to be recognized before the Board:

MILESTONE	EMPLOYEE	TITLE	DEPARTMENT	OFFICE
20 Years	Vaughn Boyer	Sr. Business Application Developer	Information Resource	Tampa
	Lou Kavouras	Deputy Executive Director, Outreach, Planning & Board Services	Executive	Brooksville
	Lois Sorensen	Demand Mgt. Program Manager	Tampa Regulation	Tampa

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

Mr. David Gore, a resident of Davenport in Polk County, said he spoke at a budget hearing in September 2009 regarding water problems not being caused by water usage but by over regulation. He said his letter was given to Mr. Michael Balser in the District's Bartow Regulation Department who replied and sent the WRAP report. Mr. Gore said he felt the only concern people seem to have is water usage and water pumped from the ground. He said the problem is the way people are changing the landscape and destroying the land's ability to contain water. He said the cumulative impact is what is being experienced now. Mr. Gore said he had a letters for Mr. Balser and for Mr. Moore. He said, basically, developers need to understand the environment needs more water instead of everything being bone dry all the time.

Mr. Combee said there has been a move toward and a focus on more storage. Obviously, he said, it would be cost prohibitive to fill every ditch or canal since the 1800s. He said staff realizes the need and importance of storage, and the District is doing projects where possible in a cost effective manner.

Mr. Senft said Mr. Gore is a sincere person and he appreciates Mr. Gore's input. He said we all want the same thing—the District is looking at the science, details and practical size of it while Mr. Gore looks at it as there is water on the ground one day and gone the next day. (CD 1/Track 1 – 05:55/19:04)

## Consent Agenda

Item 14 was deleted from consideration.

### Regulation Committee

6. **Report on Potential Changes to Proposed Lower Alafia River Recovery Strategy Rules**

Staff recommended to authorize staff to return to the Board in January 2010 with staff's recommendation about whether to withdraw the proposed recovery strategy rules or to approve changes and to continue with the rule adoption process for the Lower Alafia minimum flows and recovery strategy rules.

### Resource Management Committee

7. **Exclusive License Agreement to Progress Energy for Cellular Telephone Equipment Subleasing – Brooker Creek Preserve, SWF Parcel No. 16-074-157X**

Staff recommended to (1) accept the value proposed by Progress Energy for the exclusive license agreement; (2) approve the exclusive license agreement for SWF Parcel No. 16-074-157X; (3) authorize staff to negotiate with Progress Energy for each additional tower lease; (4) authorize staff to amend the exclusive license agreement to incorporate each new tower lease and fees to be paid to the District; and (5) authorize the Land Resources Director to execute the license agreement and each amendment thereto.

8. **Resolution Requesting Encumbrance of Fiscal Year 2010 Budgeted Funds from the Water Management Lands Trust Fund for Preacquisition; Management, Maintenance and Capital Improvements; and Payments in Lieu of Taxes**

Staff recommended to approve a resolution requesting the Florida Department of Environmental Protection to encumber the District's FY2010 budget requirements for preacquisition; land management, maintenance and capital improvements; and payments in lieu of taxes to eligible counties, within the Water Management Lands Trust Fund, and authorize staff to request quarterly reimbursements for FY2010 costs not to exceed \$20,146,172.

9. **Authorize Submission of Preliminary Flood Insurance Rate Maps (FIRM) for the Centralia and Willow Sink Watersheds in Hernando County to the Federal Emergency Management Agency (FEMA)**

Staff recommended to authorize staff to submit the preliminary FIRM panels for the Centralia and Willow Sink watersheds in Hernando County to FEMA.

10. **Lake Gibson Southwest Sub-Basin Stormwater Management System Retrofit – Second Amendment**

Staff recommended to approve the Second Amendment to the Agreement with the City of Lakeland for \$4,500,000 with the Basin's share not to exceed \$950,132; and authorize the Executive Director to execute the agreement.

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

a. **CFI USA, Inc. Venus Grove Phase 1A – Manatee County**

Staff recommended to (1) approve the CFI USA, Inc. Venus II Grove Phase 1A project for a not-to-exceed project reimbursement of \$35,000 with \$8,750 provided by the Manasota Basin, \$8,750 provided by the Governing Board, and \$17,500 provided from 2005 State Appropriations to the Manasota Basin Board; (2) authorize the transfer of \$8,750 from fund 021 H017 Manasota Basin FARMS funds, \$8,750 from fund 010 H017 Governing Board FARMS funds, and \$17,500 from the 2005 State Appropriations allocated to fund 021 H017 FARMS funds, to 010 H532 and 021 H532 CFI USA, Inc. Venus II Grove Phase 1A Project fund; and (3) authorize the Executive Director to execute the agreement.

b. **One Heart Farms, Inc. – Hillsborough County**

Staff recommended to (1) approve the One Heart Farms, Inc. project for a not-to-exceed project reimbursement of \$65,500 with \$16,375 provided by the Alafia River Basin Board, \$16,375 provided by the Governing Board, and \$32,750 provided from 2008 State Appropriations to the Governing Board; (2) authorize the transfer of \$16,375 from fund 011 H017 Alafia River Basin Board FARMS funds, \$16,375 from fund 010 H017 Governing Board FARMS funds, \$32,750 from the 2008 State

Appropriations allocated to fund 010 H017 FARMS funds; and (3) authorize the Executive Director to execute the agreement.

#### **Finance & Administration Committee**

12. **Board Travel**

No action was required at this time.

13. **Budget Transfer Report**

Staff recommended to request approval of the Budget Transfer Report covering all budget transfers for November 2009.

#### **General Counsel's Report**

14. **Consent Order – WUP No. 20000590.006 - Mad Hatter Utility, Inc. (South Central Pasco Service Area) – Pasco County** – This item was deleted from consideration.

15. **Settlement Agreement – SWFWMD v. Francisco L. Ancaya, et al, Case No. 2009-CA-010077, 10<sup>th</sup> Judicial Circuit - Lake Hancock Project, SWF Parcel No. 20-503-215-P – Polk County**

Staff recommended to approve the Mediated Settlement Agreement in the total amount of \$168,368.

16. **Settlement Agreement – SWFWMD v. Francisco L. Ancaya, et al, Case No. 2009-CA-010077, 10<sup>th</sup> Judicial Circuit - Lake Hancock Project, SWF Parcel No. 20-503-217-P – Polk County**

Staff recommended to approve the Mediated Settlement Agreement in the total amount of \$175,381.

#### **Executive Director's Report**

17. **Approve November 17, 2009 Governing Board Minutes**

Staff recommended to approve the minutes as presented.

Following consideration, **Mr. Gramling moved, seconded by Ms. Tharp, to approve the Consent Agenda as amended. Motion carried unanimously.** (CD 1/Track 2 – 00:00/00:25)

Vice Chair Oakley relinquished the gavel to Regulation Committee Chair Senft.

## **Regulation Committee**

#### ***Discussion Items***

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

19. **Hydrologic Conditions Status Report**

Mr. Granville Kinsman, Manager, Hydrologic Data Section, noted that November historically marks the second month of the eight-month dry season and provisional rainfall totals through November 29 have been in the normal range in all three regions of the District. Rainfall during the month was regionally variable and associated with the passage of two cold front systems on November 10-11 and 23-26. The provisional 12-month District-wide rainfall deficit showed some improvement during November, ending the month approximately 5.2 inches below the long-term average. The 24- and 36-month cumulative rainfall deficits are approximately 10.9 and 21.5 inches, respectively. Most hydrologic indicators throughout the District declined during November. Regional lake levels and streamflow in regional index rivers remain at below-normal levels, while groundwater levels are at low-normal to below-normal conditions. The dry season runs from October through May, and further declines are expected through this period if normal amounts of rainfall are received. Current National Oceanic and Atmospheric Administration (NOAA) climate forecasts continue to predict above-normal rainfall conditions for the District during December 2009 through May 2010, due to El Niño conditions in the Pacific Ocean. (CD 1/Track 2 – 00:25/06:51)

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

20. **Consider Modified Phase III Water Shortage Order No. SWF 08-044 for Hillsborough, Pasco and Pinellas Counties**

Mr. Owen said that, pursuant to Water Shortage Order No. SWF 08-044, Modified Phase III, water shortage restrictions are currently in effect for lawn irrigation and other select water uses in Hillsborough, Pasco and Pinellas counties. This Order was issued on October 28, 2008 and is currently scheduled to expire on December 31, 2009, unless the Governing Board takes further action. Mr. Owen noted that the Environmental Advisory Committee asked the Board to keep Phase III restriction in place until the resource shows sustained recovery. The Committee's specific concern was focused on the lake levels in Pasco and Hillsborough counties.

Mr. Owen said staff is monitoring hydrologic conditions and other pertinent factors in accordance with the District's Water Shortage Plan (Rule 40D-21, Florida Administrative Code). At such time that any water use currently subject to provisions of Water Shortage Order No. SWF 08-044 is released from it, this water use would become subject to applicable provisions of the Modified Phase II water shortage restrictions imposed by Water Shortage Order No. SWF 07-02. The Modified Phase II order is scheduled to expire on February 28, 2010.

Mr. Owen said, based on those conditions and factors, staff recommends to allow Phase III Order (No. SWF 08-044) to expire on December 31, 2009; revert back to modified Phase II restrictions (Water Shortage Order No. SWF 07-02); monitor conditions and take water shortage actions when necessary; and continue long-term water conservation efforts in northern Tampa Bay.

Following consideration, **Mr. Gramling moved, seconded by Ms. Closshey, to approve the staff recommendation to allow Modified Phase III to expire December 31, 2009. Motion carried unanimously.** (CD 1/Track 3 – 00:00/04:47)

21. **Approve Rule Amendments to Implement the Second Phase of the Northern Tampa Bay Recovery Strategy**

Mr. Ken Weber, Water Use Permitting Program Director, Strategic Program Office, said staff is requesting approval of rulemaking to implement the second phase of the Northern Tampa Bay Recovery Strategy initiated at the April 2009 Governing Board meeting. As noted at that meeting, the first phase began in 1998 through the Partnership Agreement, the Consolidated Permit, and several rule amendments. This phase culminated in the reduction of pumpage by the wellfields from 158 million gallons per day (mgd) in 1998 to 90 mgd by 2009. Analysis in 1998 indicated that a reduction to 90 mgd would significantly reduce the environmental impacts of wellfield withdrawals, but that some impacts would remain. It was anticipated that a second phase of Recovery would be undertaken to follow the initial efforts. All elements of the first phase of the Recovery Strategy will sunset on December 31, 2010.

Significant hydrologic recovery has resulted from the wellfield pumpage reductions. However, since the reduction of the wellfields to 90 mgd has only recently been accomplished, there are insufficient data to evaluate the ultimate impact reduction at that level of pumpage, and to determine whether additional measures will be needed to achieve the goals of full recovery and mitigation of adverse environmental impacts. Continuation of the Recovery Strategy rule mechanisms is necessary to allow further progress toward meeting Minimum Flows and Levels and compliance with the other environmental rule criteria.

Last month, the Board was provided with a historical review of events leading to the development of the proposed rules included in the exhibit that will implement the second phase of the Northern Tampa Bay Recovery Strategy. Staff also provided a comprehensive review of the proposed rules. The significant provisions of the rules include:

1. The Consolidated Permit held by Tampa Bay Water is to be renewed for 90 mgd for 10 years.
2. Tampa Bay Water will continue to conduct withdrawals pursuant to the Operations Plan.
3. Tampa Bay Water will continue expansive environmental data collection and analysis.
4. Tampa Bay Water will continue to evaluate and implement environmental mitigation.
5. Tampa Bay Water member governments will continue water conservation activities.
6. Continuation of the limitation of further impacts by other water use permittees.
7. A "Reservoir Renovation Exception Period" that addresses the potential for temporary exceedance of 90 mgd while the Bill Young Reservoir repairs are underway but only if there is significant drought and other sources cannot make up reservoir loss.

Staff recommended to approve for adoption the changes to Rule 40D-2, Rule 40D-80, and the Basis of Review for Water Use Permits as presented in the exhibit provided to the Board in its meeting information. Following consideration, **Mr. Tharp moved, seconded by Mr. Gramling, to approve the staff recommendation as presented.**

Mr. Owen noted that the City of Tampa indicated that it had questions concerning the effect of the Reservoir Renovation Exception Period. He said staff met with the City and Tampa Bay Water on December 2, 2009; and staff thinks the City's issues have been addressed by Tampa Bay Water.

**Motion carried unanimously.** (CD 1/Track 4 – 00:00/04:35)

22. **Approve Changes to Previously Approved 20-Year Water Use Permit Rule Amendments**

Ms. Karen Lloyd, Assistant General Counsel, Office of General Counsel, noted that, in July 2009, the Governing Board approved for adoption rule amendments to restructure the District's permit duration rule to be more consistent with the durations given by the St. Johns River Water Management District and the South Florida Water Management District, and to provide incentives for applicants who undertake extraordinary water conservation and reclaimed water reuse efforts.

Ms. Lloyd said, on November 25, 2009, the City of Tampa petitioned for hearing at the Division of Administrative Hearings (DOAH), and Administrative Law Judge (ALJ) Maloney is assigned to the case. The District will file Motions to Dismiss and for Final Summary Order by December 18, 2009, and the City of Tampa may respond by January 8, 2010. Judge Maloney will rule on the District's Motions by January 15, 2010. If either Motion is granted, no hearing will be needed; if neither one granted, a hearing will be scheduled.

Ms. Lloyd said the City of Tampa also sent a letter to the Joint Administrative Procedures Committee (JAPC) asking it to review the same provision on Reporting Compliance. The JAPC has a rule that it will stop its review upon the filing of a petition for a hearing; so JAPC will not continue its review until after the DOAH hearing is resolved. There is a provision in Florida Administrative Law that the District can continue with its rulemaking activities while a hearing is pending before DOAH.

In September 2009, after publication of the notice of intent to adopt the proposed rules, the Peace River Manasota Regional Water Supply Authority submitted comments about one particular provision in the proposed rules. The Authority met two times with District, the last meeting being the day before the November Governing Board meeting. The Authority representatives advised that due to contractual provisions between the Authority and its members, the provisions of proposed rule 40D-2.322(3) would reduce revenues that the Authority would receive from its members if the permit quantities are reduced due to unrealized population projections. The reduction in revenues may affect the ability of the Authority to repay bonds. At the November Governing Board, the Board authorized staff

to return with alternative language to address the problem. Staff has prepared the following alternative language and the Authority is in agreement with it.

**40D-2.322 20 Year Permit Requirements**

(3) For 20 year General and Individual Public Supply Permits, at years 10 and 15 of the permit the Permittee shall submit an analysis and summary of the long-term trends over the reporting period and through the term of the permit that addresses population growth based on the District's BEBR medium based GIS model or equivalent methodology, non-population based factors such as large industrial or other uses, other water demand, and per capita use. If the reporting period demands are less than 90% of the projected demands as reflected in the permit for that period or for the remainder of the term of the permit, the Permittee shall demonstrate a legal, technical or other type of rationale as to why the permitted demand should not be reduced to an allocation based on actual demands experienced through the reporting period and demands projected through the remaining term of the permit. Within 90 days of a District notification to the permittee that the demonstration was not made, the permittee shall submit a request to modify the permit allocation consistent with actual and projected demands.

The rules as they would be adopted with the above changes are included in the exhibit provided in the Board's meeting information. Miscellaneous scrivener's errors in the proposed rules are also corrected in the exhibit. A notice of the changes will be published in the Florida Administrative Weekly.

Staff recommended to approve the changes to the proposed rules as described above to address the Authority's concern and as shown in the exhibit provided in the Board's meeting information.

In response to Mr. Gramling's question, Mr. Bilenky said the motion being filed today is to dismiss the petition to challenge the rule because the District alleges the City does not have standing. He said the way the rule is drafted is prospective in operation and only applies to new 20-year permits or to renewals of 20-year permits. The City's current permit is not up for renewal for another 15 years. The first opportunity that this rule would apply is 10 years into its renewed permit if the City seeks one. The District is arguing first to the ALJ is that it is speculative that this rule will have any application before the year 2034; therefore, this rule might not affect the City's permit because many things may change before 2034. The second ground for argument is a motion for Summary Final Order that the District has not filed but anticipates filing on Friday, December 18. This argument goes to the substance of the City's claim which is that the District's rule is not supported by statutory authority. This rule would say that when a permittee comes in for this 10-year compliance report the District will measure it based on the standards that were in place at that time. The City is saying the District has to measure whether the permittee is complying with the rule back at the initial point when the permit was issued. Under the City's current 20-year permit which this rule does not apply to, it provides that when the District reviews the permit there are provisions that say the permittee will meet the then existing rule requirements of the District. The District has sufficient grounds in the statute to support the District's position. Mr. Gramling said he hopes the District is aggressive in pursuing those lines of argument. He said it is important from a precedence standpoint that the District move forward with some substantial defense of the rule.

Following consideration, **Mr. Gramling moved, seconded by Mr. Combee, to approve the staff recommendation as presented. Motion carried unanimously.** (CD 1/Track 4 – 04:35/Track 5 – 09:46)

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

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

***Submit & File Report***

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

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

- Mr. Owen said one of Tampa Bay Water's sources outside of the Consolidated Permit is the Brandon Urban Dispersed Wellfield and the District recently issued a 10-year renewal permit with minor modifications. He said this was a successful experience for renewing a 6.0 mgd permit which is used extensively by Tampa Bay Water in meeting its member government demands.
- Mr. Owen said in this past legislative session, a bill passed authorizing extensions of environmental resource permits. The District sent letters to every permittee (4,000+) that fell within the eligible timeframe. To date, the District has received approximately 500 notifications for extensions--about 320 have been granted, 100 did not qualify, and the remaining have either been withdrawn or are under review.
- Mr. Owen said the Board recently approved a rule addressing a part of the District's program not addressed by the legislation. He said formal determinations are often a prelude to an environmental resource permit. The rule lets permittees qualify for a similar two-year extension. Approximately 400+ letters have been sent to entities that hold such formal determinations that are potentially eligible for extension. That rule does not go into effect until the end of this month. To date, nine requests have been received.

***Routine Reports***

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

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

26. **Overpumpage Report**

27. **Resource Regulation Significant Initiatives**

(CD 1/Track 6 – 00:00/03:26)

Committee Chair Senft relinquished the gavel to Resource Management Committee Vice Chair Beruff.

## **Resource Management Committee**

***Discussion Items***

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

29. **Lake Hancock Outfall Treatment Project**

Ms. Janie Hagberg, Senior Professional Engineer, Surface Water Improvement and Management Program, said staff is recommending Governing Board approval to amend the consultant agreement to add \$798,950 for final design services for the Lake Hancock Outfall Treatment Project. The Lake Hancock projects are critical in the District's strategies for meeting minimum flows in the Upper Peace River, improving water quality in the Peace River, and protecting Charlotte Harbor, an estuary of national significance. The goal of the Lake Hancock Outfall Treatment Project is to improve water quality discharging from Lake Hancock through Saddle Creek to the Peace River. Water quality treatment of discharges from Lake Hancock has been identified as the most cost effective means of reducing nitrogen loads into the Peace River and Charlotte Harbor.

Ms. Hagberg noted that, at the August 2009 Governing Board meeting, staff presented an overview of the Lake Hancock Outfall Treatment Project and requested approval to add funds to the consultant agreement for final design, construction management services, and start-up assistance. The Board requested that staff return to a future Governing Board meeting and provide additional detail on project costs, specifically focusing on estimated construction management fees.



Ms. Hagberg said staff met with Board members and evaluated the construction management budget. She said staff would like to finalize design and review those elements of the design that affect cost such as construction management services and bring that back once design is finalized in the spring. She briefly reviewed the design concept and consultant agreement history.

Ms. Hagberg said one of the important elements of the project that affects estimated construction costs and estimated construction management fees is the proposed construction of a bentonite slurry wall for seepage control in the perimeter berms. Currently, the project design includes a slurry wall constructed along the full length of the outer berm area (7.5 miles) at an estimated construction cost of \$2.3 million as well as approximately \$125,000 in construction management costs. As a part of the next design phase, the project consulting team will perform a more detailed analysis of seepage control, including optimization of the slurry wall design to reduce/eliminate costs. Estimated construction costs will be refined based on the resulting seepage control measures and final design. An amendment to the consultant agreement is needed to add funds (\$798,950) for the next phase of design. Once design is complete, including review of the slurry wall, staff will present the refined construction estimate and construction management budget at a future Governing Board meeting and will request to amend the consultant agreement to add funds for construction management.

Staff recommended to approve amending the consultant agreement to add \$798,950 for final design services for the Lake Hancock Outfall Treatment Project. Funds necessary to complete the design phase are available from Florida Forever funding budgeted for the project.

Mr. Moore said, in the Board's meeting information, it states "Once design is complete, including review of the slurry wall, staff will present the refined construction estimate and construction management budget at a future Governing Board meeting and will request to amend the consultant agreement to add funds for construction management." He said Committee Vice Chair Beruff has had discussions with staff and the phrase "amend the consultant agreement to add funds for construction management" should be deleted since this issue has not been resolved.

In response to Ms. Closshey's question, Ms. Hagberg said \$28.5 million is the total budget to date, and staff feels it is adequate for the engineering services and construction. She said staff does not anticipate requesting additional funds but cost is dictated by final bids. Discussion ensued regarding plant establishment, treatment wetlands projects, maintenance, plans after the 50-year life of the project is reached, and nutrient loads.

Dr. Robert Knight, president of Wetland Solutions, Inc., addressed Ms. Closshey's questions about project life and nutrient loads.

Committee Vice Chair Beruff asked about the \$770,000 maintenance expense. Ms. Hagberg will provide him the information.

Mr. Larry Kimbro, representing Pathway Technologies, said his firm is a scientific company that incorporates proprietary blends of microorganisms that are non-pathogenic, not genetically engineered and considered environmentally safe. He said his firm's product is a complementary technology that could speed up the process and reduce ongoing costs. Committee Vice Chair Beruff thanked Mr. Kimbro for his comments and directed staff to meet with Mr. Kimbro. In response to Ms. Closshey's question, Mr. Kimbro said his firm would like to work with staff and evaluate the conditions which would require preparation to delve into the science and engineering aspects. He said this is an emerging technology which is cost effective and effective in remediating nutrient levels.

Staff recommended to approve amending the consultant agreement to add \$798,950 for final design services for the Lake Hancock Outfall Treatment Project. Following consideration, **Mr. Gramling moved, seconded by Mr. Tharp, to approve the staff recommendation as presented. Motion carried unanimously.** (CD 1/Track 7 – 00:00/25:02)

### ***Submit & File Report***

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

30. **Report from the Scientific Peer Review for Anclote River**

### ***Routine Reports***

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

31. **Florida Forever Funding**  
32. **Minimum Flows and Levels**  
33. **Structure Operations**  
34. **Watershed Management Program and Federal Emergency Management Agency Map Modernization**  
35. **Significant Water Supply and Resource Development Projects**
- Mr. Wirth said, at the Board's August meeting, staff presented the preliminary findings of the minimum flows and levels (MFLs) on the lower Peace River. He said the District had received comments from the Charlotte Harbor National Estuary Program (CHNEP) and Peace River Manasota Regional Water Supply Authority. Mr. Wirth said the District received a letter from the CHNEP and Authority supporting the District's approach regarding the science but are concerned that the MFLs would be able to grant too large a percentage of withdrawal. He said staff has met with both agencies and reached a compromise to bring the percentages down and within reasonable withdrawal amounts.
  - Mr. Wirth said the Clam Bayou project in the Pinellas-Anclote River Basin will clean up water and restore habitat. He said a federal lawsuit was filed, but the District is relieved of that lawsuit so requests for bid have been released.
  - Mr. Wirth said another Pinellas-Anclote River Basin project involving the Sawgrass Lake Gun Club is a \$20 million restoration project. He noted that a workshop was held last week to begin the process, and thanked the Communications Department for its assistance in setting up the workshop.

(CD 1/Track 8 – 00:00/02:51)

Resource Management Committee Vice Chair Beruff relinquished the gavel to Outreach and Planning Committee Chair Tharp.

The meeting recessed for a short break and reconvened at 2:10 p.m.

## **Outreach and Planning Committee**

### ***Discussion Item***

36. **2011 – 2015 Strategic Plan Approval**

Mr. Roy A. Mazur, P.E., Director, Planning Department, said the purpose of this presentation is to request approval of the 2011 – 2015 Strategic Plan for adoption and distribution. In addition, the 2011 – 2015 Strategic Planning Scorecard will be demonstrated. The mission of the Strategic Plan update is to provide the overarching strategic direction, from which all of our District strategies evolve: Superior Stewardship of Florida's Precious Water Resources. With that responsibility, the deliverables of FY2011 update are to reconfigure the Strategic Plan to meet the statutory requirements allowing the Strategic Plan to replace the District Water Management Plan, produce an updated Strategic Planning document, and implement the reporting of the Primary Success Indicators.

Mr. Mazur demonstrated the Strategic Planning Scorecard and reviewed the methodology involved in reporting the progress of the Primary Success Indicators. In response to Committee Chair Tharp's question, Mr. Mazur said the data will be updated at least annually. Ms. Whitehead congratulated all the staff who worked on this publication for doing a fine job.

Staff recommended to approve and adopt the 2011 – 2015 Strategic Plan for distribution. Following consideration, **Ms. Closshey moved, seconded by Mr. Gramling, to approve the staff recommendation as presented. Motion carried unanimously.**

Committee Chair Tharp thanked Mr. Mazur and staff in the preparation of the Strategic Plan. He noted that the Visual Communications Section staff did a great job correlating the verbiage and he commended the efforts of the information technology staff on the Scorecard. Mr. Moore said each year staff works to improve the Strategic Plan and over time the Scorecard will be able to dig deeper into the initiatives. (CD 1/Track 9 – 00:00/12:12)

**Submit & File Report** – None

### ***Routine Reports***

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

37. **Comprehensive Plan Amendment and Related Reviews**

38. **Development of Regional Impact Reviews**

39. **Speakers Bureau**

40. **Significant Activities**

- Ms. Kavouras noted that the "Skip A Week" campaign has begun and this media buy runs from mid-November through mid-February excluding the last two weeks of December. She said this is an integrated campaign including ads in print, billboards, broadcast and web media.
- Ms. Kavouras said the Water Conservation Hotel and Motel Program (Water CHAMP) conservation program now has 451 participants. She said the latest success story followed a presentation that staff made to hoteliers of the Wyndham chain which now has committed that all local hotels will become participants.
- Ms. Kavouras said it is almost that time of year for the Board to approve the consolidated report which includes seven reports combined into one document. The draft report will be provided to the Board in January 2010 and approval requested in February 2010.

(CD 1/Track 10 – 00:00/02:36)

Outreach and Planning Committee Chair Tharp relinquished the gavel to Finance and Administration Committee Second Vice Chair Combee.

## **Finance and Administration Committee**

### ***Discussion Items***

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

42. **SWFWMD's FY2009 Efforts to Accelerate Florida's Economy**

Mr. Daryl F. Pokrana, Director, Finance Department, provided a status report on the District's fiscal year (FY) 2009 efforts to accelerate Florida's economy. In October 2008, the District was requested by Governor Crist to ensure that the District moves forward in a timely and beneficial manner to expedite District funds provided for capital projects as a means to help stimulate the economy of this State and the region. District staff has taken steps to expedite capital and other projects.

Mr. Pokrana reviewed the framework for the District's project acceleration, the specific measures taken to accelerate projects, and a summary of the projects accelerated during

FY2009, including total dollars expended during FY2009 positively impacting the Florida economy. The District is accelerating projects in several ways:

- (1) A letter was sent to all cooperators on October 15, 2008, asking that they “expedite District funds provided for capital projects as a means to help stimulate the economy of the State and the region.”
- (2) District staff was instructed to expedite projects whenever possible. This included the projects/contracts identified for acceleration, and all other budget items.
- (3) The District is reimbursing cooperators in a timely manner. The goal is 30 days from the receipt of the invoice.
- (4) All project managers have been instructed to document in the Project Information Management System (PIMS) the actions taken to accelerate the project and the status of the project.
- (5) Fast track permitting for economic development projects.

Mr. Pokrana said there are 93 projects for a total project cost of \$382.1 million and 16 of these projects were completed or near completion. While these projects are being expedited, where possible, most are major projects that will take more than one year to permit and construct. In FY2009, the District expended \$100.2 million (26 percent) of the total project funding. Mr. Pokrana provided examples of the types of projects that are being expedited: Tampa Bay Water System Configuration II, Peace River Manasota Regional Water Supply Authority Reservoir Expansion and Facility Expansion, Tampa Electric Company Regional Reclaimed Partnership Initiative, and Progress Energy Levy Nuclear Power Plant.

Mr. Pokrana noted that all actions taken by the District to accelerate projects are being done within the approved budget. The District has received no or very little outside funding from state and federal sources, and no Federal Stimulus Funds. But even with this downturn, the District is doing everything within its power to expedite expenditures.

- Several years ago, the District’s contracting process was streamlined. At that time, it took an average of 91 days to approve and execute a contract. The current goal is 45 days. Since October 1, 2008, it has taken an average of 38 days—this is well under the established goal.
- The District is paying its vendors in a timely manner. Section 281.74(2), Florida Statutes, requires the District to make payment within 45 days from the time the invoice is received and certified or approved. The District’s goal is 30 days, or less.
- The District continues to outsource a significant portion of the annual budget to the private sector. In FY2009, the District outsourced \$48.5 million (approximately 16 percent) of expenditures. In FY2010, the District has budgeted to outsource \$62.4 million in services.
- Purchasing cards (PCards) were initiated at the District in 2004. The PCards, which are similar to credit cards, allow District staff to accelerate getting payments into the economy. This allows District staff to make purchases, within established guidelines, more efficiently. PCards eliminate the need to issue purchase orders and allow payments to vendors. The District has 721 active PCards and spends approximately \$600,000 per month for PCard purchases.

Mr. Pokrana said the District will continue efforts to accelerate capital and other projects while expediting the procurement process and payments as a means to positively impact the economic recovery of the State of Florida.

Mr. Combee thanked Mr. Pokrana for this report showing that staff is dealing with this matter as required under Florida law. He said he appreciates staff’s efforts to do as the Governor directed. (CD 1/Track 10 – 02:36/12:57)

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

43. **District's Long-Range Water Supply and Resource Development Funding Plan**

Ms. Linda Pilcher, Assistant Director, Finance Department, said this is an information item presented to the Board as an update of the Long-Range Water Supply and Water Resource Development Funding Plan (Funding Plan) through 2030. The Board was provided a handout of the overheads used during this presentation. Ms. Pilcher said staff will provide a financial overview, customer demand projections, overview of major Water Supply and Water Resource Development (WS&WRD) projects, and a detailed review of individual projects. She said the long-range financial plan provides financial incentives on a pay-as-you-go basis to encourage and align partnership efforts for the purpose of conserving water and developing alternative water supplies, enhancing natural systems and water quality, and promoting flood management activities.

Ms. Pilcher said the Funding Plan, as defined in the 2011-2015 Strategic Plan, is a Core Business Process, and staff will provide an estimated revenue outlook for the Governing and Basin Boards through 2030. The plan was developed to "stay-the-course" to meet priorities while living with current means. This means allocating available resources for priority water supply and resource development, not incurring debt—continuing to pay-as-you-go for projects, continuing to hold-the-line and maintain steady millage investment as long as needed, and continuing to look for public and private partners. This stay-the-course approach, approved by Governor Crist, has prepared the District to successfully operate during all economic times (in a financially responsible way) to address the District's core priorities. This approach also allows the District to be at the table with its partners working collectively to plan for projects that will ensure adequate water supply for all competing users while protecting the environment.

Ms. Pilcher said this presentation illustrates that the Governing Board is well positioned through 2030, along with the Basins (with the possible exception of the Peace River Basin), to meet the financial demands of the Funding Plan through 2030. Projections for the next five years are usually the most accurate and the focus for this update; however, staff has conducted a comprehensive analysis through 2030. Staff has evaluated project costs and revised implementation schedules looking at market conditions as well as updated information from the Peace River Manasota Regional Water Supply Authority, Polk County, Tampa Bay Water and the State of Florida. Staff is using the latest available information which feeds into the annual budget process and will be updated throughout the next year.

Ms. Pilcher noted the various District and State programs that provide funding for projects identified in the Regional Water Supply Plan are:

- District's WS&WRD program for regional projects.
- Basins' Cooperative Funding Program for local projects.
- State's Water Protection and Sustainability Program for alternative water supply development.
- State's Florida Forever program for land acquisition in support of water resource development.
- Program funds are leveraged with outside grants from other entities, and matching funds from the District's cooperators.
- Funding is provided through District Initiatives for data collection, agricultural research and other initiatives for conservation or in support of water resource development.

Ms. Pilcher said that, in December 2008, the Governing Board reaffirmed that the planned or targeted annual ad valorem funding level for WS&WRD projects would be \$30 million per year. The Basins generally match the funds contributed by the Governing Board, depending on availability of funds and project priorities. The \$30 million funding level for the Governing Board and Basin Boards will be reviewed throughout the budget process. Staff will need to determine if the funding level should be increased or decreased

depending on changes in project funding requirements, demand timelines, and availability of cooperator and District and Basin funding sources. The amount budgeted each year will be based on actual project requirements for that year—just in time budgeting. Finally, while state and federal funding is important to the long-term program, given current economic conditions, no state and federal funding has been included in this analysis.

Ms. Pilcher said ad valorem represents about 60 percent of the District's total revenues and is the primary source of funding for WS&WRD projects. Ad valorem for FY2010 is \$187 million which is down from a high of \$237 million for FY2008, a reduction of \$50 million or 21 percent. Based on the most recent information dated December 4, 2009, from the Legislature's Office of Economic and Demographic Research, staff is projecting FY2011 ad valorem revenue will be \$171 million and this is \$17 million or nine percent less than FY2010. In response to Ms. Closshey's question, Ms. Pilcher said the ad valorem for FY2009 was approximately \$210 million.

Ms. Pilcher provided a more detailed look at the anticipated decreases in property values for FY2011. For the General Fund and the seven Basins, projections for FY2011 have changed from the October Basin workshops due to updated projections from the State's revenue estimating conference. The decrease from FY2010 is now projected at \$17 million which is \$3.8 million lower than reported in October. While the District has had reductions in ad valorem for the last three years, the levels are comparable to FY2005 and FY2006. While the dollars available to build WS&WRD projects have declined, the demands for water have been extended along with the project timelines.

Ms. Pilcher said the budget implications are revenue from ad valorem taxes will continue to decrease for at least one more year, and the District will continue to see limited or no state and federal funding for FY2011. The District's Community and Legislative Affairs staff will try to secure available funding but, in reality, the near-term prospects may be limited for several more years. Cooperators are experiencing the same or steeper declines in revenue; so there will be fewer cooperative funding requests this year, and probably more canceled projects as local governments adjust their priorities to work with the funds they currently have. In FY2009, over \$8 million in projects were cancelled or withdrawn. The State is projecting a slowdown in population growth; however, this will balance timelines to meet demands, consistent with the declines in funding.

Ms. Pilcher noted that one of the unknowns is what future state or federal tax reform will bring. In November 2010, Florida electorate will be voting on another amendment to reduce property taxes: (1) five percent annual cap (from recently approved 10 percent cap) on annual growth in taxable values for non-homesteaded (including commercial) properties; and (2) additional homestead exemptions for new homestead property owners. Staff also expects the 2010 Legislature will consider bills that could further limit government's growth through revenue or spending caps. Taking all of these factors into consideration, overall the District is still well positioned to meet the financial demands of the Funding Plan through 2030. The one exception is the Peace River Basin which will have additional challenges. As in prior years, it will be necessary to reduce/extend funding for WS&WRD and larger cooperative funding projects. Success in obtaining state and federal funding in the future will be critical to the success of the WS&WRD program. Current analysis indicates that the District and Basin Boards should stay the financial course to fund WS&WRD projects on a pay-as-you-go basis. Staff will continue to provide periodic updates to the Governing and Basin Boards as additional and better information is available during the FY2011 budget development process. (CD 1/Track 11 – 00:00/11:33)

Mr. Wirth reviewed changing demand projections, and individual WS&WRD projects and costs. He noted that demand projections drive WS&WRD projects and the utility itself which is dependent on population. He also noted that this presentation will not include the individual Basin projections but that information is available if the Board wants a review.

Since there are Board members who have not heard this presentation, Mr. Wirth provided a historical overview of project funding.

Mr. Wirth discussed how the District will be able to fund the necessary WS&WRD projects, even with reduced resources. He said there are two types of projects: alternative water supply and water resource development. Alternative water supply projects involve a cooperater in all cases and those timelines are driven by the need for cash for when the demands need to come on board; there is not as much flexibility in meeting the demands. Water resource development projects involve restoration or environmentally large-scale projects; these projects are somewhat flexible in terms of when to bring them on board occurs. The District budgets funds over time when looking at the 20-year horizon but looking very specific in the next five years. When the District saw a large project for 2008 or 2009, staff began designating funds in 2006 to provide a smooth allocation.

Mr. Wirth noted that demand is projected to increase only in the northern part of the District looking at the 20-year horizon. Demand projections have changed for the Peace River Manasota Regional Water Authority – 27 mgd less, Northern Tampa Bay – 54 mgd less, and Polk County – 20 mgd less. (CD 1/Track 11 – 11:33/20:45)

Mr. Wirth provided an overview of the following significant projects representing the largest share of the program funding. He pointed out the Governing Board has typically been providing about \$6.3 million additional money to other projects of regional significance.

- Northern Tampa Bay
  - System Configuration II – total project cost: \$255 million; District share: \$116 million/\$850,000 remaining; funding years: FY2007-FY2011; quantity: 25 mgd.
  - System Configuration III – total project cost: \$450 million; District share: \$213.8 million; funding years: FY2015-FY2030; quantity: 30 mgd.
- Hillsborough Minimum Flow and Level (MFL) Recovery – total project cost: \$18.5 million; District share: \$9.25 million/\$2.4 million remaining; funding years: FY2008-FY2014; quantity: 8.8 mgd/13.7 cfs.
- Tampa Reuse Expansion – total project cost: \$80 million; District share: \$40 million; funding years: FY2016-FY2030; quantity: 8 mgd.
- Southern Water Use Caution Area Regional Reclaimed Water Partnership
  - Phase I – total cost: \$69 million; District share: \$35 million/\$13 million remaining; funding years: FY2008-FY2013; quantity: 6 mgd.
  - Phase II – total cost: \$70 million; District share: \$35 million; funding years: FY2017-FY2028; quantity: 6 mgd.
- Peace River Facility & Reservoir Expansion – total project cost: \$167.2 million; District share: \$70.6 million/\$720,000 remaining; funding years: FY2002-FY2011; quantity: 24 mgd.
- Peace River Manasota Regional Water Supply Authority
  - Regional Loop System – total project cost: \$255.6 million; District share: \$123.8 million/\$93.1 million remaining; funding years: FY2007-FY2030; quantity: n/a.
  - Regional Resource Development – total project cost: \$386.7 million; District share: \$188.2 million/\$187.9 million remaining; funding years: FY2009-FY2030; quantity: 26 mgd.
- Polk County Water Supply Development – total project cost: \$150 million; District share: \$71.25 million; funding years: FY2013-FY2026; quantity: 10 mgd.
- Upper Peace River Restoration – total project cost: \$430.5 million; District cost: land - \$189 million, projects - \$241 million/\$192 million remaining; funding years: FY2003-FY2030; quantity: n/a.
- Flatford Hydrologic Restoration – total project cost: \$40 million; District share: \$17.3 million/\$16.5 million remaining; funding years: FY2010-FY2019; quantity: 8 mgd.

Regarding Polk County, Ms. Closshey said since there is an economy shift, are there shifting projections in land use transitions and asked if the District needs to modify the

timing of the land use transitions previously projected at the time of the Southern Water Use Caution Area Recovery Strategy approval. Mr. Wirth said staff is aware of shifts and view them from more of a planning standpoint. He noted some of the agricultural land that was becoming residential is now being planted with citrus trees. Ms. Closshey said, in the past four years, there was greater enthusiasm for land use transition; so, it is a dynamic evolving picture. Mr. Wirth said Polk County recognizes that it is not going to be able to keep up by swapping citrus groves for subdivisions and will need to bring on some of these big sources of water.

In response to Ms. Closshey's question regarding the Upper Peace River Restoration, Mr. Wirth said staff does not feel it can achieve all the MFL by raising the Lake Hancock levels and plugging the sinkholes along the river. He said the only other option is to capture additional surface waters, store them and then bring back when needed. Mr. Moore said the initial assessment of a reservoir determined the value to help meet MFL; the years that MFL is not met are dry years. He said there is nothing wrong with the site to convert it to a reservoir, but the issue was finding water to fill it. Mr. Moore said staff is now running the model looking at the wet years' average year, and whether that average could be captured so then surface water is used in average and wet years, and the groundwater rested in a consumptive use fashion to determine whether that makes it a viable supply. In response to Ms. Closshey's question, Mr. Wirth said the analysis is being done in-house. Committee Chair Beruff said capping of sinkholes at Lake Hancock would achieve 95 percent of the MFL. He asked if it was correct that the CS-11 project was barely four percent of the MFL, and Mr. Wirth replied affirmatively.

Ms. Closshey said she noticed that Mr. Wirth delineated that the last two projects were environmental. She said during this morning's workshop, there was discussion about the possibility of looking at where money is spent—on environmental water issues or reallocate and so on. She asked whether there is sufficient data to evaluate that and, if CS-11 is moved from the category of looking at MFL into the area of analysis, does that move it into water supply at that point in time. Mr. Wirth said affirmatively. In response to Ms. Closshey's questions regarding the northern District, Mr. Wirth said if the northern portion is growing proportionally larger than the other areas, it will be contributing a larger percentage to the whole. He said staff is working with the Withlacoochee Regional Water Supply Authority (WRWSA) to determine how to bring water into the regional plan. He noted that to have in place a regional balanced system will require a pipeline, and the question is what is the pipeline going to carry first—is it going to carry groundwater which is available or alternative water. He said it will probably carry groundwater initially. Mr. Wirth said, as discussed this morning, the District needs to make a decision whether to participate in the pipeline. If the District does not participate, Mr. Wirth said he did not know if the WRWSA will be able to build a regional pipeline that looks 50 years down the road. He said WRWSA may have to build in pieces which may create problems. He said that is the vision the District sees going forward with the WRWSA building the pipeline system in five or ten years if that population growth goes forward. Mr. Wirth said the message of the day is that one size does not fit all and the District has to rethink how to manage water in these different areas since they are not structured the same throughout. Mr. Moore said to keep in mind that those numbers are not etched in stone. He said those numbers are based on per capita and there is not an aggressive approach to reduce per capita in the north which the District is encouraging. In response to Mr. Combee's question, Mr. Moore said the numbers are Bureau of Economic and Business Research median.

In response to Ms. Closshey's question, Mr. Wirth said an option for the Peace River Basin includes who needs the dollars the most to ensure the project moves forward to make sure the interest of the District goes forward to develop a regional system. He noted that the share between the Governing and Basins has always remained the same. He noted the Peace River Basin really starts having problems in ten years or more and, if CS-11 is removed, things look a lot better for the Basin. Peace has next to the or the



second lowest millage rate of all the Basins and there might be a point when the Basin considers raising its millage, or if growth takes off, then revenues will increase. In response to Ms. Closshey's question, Mr. Wirth said he'll provide the information without the CS-11 which will affect the Governing Board and Alafia River, Peace River and Manasota Basin Boards. (CD 1/Track 11 – 20:45/54:47)

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

44. **Fiscal Year 2011 Budget Development Process**

Ms. Pilcher said the purpose of this presentation is review and acceptance of the FY2011 Budget Development Process establishing major budget strategic priorities and general preparation assumptions. District staff will begin the FY2011 budget development process in January. The Budget Development Process memorandum with attachments provides staff with guidance from the Governing Board for the development of the next fiscal year budget. Ms. Pilcher reviewed budget calendar milestones and revenue assumptions for FY2011:

- Staff is assuming an overall decline of nine percent in ad valorem tax revenue, an estimated \$17 million decrease from FY2010.
- Staff is not anticipating any new State Florida Forever revenue for FY2011. The State did not appropriate funding for FY2010; however, \$25.7 million in prior year trust funds were available to be budgeted for this year.
- Staff is not anticipating any new State Water Management Lands Trust Fund (WMLTF) revenue for FY2011. The State also did not appropriate funding for FY2010. There was \$7.8 million available in prior year trust funds that were budgeted for FY2010.
- For the West-Central Florida Water Restoration Action Plan (WRAP), the District received \$15 million in initial State funding in FY2009. No funds were appropriated by the State for FY2010 and it is not likely for FY2011. The FY2010 budget does include \$810,000 in prior year funding from FY2009.
- Permit fees of \$1.7 million are estimated based on collections for FY2009.
- Interest earnings are anticipated at 1.5 percent, up from 1.0 percent, used for FY2010.
- Balance Forward for the General Fund in FY2010 was \$23.7 million, primarily related to cancelled or withdrawn projects. The current estimate for FY2011, based on FY2009, is \$15 million.
- On the expenditure side, assumptions remain almost unchanged from FY2010. All recurring expenditures targeted for a five-percent reduction below FY2010 levels.
- Facilities improvements will be consistent with the Governing Board's Five-Year Capital Improvements Plan.
- All non-recurring accounts will be zero-based and each budget item separately justified.
- No staffing increases are currently planned.
- Salary pool budget has yet to be determined. For FY2010, the Governor's Office directed all water management districts to not include merit increases for the second consecutive year.
- Water Supply and Water Resource Development is targeted at \$30 million from the Governing Board's General Fund and \$30 million from the Basin Boards. This is consistent with the Long-Range Funding Plan that was presented earlier today. This will be reviewed throughout the budget development process based on project funding requirements.
- All requests will be linked to the District's Strategic Plan through the program budget.
- Requests must be consistent with Governor Crist's and the District's Climate Change or Green Initiative to increase energy efficiency and reduce the carbon footprint.

Staff recommended to accept the planned FY2011 Budget Development Process as described in the memorandum and attachments provided in the Board's meeting information. Following consideration, **Mr. Tharp moved, seconded by Ms. Closshey, to approve the staff recommendation as presented. Motion carried unanimously.**

**Submit & File Report** – None

**Routine Reports**

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

45. **Treasurer's Report, Payment Register, and Contingency Reserves**
46. **Management Services Significant Activities**  
(CD 1/Track 12 – 00:00/08:24)

Finance and Administration Committee Second Vice Chair Combee relinquished the gavel to Vice Chair Oakley.

**General Counsel's Report**

**Discussion Items**

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

**Submit & File Reports** – None

**Routine Reports**

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

48. **Litigation Report**
49. **Rulemaking Update**

Mr. Bilenky said, when the District reaches a consent order and it is approved by the Board, those dollars are collected and substituted for Water Management Lands Trust Fund expenditures. He said, for the last three years, civil collections in consent orders are FY2007 – \$281,400, FY2008 – \$210,000 and FY2009 – less than \$60,000. He noted that the penalties have reduced in line with the economy so there is less money to offset land expenditures.

In response to Ms. Closshey's question regarding the arsenic case law, Mr. Bilenky said staff will investigate whether there is case law and report back. (CD 1/Track 13 – 00:00/02:52)

**Executive Director's Report**

50. **Executive Director's Report**
  - Mr. Moore reviewed topics discussed at the November 20, 2009 meeting of the Florida Department of Environmental Protection (DEP) Secretary and Water Management District (WMD) Governing Board Chairs and Executive Directors.
    - The Select Committee on Florida Inland Waters will review springs and spring shed issues and may include other issues like bottled water, changes to state stormwater rules and other water issues in this legislative session.
    - The Senate Environmental Preservation and Conservation Committee will review the Chapter 373 initiative to take all the water supply planning components and put them in one section – Section 7.
    - The water board and water czar concepts are being mentioned. The Secretary of DEP is in a role to coordinate state water policy. The water board that appears to be discussed is more of a statewide utility board to look at the grid network throughout the state. In discussions with utility directors and other regional agencies such as Tampa Bay Water and Peace River Manasota Regional Water Supply Authority, the consensus is that a state board is not needed to do regional projects. The least expensive alternative is to come up with regional solutions rather than try to mimic the California water project.
    - Elected Board members may come up in legislation again.
    - Senate Bill 2080 was discussed this morning and there will be bills introduced to revert permit approval back to the governing boards. There may be strong sentiment by some not to make the change back.

- The Environmental Protection Agency plans to publish numeric nutrient standards on January 14, 2010.
- The Small Business Regulatory Advisory Council (SBRAC) is becoming more active in water management issues. When the WMDs develop rules, the SBRAC typically provides comments. The DEP Secretary will be meeting with the SBRAC to foster a relationship.
- The Governor has asked all the state agencies to be frugal in their travel. The only out-of-state travel being approved is for deputies and above in the state agencies. The DEP Secretary has asked the WMDs to also be frugal in terms of their travel and only go to meetings if a necessity. The District has implemented that with its staff and, although travel is not completely stopped, it needs to be well justified.
- Mr. Moore said staff anticipates Tampa Bay Water coming in for a surface water permit on the Alafia River once the MFL is adopted. He noted that the District has encouraged Tampa Bay Water and Polk County to work on a Memorandum of Understanding, and conveyed to both that before the permit comes in staffs meet to encourage a cooperative relationship if possible.
- Mr. Moore said there was a major gypsum stack that was abandoned and doing nutrient damage to Bishop Harbor/Piney Point. He noted there was a recent article about the success story of the restoration that has occurred and passed the article around to Board members.

(CD 1/Track 13 – 02:52/08:45)

## Committee/Liaison Reports

### 51. **Basin Board Land Resources Committee Meeting**

Mr. Eric Sutton, Director, Land Resources Department, said the Committee met on December 1 and discussed the Florida Forever Plan that will be included in the Consolidated Report and a multiple use update. He said, based on general comments by the Governing Board in the past, Mr. Joerger has asked that the stakeholders group and the Committee meet jointly for the upcoming year. There will be a component of that joint meeting that will be open to the public. Following that meeting, there will be an open house for the public to discuss any hot topics or issues.

### 52. **Environmental Advisory Committee Meeting**

Ms. Kavouras said the Committee met on December 7 and several informational reports were presented: Watershed Management Program and Federal Emergency Management Agency Map Modernization, Aquifer Storage and Recovery, legislative preview and "Get Outside!" campaign. The most significant discussion was hydrologic conditions, drought update and water shortage restrictions. As the Board heard earlier, the Committee requested the Governing Board be conservative when lifting the water shortage restrictions. Additionally, the Committee moved that when the Governing Board is considering the year-round water conservation measures again, the Board consider one-day-a-week irrigation only, similar to the St. Johns River WMD measure during daylight savings time. The motion passed, but not unanimously. (CD 1/Track 13 – 08:45/11:30)

## Chair's Report

### 53. **Chair's Report**

#### a. **Performance Evaluations of the Executive Director and Inspector General**

Ms. Elaine M. Kuligofski, Director, Human Resources & Risk Management Department, noted that the Governing Board members received their performance appraisal packets at the October 2009 Board meeting, and have submitted their performance comments and recommendations for improvement and professional development. These have been incorporated into draft 2009 performance appraisals for the Executive Director and Inspector General. Board members also received and

reviewed the proposed 2010 Goals and Objectives for the Executive Director and Inspector General. The draft performance appraisals were presented to the full Board for review, discussion, editing and final approval at the December 15, 2009 Board meeting. Board members were provided an opportunity to ask any questions they may have about the performance evaluation packets or process.

Staff recommended to (1) approve the 2009 performance appraisals of the Executive Director and Inspector General and authorize them to be finalized; (2) authorize the Governing Board Chairman to sign the final, approved appraisals and deliver them to the employees on behalf of the Governing Board; and (3) approve the 2010 Goals & Objectives for the Executive Director and Inspector General. Following consideration, **Ms. Closshey moved, seconded by Ms. Whitehead, to approve the staff recommendation as presented. Motion carried unanimously.**

Mr. Moore said, on his behalf and Mr. Fritsch's, staff appreciates the Board and its volunteerism. In response to Ms. Closshey's question, Ms. Kuligofski said staff will review how other agencies are handling executive reviews and investigate advances in performance reporting. (CD 1/Track 13 – 11:30/15:50)

b. **Other** – None

There being no further business to come before the Board, Vice Chair Oakley adjourned the meeting. (CD 1/Track 13 – 15:50/17:07)

The meeting was adjourned at 3:45 p.m.