

APPROVED

MINUTES OF THE MEETING

HILLSBOROUGH RIVER BASIN BOARD SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

Tampa, Florida

February 12, 2007

The Hillsborough River Basin Board of the Southwest Florida Water Management District convened for a regular meeting at 9:50 a.m. on February 12, 2007, at the Tampa Service Office.

Board Members Present

Heidi B. McCree, Chair Ex Officio
Gary P. Reckart, Vice Chair
George R. Burt, Secretary
Renee Benton, Member
Hugh M. Gramling, Member
Hung T. Mai, Member

Recording Secretary

Annette D. Zielinski

Staff Members

Bruce C. Wirth
Lou Kavouras
Gregg Jones
Mark Hammond
Rand R. Baldwin
Randy Emberg
Mikel E. Renner
Maya Burke

A list of others who attended and signed the attendance roster is filed in the permanent files of the Basin. Compact disks of the audio and copies of materials and handouts, as set forth in full herein, are also filed in the permanent files of the District.

The numbers preceding the items listed below correspond with the published agenda.

1. **Call to Order and Roll Call**

Chair McCree called the meeting to order at 9:50 a.m. Ms. Zielinski called the roll and noted a quorum was present.

2. **Pledge of Allegiance**

Chair McCree led the Pledge of Allegiance to the American Flag.

Chair McCree thanked all those who attended this morning's dedication ceremony to honor the memory of Governing Board Member Ramon F. Campo. She recognized her fellow Governing Board member, Ms. Sallie Parks, and thanked her for attending today's meeting.

3. **Additions/Deletions to Agenda**

Ms. Kavouras said there were no additions or deletions to the agenda.

4. **Consent Item:**

a. **December 11, 2006, Meeting Minutes**

Staff recommended approval of the meeting and workshop minutes as presented. Following consideration, **Mr. Reckart moved, seconded by Mr. Gramling, to approve the minutes as presented. Motion carried unanimously.** (CD1/Track1 – 00:00/02:23)

5. **Discussion Items:**

a. **2006 Regional Water Supply Plan**

The legislatively mandated Regional Water Supply Plan (RWSP) is an assessment of projected water demands for all use sectors and potential sources of water to meet those demands over a 20-year planning period within the area required by the RWSP. Mr. Gregg Jones, Resource Conservation and Development Director, provided history of the RWSP, which shows sufficient alternative water sources exist in the planning region to meet water supply demand through 2025 and replace some current groundwater withdrawals causing hydrologic stress. Chapter 9 of the RWSP is the financial component, which addresses the cost of developing the projects necessary to meet the 2025 water supply demand.

In December 2006, the Governing Board approved the final draft of the RWSP and submitted it to the Florida Department of Environmental Protection, as required. The District is required to present information in the RWSP to local governments and provide technical assistance to ensure consistency between local water supply planning efforts and those of the District.

Topics covered in the presentation included demand projections, water source quantities by source category, water supply options, proposed water supply projects, and funding allocations and assumptions. Looking specifically at the Basin Board's future funding needs, staff reviewed the budget Multi-Year Report and provided input on how the report could be improved and the tools needed to monitor resource allocations.

Discussion ensued on topics including the importance of the Board being able to fund long-term projects, the necessity of being vigilant with regard to the Basin's budget, population projections, reserves, and millage. Mr. Burt led a discussion regarding cooperative funding and the aid it provides some municipalities to generate revenue sources. Mr. Jones said this cooperative funding money helps to foster alternative supplies of water. In general, the cooperative funding program has driven people away from groundwater use and this was the initial intention of the program. Chair McCree thanked the Board and staff for this discussion.

This item was presented for the Board's information; no action was required. (CD1/Track1 – 02:23/33:38)

b. **Tampa Bay Regional Reclaimed Water Project Update**

Mr. Jones also presented this agenda item to provide an update on the Tampa Bay Regional Reclaimed Water and Downstream Augmentation Project, including funding allocations. He provided background of the Tampa Bay Regional Reclaimed Water and Downstream Augmentation Project, which would utilize a significant portion of the reclaimed water discharging into Tampa Bay from the City of Tampa's Howard F. Curran Advanced Wastewater Treatment Plant. The permit application for that project was submitted to the Department of Environmental Protection (DEP) in June 2005. Due to permit uncertainties and recent work on minimum flows and levels on the lower Hillsborough River and the Tampa Bypass Canal, the Tampa Bay Water Board voted to move forward with expansion of its enhanced surface water systems without the augmentation component. Therefore, the project is being replaced by the Tampa Bay Water System Configuration II Project, which will develop additional capacity in Tampa Bay Water's Enhanced Surface Water system to withdraw and treat water during periods of higher flow from the Hillsborough River and the Tampa Bay Bypass Canal. Mr. Jones

explained changes and ongoing activities of the new project, funding aspects, and work completed or in progress. (CD1/Track 2 – 00:00/09:26)

c. **Approval of Agreement and Transfer of Funds for Tampa Bay Water System Configuration II Project**

Mr. Jones continued discussion of the System Configuration II Project, explaining that many of the elements that would have been necessary for downstream augmentation would also be necessary for the System Configuration II Project. He reviewed the project configuration and benefits and provided an in-depth report of funding elements including funds already budgeted for the original Reclaimed Water and Downstream Augmentation Project, potential State and Federal grants, and funding to be requested.

Mr. Mai was provided clarification by Ms. Paula Dye, Tampa Bay Water (TBW), as to what opposition this project may expect to bring. Ms. Dye said TBW was confident that whatever challenges may be filed, they have a very sound permit application and her opinion, as project manager, is that TBW would prevail. Ms. Dye also reviewed project property that has already been purchased and the project cost of water and how it compares to other alternative water supplies.

Ms. Kavouras brought members' attention to new diversity language included in the cooperative funding agreement for the project. A copy of the agreement was provided as an exhibit to this agenda item. Copies of the new language were provided to Board Members and were available at the sign-in table.

Ms. Benton questioned the proposed language because it stated a report would be provided at the end of the project, which would be after the fact. Mr. Jones said he understood that there would be a constant stream of reports. Mr. Wirth said the new language provides for reports with each contract addendum that involves a cost increase. Mr. Reckart said he does not see the point if the information is provided retrospectively. Chair McCree suggested the subject be taken to the District's Diversity Committee due to the complex legal nature of the issue. Ms. Dye said she would make the commitment to collect this information and provide it to the District, on a yearly and informal basis, so that globally there would be no inconsistencies among contracts.

Following consideration, **Ms. Benton moved, seconded by Mr. Reckart, to direct staff to review diversity language for all contracts in an attempt to receive diversity reports in a more timely fashion. Motion carried unanimously.**

Board members interacted with staff regarding Basin funding and the timeframe for completion of the project.

Staff recommended the Board members:

- (1) Recommend the Governing Board approve the agreement with Tampa Bay Water to construct the System Configuration II Project for a total amount of \$232,000,000, with the District's share not to exceed \$116,000,000, and the Hillsborough River Basin's share not to exceed \$13,155,822;
- (2) Approve the transfer of \$1,567,054 of Basin funds previously budgeted for the Tampa Bay Regional Reclaimed Water and Downstream Augmentation Project to the System Configuration II Project;
- (3) Approve the transfer of \$107,072 of Basin funds previously budgeted for the South Central Hillsborough Interconnect Project to the System Configuration II Project;

- (4) Approve the transfer of \$1,907,946 of Water Protection and Sustainability Program trust funds previously budgeted for the Tampa Bay Regional Reclaimed Water and Downstream Augmentation Project and the South Central Hillsborough Interconnect Project to the System Configuration II project subject to adoption of a future resolution by the Governing Board; and
- (5) Recommend the Governing Board authorize the Executive Director to execute the agreement.

Following consideration, **Mr. Gramling moved, seconded by Ms. Benton, to approve the staff recommendation, as well as the diversity language, which was added to the Cooperative Funding Agreement for this project. Motion carried unanimously.** (CD1/Track 3 – 00:00/67:00)

Chair McCree relinquished the gavel to Vice Chair Reckart.

d. **FY2008 Cooperative Funding Requests**

Ms. Mikel Renner, Northern Planning Manager, presented this item to remind the Board of the Cooperative Funding process. Ms. Renner reviewed the FY2008 Cooperative Funding procedure and directed the Board to copies of the original applications received in December 2006, which were included behind the FY2008 Projects tab in the meeting notebook. She provided a brief overview of project submittals received and reviewed the District's project ranking process. Staff will return in April with initial project rankings and funding recommendations for the Board's consideration. The preliminary budget would be presented and the millage cap set at the June Basin Board meeting for final approval in August.

Board members were encouraged to review the FY2008 project submittals and provide input at the April meeting. This item was presented for the Board's information; no action was required. (CD1/Track 4 – 00:00/06:41)

Vice Chair Reckart passed the gavel back to Chair McCree.

6. **Reports:**

a. **Water Shortage Update**

Due to hydrologic conditions that had generally been below normal in the 16 counties served by the District and those conditions had improved only slightly as a result of December rain, Ms. Lois Sorensen, Demand Management Coordinator, reported that Executive Director Dave Moore signed Order SWF 07-02 to put Severe Water Shortage restrictions into effect. Before the Order was signed, a public hearing was held on January 9, 2007, so the Executive Director could receive testimony from staff and the general public regarding conditions and resulting impacts. At that time, the Executive Director determined that District action was necessary and all water users should be required to conserve water consistent with the modified "Phase II" restrictions recommended by staff. A copy of the Order, which included a summary of the new restrictions, was provided in the notebook as an exhibit to this report. The three current television spots, dealing with water conservation, were viewed for basin board members.

This item was presented for the Board's information; no action was required. (CD1/Track 4 – 06:00/28:09)

b. **Report on Governing Board Activities**

In the interest of time, Chair McCree reminded the Basin Board members that they may view Ms. Kavouras' wrap up of the Governing Board online from the District's Web Site. Chair McCree said an update on the Lower Hillsborough River MFL would be coming to the Governing Board soon.

7. **Ceremony to Honor Board Member Gary P. Reckart**

Chair McCree said Mr. Reckart was appointed to the Hillsborough River Basin Board to represent Pasco County by Governor Jeb Bush in March 2002 and served until February 2007. During that time, he served as this Basin Board's Vice Chair, the Alternate Representative on the Basin Board Land Resources Committee, and the Alternate Representative on the Hillsborough River Interlocal Planning Board. During his years of service, the Basin Board approved many projects and programs. Chair McCree noted that Mr. Reckart not only served Pasco County well but he brought a regional approach to his service.

Mr. Reckart said the time he spent on the Board taught him more about how he can serve his community. He said his departure is bittersweet, and that he appreciated everyone he worked with and the experience has been very rewarding. (CD1/Track 4 – 28:09/39:13)

The Basin Board members wished him well and thanked him for his service. Ms. Kavouras thanked Mr. Reckart for his service and volunteerism on behalf of staff.

8. **Announcements:**

Ms. Kavouras directed Board members to the announcements listed on the agenda and no additional announcements were made.

9. **Adjournment**

Chair McCree adjourned the meeting at 12:20 p.m.

★ ★ ★ Information Items ★ ★ ★

The items listed below were for the Board's information. The items were included in the Basin Board's Fiscal Year (FY) 2007 budget, or previous budgets, or were \$50,000 or less; therefore, did not require Board action.

1. Pasco County Southeast Regional Reclaimed Water Loop (H041) – Execution Notice
2. Watershed Management Program – Maintenance of Watershed Parameters and Models (B026) – Execution Notice

Attest:

Chairman