

Approved

Minutes of the Meeting

PEACE RIVER BASIN BOARD

Southwest Florida Water Management District

Bartow, Florida

August 7, 2009

The Peace River Basin Board of the Southwest Florida Water Management District convened for a regular meeting on Friday, August 7, 2009, at 9:30 a.m., in the Bartow Service Office, Bartow, Florida.

Board Members Present

Bryan K. Beswick, Co-Chair
Ken Harrison, Vice Chair
Rufus C. Lazzell, Secretary
Pat Crisman, Member
James L. Hageman, Member
Paul G. Samuels, Member
Fred W. Trippensee, III, Member

Staff Present

Lou Kavouras
Eric DeHaven
Linda Pilcher
Terri Behling
Danny Kushmer
Jennette Seachrist
Sandie Will
Bruce Wirth
Mark Hammond
David Rathke
Randy Emberg
Mershad Nourani
Chan Springstead

Board Members Absent

C. A. "Neil" Combee, Jr., Co-Chair
H. Paul Senft, Jr., Co-Chair

Via Videoconference: Beth Putnam

Recording Secretary: Phyllis Young

A roster of other attendees is filed in the permanent files of the Basin. Compact disks of the audio and copies of materials and handouts, as set out in full herein, are also filed in the permanent files of the Basin.

1. Call to Order and Roll Call

Co-Chair Beswick called the meeting to order at 9:30 a.m. and thanked everyone for attending. Ms. Phyllis Young, Senior Administrative Assistant, Boards and Executive Services, called the roll and noted a quorum was present. (CD 1/Track 1)

2. Invocation and Pledge of Allegiance to the American Flag

Mr. Hageman provided an invocation, which was followed by the Pledge of Allegiance to the American Flag. (CD 1/Track 1)

3. Additions/Deletions to the Agenda

Ms. Lou Kavouras, Deputy Executive Director, Outreach, Planning, and Board Services, reported that staff would present one additional agenda item: Peace Creek Drainage District resolution would be taken as the first discussion item. (CD 1/Track 1)

4. Oath of Office for Newly Appointed/Re-Appointed Board Members

Ms. Young administered the Oath of Office to Mr. Lazzell, Mr. Samuels, and Mr. Trippensee, who were recently re-appointed to the Board. (CD 1/Track 1)

5. Basin Activities Report and Agenda Review

Mr. Chancey Springstead, Basin Planner, reminded the Board that this item will be part of each Basin Board agenda, providing an opportunity for the Basin Planner to give an overview of relevant items on the agenda, information items, and other topics of interest.

Mr. Springstead reported recent approval of the Polk County Supplemental Water Supply Plan and the "Get Outside" campaign, which is scheduled to begin September 26, 2009, in conjunction with National Public Lands Day. He also noted that an update to the Strategic Plan is underway. The latest draft was given to the Board members for review; input is due to the Planning Department by the end of the month.

With regard to the Basin's Strategic Budget Priorities that were established at the Board's planning workshop in October 2008, Mr. Springstead stated those priorities have served the Board well, and staff believes the Basin Board's issues and concerns have not changed substantially from the previous year. Therefore, staff is recommending the Board reaffirm these Strategic Budget Priorities for fiscal year (FY) 2011:

- alternative water source research, planning, and development;
- water conservation programs, initiatives, and projects;
- regional approach to water resource sustainability, both within and across District boundaries ;
- balance Basin funding with needs of the Basin; and
- public and youth education programs and initiatives

After consideration, **Mr. Lazzell moved, seconded by Mr. Harrison, to re-affirm the current Basin strategic budget priorities. Motion carried unanimously.** (CD 1/Track 2)

6. **Consent Items:**

After consideration, **Mr. Harrison moved, seconded by Mr. Samuels, to approve the following Consent Items:**

a. **Minutes of the June 5, 2009, Meeting**

Approve the June minutes, as presented.

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

i. **Bentley Ranch, Inc. - H586**

1. Approve the Bentley Ranch, Inc., project for a not-to-exceed reimbursement of \$255,000, with \$63,750 provided by the Peace River Basin Board; \$63,750 provided by the Governing Board; and \$127,500 provided from State Appropriations to the Governing Board;
2. Authorize the transfer of \$63,750 from Fund 020 H017 Peace River Basin FARMS funds; \$63,750 from Fund 010 H017 Governing Board FARMS funds; and \$127,500 from the 2009 State Appropriations allocated to Fund 010 H017 FARMS funds, to the H586 Bentley Ranch project fund;
3. Authorize the Executive Director to sign the agreement.

ii. **Bishop Citrus, Inc. - H585**

1. Approve the Bishop Citrus, Inc., project for a not-to-exceed reimbursement of \$190,000, with \$47,500 provided by the Peace River Basin Board; \$47,500 provided by the Governing Board; and \$95,000 provided from State Appropriations;
2. Authorize the transfer of \$47,500 from Fund 020 H017 Peace River Basin Board FARMS funds; \$47,500 from Fund 010 H017 Governing Board FARMS funds; and \$95,000 from the 2009 State Appropriations allocated to Fund 010 H017 FARMS funds, to the H585 Bishop Citrus project fund; and encumber these funds into FY2010 in the event a contract is not executed prior to FY2009 year end;
3. Authorize the Executive Director to sign the agreement.

iii. **Billy H. Haygood, Trustee for L. D. Hancock Marital Trust – Hancock Grove Project Phase III - H584**

1. Approve the Hancock Grove Phase III project for a not-to-exceed reimbursement of \$375,000, with \$93,750 provided by the Peace River Basin Board; \$93,750 provided by the Governing Board; and \$187,500 provided from State Appropriations to the Governing Board;

2. Authorize the transfer of \$93,750 from Fund 020 H017 Peace River Basin Board FARMS funds; \$93,750 from Fund 010 H017 Governing Board FARMS funds; and \$187,500 from the 2009 State Appropriations allocated to Fund 010 H017 FARMS funds to the H584 Hancock Grove Phase III project fund; and encumber these funds into FY2010 in the event a contract is not executed prior to FY2009 year end;
 3. Authorize the Executive Director to sign the agreement
- iv. Mixon Family Farms, Inc.
1. Approve the Mixon Family Farms, Inc., project for a not-to-exceed reimbursement of \$176,000, with \$44,000 provided by the Peace River Basin Board; \$44,000 provided by the Governing Board; and \$88,000 provided from State Appropriations;
 2. Authorize the transfer of \$44,000 from Fund 020 H017 Peace River Basin Board FARMS funds; \$44,000 from Fund 010 H017 Governing Board FARMS funds; and \$88,000 from the 2009 State Appropriations allocated to Fund 010 H017 FARMS funds to H572 Mixon Family Farms, Inc., FARMS project fund; and encumber these funds into FY2010 in the event a contract is not executed prior to FY2009 year end;
 3. Authorize the Executive Director to sign the agreement.
- c. Board Encumbrances
- i. FARMS Program - H017
Approve the encumbrance of up to \$70,747, or the remaining funds available, from the FY2009 budget to be used for future FARMS projects.
 - ii. Lake Hancock Outfall Treatment Project - H014, SC54, W014
Approve the encumbrance of \$1,792,504, without a contract, for the Lake Hancock Outfall Treatment Project to be used in FY 2010.
 - iii. Lake Hancock Lake Level Modification Project - H008
Approve the encumbrance of \$500,000 (\$250,000 from the General Fund; \$62,500 from the Alafia River Basin Board; \$125,000 from the Peace River Basin Board; and \$62,500 from the Manasota Basin Board), without a contract, to be used in FY2010 for implementation of the Lake Hancock Lake Level Modification Project.
 - iv. Upper Peace River Resource Development - H024
Approve the encumbrance of \$181,357 (\$91,929 from the General Fund; \$21,732 from the Alafia River Basin Board; \$45,964 from the Peace River Basin Board; and \$21,732 from the Manasota Basin Board), without a contract, for the Upper Peace River Resource Development project.
 - v. Lake Placid Watershed Management Evaluation and Plan - L473
Approve the encumbrance of \$46,759 in Peace River Basin FY2009 funding, without a contract, for payment of FY2010 Lake Placid Watershed Evaluation and Plan project monitoring program costs.
- d. Annual Calendar of Meeting Dates – Fiscal Year 2010
Approve the FY2010 Basin Board meeting schedule. Motion carried unanimously.
(CD 1/Track 3)
7. Discussion Items:

ADD-ON **Peace Creek Drainage District**

Board members had been provided copies of the recap and draft resolution for this item. After consideration, **Mr. Lazzell moved, seconded by Mr. Samuels, to approve the resolution supporting the abolishment of the Peace Creek Drainage District and transferring its ongoing operation and maintenance responsibilities and assets to the Southwest Florida Water Management District.**

Motion carried unanimously. (CD 1/Track 4)

a. **Lake Hancock Outfall Treatment Project - H014, SC54, W014**

Mr. Eric DeHaven, Director, Resource Data and Restoration Department, presented this agenda item to request the Board's approval to amend the consultant agreement to add funds for final design, construction services, and start-up assistance for the project. He gave background of the project, which will primarily improve water quality discharging from Lake Hancock and will also restore natural systems and provide a small degree of assistance in meeting minimum flows in the Upper Peace River. The specific objective is to utilize large-scale constructed wetlands to reduce annual nitrogen loads up to 27 percent from flow discharging from Lake Hancock. Water quality is anticipated to go from "poor" to "fair."

Mr. DeHaven explained increased costs of specific construction elements of the project, stating that the large costs are balanced by the benefit of the water quality improvements. A cost comparison of the Lake Hancock project to stormwater retrofit projects in the Tampa Bay watershed showed the cost per pound of nitrogen removed by this project is lower than any single stormwater retrofit project implemented by the District for Tampa Bay.

The presentation included a budget table of all previous and FY2010 proposed funding amounts and sources. Board members interacted on related discussion topics including the pumping process, vegetation/re-planting, amount of earth to be leveled, isolation of cells, and negotiation for a small parcel of land that would allow discharge into Saddle Creek.

After consideration, **Mr. Samuels moved, seconded by Ms. Crisman, that the Board approve amending the consultant agreement to add funds up to \$2,250,000 for final design, construction services, and start-up assistance for the Lake Hancock Outfall Treatment Project. Motion carried unanimously. (CD 1/Track 5)**

b. **Feasibility of Using Reclaimed Water for Direct and Indirect Aquifer Recharge in the Tampa Bay Area - H076**

Ms. Sandie Will, Professional Geologist in the Hydrologic Evaluation Section, Resource Projects Department, provided an overview of this project, which was conducted as part of the District's Regional Reclaimed Water Partnership Initiative Project to identify options for maximizing beneficial use of reclaimed water flows. Use of reclaimed water to recharge the Upper Floridan Aquifer (UFA) to improve water levels and provide opportunity for additional groundwater withdrawals was one of the options identified. Ms. Will pointed out the project area, gave the objectives of the project, explained the types of aquifer recharge and associated water treatment requirements, and estimated costs.

The study showed that it is possible to develop direct and indirect aquifer recharge projects to improve UFA water levels and provide opportunities for additional groundwater withdrawals in the area. Depending on location, potentially 90 percent of recharged quantities could be available for future additional groundwater withdrawals.

An additional benefit is that area water suppliers can use the information to determine if the concepts can be incorporated into their water supply plans.

This item was presented for the Board's information; no action was required. (CD 1/Track 6)

c. **Town of Dundee Reclaimed Water System Project - L553**

Mr. Mark Hammond, Director of the Resource Projects Department, presented this item to request the Board's approval to enter into a new agreement with the Town of Dundee (Town) for its Reclaimed Water System project. The Basin has already budgeted almost \$950,000 for this project, but the Town said it could not move forward without all funding dollars. At the Board's request during its June 5 meeting, staff was directed to present the Board an option so the project could move forward.

Mr. Hammond provided specifics of the project and the Town's inability to begin construction. The Cooperative Funding agreement for the project expired January 31, 2009. In May 2009, the Town proposed three items for the Board's consideration: 1) extend the construction initiation date to June 30, 2014; 2) the Basin Board would reimburse the Town for 75 percent of documented incurred engineering expenses to date, with the understanding that those funds would be reimbursed to the Basin Board in the event construction had not commenced by June 2014; and 3) the Basin Board would continue to encumber funds to ensure 75 percent funding by the Board would be available by June 2014. Mr. Hammond stressed that these proposals would be exceptions to the normal cooperative funding process and would set a precedent with other cooperators.

Board members participated in a long discussion on this topic; some expressed concern of the precedent that would be set and monies set aside that would not be used for projects that are ready to begin. Other concerns included 1) construction of homes has not begun, 2) the Town's dollars would be better spent on other more important water supply or flood protection projects, e.g. upgrade of its water treatment plant, 3) cost of the project in five years is unknown, and 4) the Board would be paying on something that would not begin until far into the future--not abiding by cooperative funding procedures.

Other Board members added that the project is well along in the permitting process; small towns cannot handle the debt of water projects and need help; and supporting the small town would be good, but the concern of the standard set is great.

After consideration; **Mr. Lazzell moved, seconded by Ms. Crisman to approve the staff recommendation, as follows:**

Recommend the Board approve entering into a new agreement with the Town of Dundee for their Reclaimed Water System project for a total cost of \$3,400,000 with the Peace River Basin's share not to exceed \$2,584,217; and authorize the Executive Director to sign the Agreement.

Motion carried with Mr. Harrison voting nay. (CD 1/Track 7)

d. **Fiscal Year 2010 Budget Discussion and Approval of Final Millage Rate and Budget**

Mr. Bruce Wirth, Deputy Executive Director, Resource Management Division, presented revisions to the preliminary budget presented during the June Basin Board meeting and reported that ad valorem for fiscal year (FY) 2010 is 12.4 percent below last year. He continued by noting significant changes to the June preliminary budget, which allowed the funding line to include about one-half of the projects ranked "High." In order for the

Basin to fund all projects through those ranked "Medium," \$486,939 would need to be transferred from the Basin's H100 Water Supply and Resource Development (WSRD) reserves, leaving a balance of \$820,466 in that fund.

Polk County Water Policy Manager Duke Clem addressed the Board to express appreciation to the Board for funding Projects N147 and N150, Garden Grove Pines Stormwater Retrofit and Polk County Vertical Control Densification, respectively.

Mr. Ruffin Gray, Environmental Coordinator for the City of Lakeland Water Utilities, also took the podium to thank the Board for funding their Plumbing Retrofit Project N112.

For the record, Ms. Kavouras read the three-part staff recommendation and suggested each part be taken separately. Ms. Linda Pilcher, Assistant Finance Director, clarified the second recommendation.

After consideration, **Mr. Lazzell moved, seconded by Mr. Samuels, to approve and adopt the required final millage rate of 0.1827 mill for FY2010. Motion carried unanimously.**

After consideration, **Ms. Crisman moved, seconded by Mr. Samuels, to authorize staff to lapse \$486,939 from FY2009 Water Supply and Resource Development Reserves, which will increase the Balances from Prior Years available for the FY2010 budget.**

Mr. Harrison stated that he supports this recommendation; however, he stressed that next year may be worse, budget-wise, than this one. The Board is using part of its reserves and needs to be careful about decisions it makes. He reiterated that the Board relies heavily on staff to make the budget "fit together" and emphasized that he has faith staff can do that. Mr. Trippensee also voiced his belief that the Board must be careful in the next three or four years when, perhaps, all the Basin's existing reserves will be depleted. Hopefully, he added, there will be more reserves by that time.

When there were no further comments, **the motion passed with Mr. Trippensee voting nay.**

After consideration, **Mr. Lazzell moved, seconded by Mr. Hageman, to approve and adopt the final FY2010 budget, revised to include additional Balance from Prior Years due to the \$486,939 lapsed from the H100 Water Supply and Resource Development Reserves, allowing the funding line to include all "Medium" ranked projects through Project N147.**

Motion carried with Mr. Trippensee voting nay.

After consideration, **Ms. Crisman moved, seconded by Mr. Samuels, to approve Resolution No. 105 – resolution affirming the required final millage rate and budget for FY2010. Motion carried unanimously. (CD 1/Track 8)**

Mr. David Gore had submitted a request to address the Board; however, he had already left the meeting when called.

8. **Reports:**

a. **Basin Board Education Committee (BBEC)**

Ms. Crisman, the Board's primary representative on the BBEC, directed members to a written report of the July 7, 2009, meeting, which was provided as an exhibit in the meeting notebook. She reported that District conservation/education ads are being posted in area airports. (CD 1/Track 9)

b. **Basin Board Land Resources Committee (BBLRC)**

Primary representative to the BBLRC Ken Harrison gave brief highlights of the July 13, 2009, BBLRC meeting held in the Green Swamp West Meeting Facility. He commented on revenue generation on District lands and briefly reported on the recent land use stakeholders' discussion group meeting. He specifically spoke of the service leaseholders provide the District in taking responsibility for prescribed burns on those properties. (CD 1/Track 9/11:45:40)

c. **Governing Board Activities**

Board members had been provided a written report of the July 28 Governing Board meeting, which was held in the Polk County Administration Building in Bartow. Co-Chair Beswick mentioned several topics of discussion including the Facilitating Agricultural Resource Management Systems (FARMS) program, 20-year permits, "streaming" video technology, and Basin Board millage rates. (CD 1/Track 9/11:52:30)

9. **Announcements**

Ms. Kavouras reviewed announcements listed on the agenda and reported that the Basin Boards would not meet in December. However, a joint Governing Board/Basin Boards workshop will be held on December 15 at Nature's Classroom, Thonotosassa. (CD 1/Track 9/11:53:42)

10. **Adjournment**

When there was no further business to come before the Board, Co-Chair Beswick adjourned the meeting at 12:33 p.m. (CD 1/Track 9/11:56)

******Information Items******

The items listed below were for the Board's information, intended to keep the Board apprised of completed projects, cancelled projects, and projects that have executed contracts and are ready to begin. The items did not require Board action.

1. FARMS - Running W Citrus, Limited Partnership (H554), Highlands County – Cancellation Notice
2. FARMS - Calvin Houghland (H567), DeSoto County – Cancellation Notice
3. Development of Landscape Fertilizer Best Management Practices - Phase 1 (N013) – Execution Notice