

Approved

Minutes of the Meeting

PEACE RIVER BASIN BOARD

Southwest Florida Water Management District

Bartow, Florida

June 11, 2010

The Peace River Basin Board of the Southwest Florida Water Management District convened for a regular meeting on Friday, June 11, 2010, at 9:33 a.m. in the District's Bartow Service Office.

Board Members Present

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

Staff Present

Lou Kavouras
Eric DeHaven
Brian Armstrong
Randy Emberg
Will Miller
Jennette Seachrist
Bruce Wirth
Mark Hammond
Terri Behling
Danny Kushmer
Bill Orendorff
Chan Springstead

Board Members Absent

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

Via Video Conference:

Beth Putnam
Daryl Pokrana

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 9:33 a.m. Ms. Phyllis Young, Senior Administrative Assistant, Boards and Executive Services, called the roll and noted a quorum was present.

2. Invocation and Pledge of Allegiance to the American Flag

Mr. Samuels provided an invocation and led the Pledge of Allegiance to the American Flag.

3. Additions/Deletions to the Agenda

Ms. Lou Kavouras, Deputy Executive Director, Outreach, Planning, Board Services, and Ombudsman, reported no additions or deletions to the agenda. (Track 1)

4. Basin Activities Report and Agenda Review

Mr. Chancey Springstead, Basin Planner, reminded the Board that this agenda item is part of each Basin Board meeting 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. He commented on 1) the Community Education Grant program, 2) the District's coordination with other state agencies regarding the Deepwater Horizon oil leak disaster in the Gulf of Mexico, 3) purchase of conservation easements and other fee properties that will connect the Peace River Basin with the Manasota Basin via District property, and 4) the Utility Outreach Program, which is a new endeavor to inform area utilities of District data, services, etc., that could be beneficial to them. (Track 2)

5. **Consent Items:**

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

a. **Minutes of the April 9, 2010, Meeting**

Approve the April minutes, as presented.

b. **Facilitating Agricultural Resource Management Systems**

i. **FLM, Inc. (H604)**

1. Approve the FLM, Inc., project for a not-to-exceed project reimbursement of \$112,500: \$28,125 provided by the Peace River Basin Board; \$28,125 by the Governing Board; and \$56,250 from State Appropriations;
2. Authorize the transfer of \$28,125 from Fund 020 H017 Peace River Basin Board FARMS funds; \$28,125 from Fund 010 H017 Governing Board FARMS funds; \$56,250 from the State Appropriations allocated to Fund 010 H017 FARMS funds, to the H604, FLM, Inc., project fund; and
3. Authorize the Executive Director to sign the agreement.

ii. **OrangeCo, LP– Bermont Grove (H606), Charlotte County**

1. Approve the Orange-Co, LP, project for a not-to-exceed project reimbursement of \$262,500: \$65,625 provided by the Peace River Basin; \$65,625 by the Governing Board; and \$131,250 from State Appropriations;
2. Authorize the transfer of \$65,625 from Fund 020 H017 Peace River Basin Board FARMS funds; \$65,625 from Fund 010 H017 Governing Board FARMS funds; and \$131,250 from State Appropriations allocated to Fund 010 H017 FARMS funds to H606, Orange-Co, LP, project fund; and
3. Authorize the Executive Director to sign the agreement.

c. **Management Agreement with Polk County for the Marshall Hampton Reserve – SWF Parcel No. 20-503-240X**

Recommend the Governing Board authorize the Land Resources Director to execute the Management Agreement with Polk County for management of the Marshal Hampton Reserve, SWF Parcel No. 20-503-240X.

d. **Peace River Manasota Regional Water Supply Authority Regional Integrated Loop System Phase 3A Interconnect Project – First Amendment (H052)**

Recommend the Governing Board approve the first amendment to the agreement with the Authority for the Regional Integrated Loop System Phase 3A Interconnect and authorize the Executive Director to sign the amendment.

e. **Budget Transfer from the Polk County Southwest Regional Utilities Service Area (SWRUSA) Reclaimed Water Connection to Tampa Electric Company (TECO) (H091) to the Regional Reclaimed Water Partnership Initiative Phase I (H076)**

Approve the transfer of \$346,589 previously budgeted for the Polk County SWRUSA Reclaimed Water Connection to TECO project to the ongoing Regional Reclaimed Water Partnership Initiative – Phase I project, and authorize staff to amend the existing cooperative funding agreement with TECO.

Motion carried unanimously. (Track 3)

6. **Discussion Items:**

a. **Award of Grazing/Haying Lease, Marshall Hampton Reserve, SWF Parcel No. 20-503-241X**

Mr. Will Miller, Manager, Land Use and Protection, provided background of the District's purchase of the Marshall Hampton Reserve (property) as part of the Lake Hancock Lake Level Modification Project. As outlined in the management objectives contained in Lake

Hancock Land Use Management Plan, staff advertised for proposals for a cattle grazing/haying lease. He explained the proposal/selection process that resulted in Mr. Ned Waters being named lessee for a term of five years with an option to renew for two additional five-year terms. Lease fee is \$5,000 for the first five years, which will be

adjusted at each renewal, based on calf indices from the Florida Department of Agriculture and Consumer Services.

After consideration, **Mr. Lazzell moved, seconded by Ms. Crisman, to recommend the Governing Board approve the lessee and terms of the Marshall Hampton Reserve Grazing/Haying Lease agreement. Motion carried unanimously.** (Track 4)

Mr. Harrison commented on the expense of managing land and the District's entering into an agreement, a public/private partnership, to fulfill some requirements of managing its land. He stated that the greater benefit, over and above income, is the benefit of having a partner as a "tool" to manage the land. (Track 5)

b. Fiscal Year 2011 Budget Discussion and Approval of Proposed Millage Rate

Mr. Bruce Wirth, Deputy Executive Director, Resource Management Division, presented an update to the preliminary budget provided at the April meeting. The Board's input from that meeting was incorporated into a proposed budget, which assumed the millage rate would remain at 0.1827 and property valuations would be 11.5 percent below FY2010. A revised budget, based on final property values, will be presented for the Basin Board's consideration at the August 6 meeting. At that time, the Board will be required to adopt a final millage rate and budget for recommendation to the Governing Board, including the final selection of FY2011 Cooperative Funding projects.

Mr. Wirth explained changes to the proposed budget that had occurred since the April meeting:

- Incorporation of the Board's direction regarding projects, funding levels, and priorities.
- Adjustment to FY2011 budget for the Surface Water Improvement and Management (SWIM) program to approximate FY2010 budget levels.
- Changes to allocations to most Cooperative Funding projects, while keeping funding levels so projects would go forward.
- Prioritization of "High" and "Medium" ranked projects according to best benefit, due to the anticipated shortfall for funding FY2011 Cooperative Funding requests.

Mr. Wirth continued by providing highlights of the budget, noting changes mentioned above that allowed the funding line to move into the "High" ranked projects, but still about \$1 million short of funding projects through the "Medium" ranking. The funding line could move to include more projects depending on actual property values that will be certified beginning July 1. Since the State has allocated no Water Management Land Trust Funds (WMLTF) for FY2011, Land Management and Use dollars will be reallocated from prior year funds in the WMLTF set aside for the Lake Hancock Outfall Treatment System Project H014.

Again emphasizing the goal to keep projects moving forward, Mr. Wirth spoke of the Dundee reclaimed water project, L553, which the Board originally approved for funding in its FY2006 budget. During the August 7, 2009, Basin Board meeting, staff recommended the Basin not continue funding the project until the Town was in a position to begin construction. However, the Board approved entering into a new agreement with the Town of Dundee for the 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. That approval came after Board members expressed concerns that 1) construction of homes has not

begun, 2) the Town's dollars would be better spent on more important water supply or flood protection projects, e.g., upgrade of the Town's water treatment plant, 3) cost of the project in five years is unknown, and 4) the Board would be paying for a project that would not begin for years and would not follow the Cooperative Funding Initiative policy.

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.

Mr. Wirth reminded the Board that approximately \$1.2 million dollars is currently set aside in the Dundee project, but the Town is not required to begin construction until October 1, 2014, when the Town would possibly in be a position to move forward. However, circumstances surrounding the project have not changed since last year and the outlook for the future is not good. Therefore, Mr. Wirth suggested the Board consider moving the funds being held for the Dundee project into the FY2011 budget, which would eliminate the \$1,065,000 shortfall and allow funding for projects through those ranked "Medium" that are ready to begin. After reviewing the anticipated revenues and balances, Mr. Wirth asked the Board for direction on the budget, and specifically on use of funds set aside for the Dundee project. (Track 6)

Ms. Linda Riner-Mizell, Mayor of the Town of Dundee, and Mr. Andy Stewart, Dundee Town Manager, addressed the Board to provide history of the Reclaimed Water System project, report that the Town intended to go forward with the project, and ask the Board to reimburse 75 percent of project engineering costs already expended by the Town. After discussion of reimbursing engineering costs before a project has begun and potentially setting a precedent that would not follow the Cooperative Funding Initiative policy, the Board took no action on the request.

Mr. Harrison moved to transfer the grant-portion (\$1,158,747) of the \$1,162,568 set aside for the Town of Dundee Reuse Project, L553, into the FY2011 proposed budget, to be used as available revenue. Mr. Samuels seconded the motion, which carried unanimously. (Tracks 7, 8, & 9)

After consideration, **Ms. Crisman moved, seconded by Mr. Harrison, to approve and adopt a required proposed millage rate of 0.1827 mill for FY2011. Motion carried unanimously.**

Ms. Crisman moved, seconded by Mr. Samuels, to approve tentative selection of FY2011 Cooperative Funding projects, as presented, taking into account the Board's action to move funds from the Dundee Reclaimed Water System Project L553 into the FY2011 budget, to allow funding of projects through the "Medium" ranking. Motion carried unanimously.

Mr. Lazzell moved approval of Resolution No. 108 – Resolution Affirming the Required Proposed Millage Rate for Fiscal Year 2011. Ms. Crisman seconded the motion, which passed unanimously. (Track 10)

7. Reports:

a. Charlotte Harbor National Estuary Program (CHNEP) Policy Committee

Mr. Lazzell, the Basin's representative on the CHNEP Policy Committee, spoke of the May 21 meeting and makeup of the associated Citizens Advisory Committee. Again, he expressed appreciation to District staff for their support, coordination, and attendance at the CHNEP Policy Committee meetings. (Track 11)

Mr. Lazzell asked Mr. Pat Lehman, Executive Director of the Peace River Manasota Regional Water Supply Authority, for an update on Authority projects. Mr. Lehman spoke briefly of the completion of the treatment facility expansion project and the new six-billion gallon reservoir, excellent water quality, availability of Authority "pool water" supply, and diminishing water demand projections. (Track 12)

b. **Governing Board Activities**

Co-Chair Beswick briefly highlighted topics from the May 25 Governing Board meeting including election of officers, an update on the Lake Hancock project, public workshops and other meetings to investigate goals and science-based solutions to occurrences such as the Dover frost/freeze event of January 2010, and hurricane preparedness. (Track 13)

These reports were presented for the Board's information; no action was required.

9. **Announcements**

Ms. Kavouras brought the Board's attention to announcements listed on the agenda. (Track 14)

10. **Adjournment**

When there was no further business to come before the Board, Co-Chair Beswick adjourned the meeting at 10:55 a.m.