



**GOVERNING BOARD MEETING
TUESDAY, JULY 27, 2021 – 9:00 AM
2379 BROAD STREET, BROOKSVILLE, FL 34604
(352) 796-7211**

MINUTES

Board Members Present

Kelly Rice, Chair
Joel Schleicher, Vice Chair*via Zoom
Rebecca Smith, Ph.D., Secretary
Ed Armstrong, Treasurer
Michelle Williamson, Member
Roger Germann, Member*via Zoom
Jack Bispham, Member
John Mitten, Member*via Zoom
John E. Hall, Member
William Hogarth, Member*via Zoom

Board Members Absent

Seth Weightman, Member
Ashley Bell Barnett, Member

Staff Members

Brian J. Armstrong, Executive Director
Amanda Rice, Assistant Executive Director
Karen West, General Counsel
Chris Tumminia, General Counsel
Brian Werthmiller, Inspector General
John Campbell, Division Director
Brian Starford, Division Director
Michael Molligan, Division Director
Jennette Seachrist, Division Director
Michelle Hopkins, Division Director

Board Administrative Support

Virginia Singer, Board & Executive Services Manager
Lori Manuel, Administrative Coordinator

1. Convene Public Meeting

The Governing Board of the Southwest Florida Water Management District (District) met for its regular meeting at 9:00 a.m., July 27, 2021, at the Brooksville Office, 2379 Broad Street, Brooksville, Florida 34604-6899.

This meeting was available for live viewing through Internet streaming. An attendance roster is archived in the District's permanent records. Approved minutes from meetings can be found on the District's website (www.WaterMatters.org).

1.1 Call to Order

Chair Kelly Rice called the meeting to order. He noted that the Board meeting was being recorded for broadcast on government access channels, and public input will be provided in person. Chair Rice 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 complete and submit a "Request to Speak" card. To assure that all participants have an opportunity to speak, a member of the public may submit a Request to Speak card to comment on agenda items only during the meeting. If someone wishes to address the Board

on an issue not on the agenda, a Request to Speak card may be submitted for comment during "Public Input." Chair Rice 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 topic designate a spokesperson.

Chair Rice introduced each member of the Governing Board and staff (this served as roll call). Secretary Rebecca Smith confirmed that a quorum was present.

1.2 Invocation and Pledge of Allegiance

Board Member Jack Bispham offered the invocation and led the Pledge of Allegiance.

1.3 Employee Recognition

Chair Rice recognized employees who have reached at least 20 years of service and thanked them. The following staff was recognized: Karen West.

1.4 Additions/Deletions to Agenda

Mr. Brian Armstrong, Executive Director, stated there were no additions or deletions to the agenda.

Vice Chair Schleicher requested the following Consent items be moved to Discussion:

Resource Management Committee

2.1 FARMS – Bermont Properties, LLC, Section 22, (H793), Charlotte County

2.2 FARMS – M and R Groves, Inc. (H790), DeSoto County

1.5 Public Input for Issues Not Listed on the Published Agenda

Mr. David Ballard Geddis, Jr., spoke regarding red tide and coastal contamination and the use of grant money to assist with recovery efforts.

CONSENT AGENDA

FINANCE/OUTREACH & PLANNING COMMITTEE – No Items

RESOURCE MANAGEMENT COMMITTEE

2.1 FARMS – Bermont Properties, LLC, Section 22, (H793), Charlotte County

Staff recommended the Board:

1. Approve the Bermont Properties, LLC – Section 22 project for a not to exceed project reimbursement of \$180,000 with \$180,000 provided by the Governing Board.
2. Authorize the transfer of \$180,000 from fund 010 H017 Governing Board FARMS Fund to the H793 Bermont Properties, LLC – Section 22 project fund.
3. Authorize the Assistant Executive Director to sign the agreement.

2.2 FARMS – M and R Groves, Inc. (H790), DeSoto County

Staff recommended the Board:

1. Approve the M and R Groves, Inc., project for a not to exceed project reimbursement of \$96,235 with \$96,235 provided by the Governing Board.
2. Authorize the transfer of \$96,235 from fund 010 H017 Governing Board FARMS Fund to

- ~~the H790 M and R Groves, Inc. fund.~~
3. ~~Authorize the Division Director to sign the agreement.~~

OPERATIONS, LANDS AND RESOURCE MONITORING COMMITTEE

2.3 Hampton Tract Resident Security Lease - SWF Parcel No. 10-200-1263X

Staff recommended the Board approve, accept, and authorize the Governing Board Chair to sign the Lease Agreement for Hampton Tract - SWF Parcel No. 10-200-1263X on behalf of the District.

2.4 Decline Right of First Refusal to Acquire Remainder Fee Interest, Green Swamp Wilderness Preserve, SWF Parcel No. 10-200-1230C, Lake County Ranch LLC

Staff recommended the Board:

1. Approve declining the right of first refusal to purchase the remainder fee simple interest for SWF Parcel No. 10-200-1230C that is subject to a District conservation easement.
2. Authorize the Executive Director to execute the necessary documents to decline the right of first refusal on SWF Parcel 10-200-1230C.

2.5 Easement for CFWI Thornhill Ranch Replacement Site - SWF Parcel No. 20-020-141

Staff recommended the Board approve the Easement Agreement and authorize the Executive Director to sign on behalf of the District.

REGULATION COMMITTEE – No Items

GENERAL COUNSEL’S REPORT

2.6 Approval of Release of Conservation Easement and Quit Claim Deed - Environmental Resource Permit No. 43026119.001 - Heritage Landing f/k/a Tern Bay - Charlotte County Staff recommended the Board approve and accept the attached Release of Conservation Easement and Quit Claim Deed for Heritage Landing.

2.7 Authorization to Issue Administrative Complaint and Order - Failure to Plug Abandoned Water Well - Nasib Properties, Inc. - CT Number 39945 - Hillsborough County

Staff recommended the Board:

1. Authorize District staff to issue an Administrative Complaint and Order to Nasib Properties Inc., and any necessary parties, to obtain compliance, recover an administrative fine/civil penalty, and recover any District costs and fees, if appropriate.
2. Authorize District staff to initiate an action in Circuit Court to enforce the terms of the Administrative Complaint and Order, if necessary.

EXECUTIVE DIRECTOR’S REPORT

2.8 Approve Governing Board Minutes - June 22, 2021

Staff recommended the Board approve the minutes as presented.

A motion was made and seconded to approve the Consent Agenda. The motion passed unanimously. (Audio - 00:10:18)

FINANCE/OUTREACH & PLANNING COMMITTEE

Treasurer Ed Armstrong called the Committee to order.

3.1 Consent Item(s) Moved to Discussion - None

3.2 Investment Strategy Quarterly Update

Mr. John Grady, representing Public Trust Advisors, presented current information regarding the economy, Gross Domestic Product (GDP), labor market, housing market, inflation, monetary policy, Bloomberg economic forecast survey, manufacturing/service information, inflation impacts and economic expectations.

Staff recommended the Board accept and place on file the District's Quarterly Investment Reports for the quarter ended June 30, 2021.

A motion was made and seconded to approve staff's recommendation. The motion passed unanimously. (Audio - 00:27:00)

3.3 Investment Strategy Discussion

Mr. John Grady provided information regarding the District's current investment strategy. He explained that Public Trust Advisors work with District Finance staff to prepare the monthly and quarterly Dashboard report. Mr. Grady explained the investment portfolios are managed with a Safety of Principal primary investment objective and diversification designed to minimize risk. The Board presentation included an economic update that is generally focused on commonly discussed economic indicators (labor markets, inflation, Federal Reserve meetings and commentary, fixed income yield curves). The economic commentary is provided as a reference to the general fixed income markets. He explained the information presented is often sourced from information aggregated by Bloomberg. Mr. Grady emphasized that Public Trust does not rely on economic indicators for portfolio management. Portfolio management is implemented within the parameters of the Investment Policy Statement (IPS) and the two primary strategies are duration and asset allocation. Mr. Grady provided an outline of investment recommendations.

Based on Board discussion, if necessary, staff will submit a revised Investment Policy reflecting any changes to the Policy as directed by the Board. Approval for the revised Policy will be submitted through consent at the August 2021 board meeting.

This item was for information only. No action was necessary.

3.4 Fiscal Year (FY) 2022 Budget Development

Mr. John Campbell, Management Services Director, provided a presentation that included: a budget development calendar; metrics for expenditure goals and outcomes; expenditures by category; expenditures by program; comparison summary of FY21 and FY22 Ad Valorem and millage rates, summary of revenue budget changes since the Recommended Annual Service Budget (RASB) presented in June; and revenues by source.

Mr. Campbell stated the tentative FY2022 total budget is approximately \$191.2 million. He stated the proposed rollback-millage rate is 0.2535 mill. This is a five percent reduction from the FY21 millage rate. Mr. Campbell stated the proposed Ad Valorem budget is \$118 million which uses an actual new construction growth rate of 2.7 percent.

Vice Chair Schleicher stated he would like further reductions in the millage rate.

Staff recommended the Board:

1. Approve the budget changes presented at the Governing Board meeting.
2. Approve Resolution No. 21-08, Adoption of Proposed Millage Rate for Fiscal Year 2022.

3. Approve the August 1 submittal of the Standard Format Tentative Budget Submission for FY2022.

A motion was made and seconded to approve staff's recommendation. The motion passed unanimously. (Audio – 01:26:35)

3.5 Budget Transfer Report

This item was for information only. No action was required.

3.6 Office of Inspector General Quarterly Update April 1,2021 to June 30, 2021

This item was for information only. No action was necessary.

RESOURCE MANAGEMENT COMMITTEE

Board Member Jack Bispham called the Committee to order.

4.1 Consent Item(s) Moved to Discussion

2.1 FARMS – Bermont Properties, LLC, Section 22, (H793), Charlotte County

Vice Chair Schleicher requested this item be moved to facilitate a separate vote.

Staff recommended the Board:

- Approve the Bermont Properties, LLC – Section 22 project for a not-to-exceed project reimbursement of \$180,000 with \$180,000 provided by the Governing Board.
- Authorize the transfer of \$180,000 from fund 010 H017 Governing Board FARMS Fund to the H793 Bermont Properties, LLC – Section 22 project fund.
- Authorize the Assistant Executive Director to sign the agreement.

A motion was made and seconded to approve staff's recommendation. The motion passed with nine in favor and one opposed. Vice Chair Schleicher expressed his support for the project but his opposition regarding the associated cost-share guidelines. (Audio – 01:28:27)

2.2 FARMS – M and R Groves, Inc. (H790), DeSoto County

Vice Chair Schleicher requested this item be moved to facilitate a separate vote.

Staff recommended the Board:

- Approve the M and R Groves, Inc., project for a not-to-exceed project reimbursement of \$96,235 with \$96,235 provided by the Governing Board.
- Authorize the transfer of \$96,235 from fund 010 H017 Governing Board FARMS Fund to the H790 M and R Groves, Inc. fund.
- Authorize the Division Director to sign the agreement.

A motion was made and seconded to approve staff's recommendation. The motion passed with nine in favor and one opposed. Vice Chair Schleicher expressed his support for the project but his opposition regarding the associated cost-share guidelines. (Audio – 01:28:27)

4.2 Fiscal Year 2023 Cooperative Funding Process

Mr. Scott Letasi, Project Management Office Chief, presented information that included a timeline of the Fiscal Year (FY) 23 process, information regarding future large-scale

alternative water supply projects prioritized for funding by the Board, and the need for a project scoring system. He provided an overview of the evaluation process and the new scoring system developed by staff for the FY23 CFI cycle. Mr. Letasi outlined the differences between the current and new project scoring systems. He explained the criteria that will be used to score the projects and the criteria for not recommending projects for funding. Mr. Letasi responded to questions.

This item was for information only. No action was required.

4.3 Pasco County Magnolia Valley Storage and Wetland Enhancement - Third-Party Review (N865)

Mr. JP Marchand, Water Resources Bureau Chief, provided information that outlined increases in current construction cost trends and explained the third-party review process

Mr. Marchand presented an overview of project N865. This included a description, current project conditions, benefits associated with the project, current cost estimates, third-party review results, cost savings associated with the reduction in the scope of work and the staff evaluation ranking.

Board Member Williamson asked what assurances the cooperators has provided that any contaminated materials that are deposited in the stormwater ponds will not travel into the Gulf of Mexico. Mr. Marchand stated a permit must be obtained from the Florida Department of Environmental Protection (FDEP) prior to excavation and the County will have to follow FDEP's requirements.

Staff recommended the Board authorize continuation of the project and approve amending the Cooperative Funding Agreement to include a total project cost of \$8,976,900 with the District's share of \$4,488,450 for third-party review, design, permitting and construction of the Magnolia Valley Storage and Wetland Enhancement Project (N865).

A motion was made and seconded to approve staff's recommendation. The motion passed unanimously. (Audio – 02:15:47/2:18:37)

4.4 Tampa Bay Water Southern Hillsborough County Booster Pump Station – Third-Party Review (Q146)

Mr. Marchand provided an overview of project Q146. This included a project description, benefits associated with the project, current cost estimates, third-party results, information regarding cost changes, conceptual cost estimates and staff evaluation rankings.

Staff recommended the Board authorize continuation of the project and approve amending the Cooperative Funding Agreement to include a total project cost of \$12,686,049 with a District share of \$3,300,000 for TPR, design, permitting and construction of the in-line booster pump station.

A motion was made and seconded to approve staff's recommendation. The motion passed unanimously. (Audio – 02:26:14)

4.5 City of Tampa Southeast Seminole Heights Flood Relief – Third-Party Review (N949)

Mr. Marchand provided an overview of project N949. This included a project description, benefits associated with the project, current cost estimates, third-party results, information regarding cost changes and staff evaluation rankings.

Secretary Smith expressed concern regarding the large difference between the conceptual cost estimate, which included a 30 percent contingency to cover unexpected additional costs and the current cost estimate. Mr. Marchand explained the current estimate includes a contingency of seven percent. He provided a history of the implementation of the third-party review requirement. Chair Rice asked that consideration be made to evaluate alternatives to managing the potential for increased costs related to third-party reviews. Mr. Marchand stated that staff will evaluate and present alternatives to the board later this year.

Staff recommended the Board authorize continuation of the project and approve amending the Cooperative Funding Agreement to include a total project cost of \$31,540,049 with the District's share of \$15,770,024 for third-party review and to design, permit and construct the Southeast Seminole Heights Project (N949).

A motion was made and seconded to approve staff's recommendation. The motion passed with eight in favor and one opposed. (Audio – 02:50:28)

OPERATIONS, LANDS AND RESOURCE MONITORING COMMITTEE

Board Member Jack Bispham called the Committee to order.

5.1 Consent Item(s) Moved to Discussion - None

REGULATION COMMITTEE

Secretary Rebecca Smith called the Committee to order.

6.1 Consent Item(s) Moved to Discussion - None

6.2 Denials Referred to the Governing Board

GENERAL COUNSEL'S REPORT

7.1 Consent Item(s) Moved to Discussion

7.2 Polk Regional Water Cooperative (PRWC) Funding Update

Mr. Chris Tumminia, General Counsel, provided background information regarding the creation and funding of the PRWC. He stated the request for funding associated with 30 percent design status for two Alternative Water Supply (AWS) projects, Southeast Wellfield and West Polk Lower Floridan Aquifer projects, will be presented to the Board for approval later this year. Mr. Tumminia stated in the interim, implementation agreements have been developed for these projects. He explained that not all PRWC members have approved the implementation agreements. Mr. Tumminia outlined the voting process of members as part of the implementation agreement.

Mr. Tumminia explained the District has some concerns regarding these proposed AWS projects. These concerns include whether the proposed projects meet the qualifications associated with the District Cooperative Funding policy, whether the District's investments will be protected and whether funding will be utilized as appropriated. The District is also concerned about the commitment from the PRWC members. Board Member Williamson stated that she would like to see the projects producing water before funds are committed.

Board Member Hall asked if it would be beneficial to request the PRWC to attend a future Board meeting to respond to questions. Mr. Brian Armstrong, Executive Director, stated that

negotiations are still taking place and an invitation would be extended at the appropriate time. Secretary Smith advised that the Board wait until that recommendation is made by the Executive Director. Treasurer Armstrong and Board Member Williamson agreed.

Board Member Hall asked if it would be beneficial to request the PRWC to attend a future Board meeting to respond to questions. Mr. Brian Armstrong, Executive Director, stated that negotiations are still taking place and an invitation would be extended at the appropriate time. Secretary Smith advised that the Board to wait until that recommendation is made by the Executive Director. Treasurer Armstrong and Board Member Williamson agreed.

This item was for information only. No action was required.

COMMITTEE/LIAISON REPORTS

8.1 Agricultural and Green Industry Advisory Committee

A written summary of the June 8 meeting was provided.

EXECUTIVE DIRECTOR'S REPORT

9.1 Executive Director's Report

Mr. Brian Armstrong, Executive Director, thanked retiring General Counsel, Karen West, for her service with the District and the guidance she has provided.

CHAIR'S REPORT

10.1 Chair's Report

Chair Rice stated that the next Board meeting will be on August 24 at 9:00 a.m., in the Brooksville office.

10.2 Milestones

Chair Rice recognized Mr. David Testerman for serving 25 years with the District.

ADJOURNMENT

The meeting adjourned at 12:11 p.m.