

MINUTES OF THE MEETING

GOVERNING BOARD SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

CLEARWATER, FLORIDA

JULY 24, 2018

The Governing Board of the Southwest Florida Water Management District (District) met for its regular meeting at 10:00 a.m., on July 24, 2018, at Tampa Bay Water, 2575 Enterprise Road, Clearwater. The following persons were present:

Board Members Present

Jeffrey M. Adams, Chair
Ed Armstrong, Vice Chair
Bryan Beswick, Secretary
Michelle Williamson, Treasurer
H. Paul Senft, Member
Randall S. Maggard, Member
John Henslick, Member
Mark Taylor, Member
Joel Schleicher, Member
James G. Murphy, Member
Scott Wiggins, Member

Board Members Absent

Kelly S. Rice, Member
Rebecca Smith, Ph.D., Member

Staff Members

Brian J. Armstrong, Executive Director
Amanda Rice, Assistant Executive Director
Karen E. West, General Counsel
John J. Campbell, Division Director
Ken L. Frink, Division Director
Alba E. Más, Division Director
Michael Molligan, Division Director
Jennette Seachrist, Division Director

Board Administrative Support

Caroline McKnight, Board & Service Manager
Lori Manuel, Administrative Assistant

A list of others in attendance, who signed the attendance roster, is filed in the permanent records of the District. This meeting was available for viewing through Internet streaming. Approved minutes from previous meetings can be found on the District's website (www.WaterMatters.org).

PUBLIC HEARING (Video – 00:00)

1. Call to Order

Chair Adams called the meeting to order and opened the public hearing. Secretary Beswick stated a quorum was present.

2. Invocation and Pledge of Allegiance

Board Member Taylor offered the invocation and led the Pledge of Allegiance to the Flag of the United States of America.

Chair Adams introduced each member of the Governing Board. He noted that the Board meeting was recorded for broadcast on government access channels, and public input was only taken during the meeting onsite.

Chair Adams 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 "Request to Speak" 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 agenda items only during today's meeting. 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 during "Public Input." Chair Adams 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.

3. Oath of Office for Appointed or Reappointed Board Members

Ms. Cara Martin, Government and Community Affairs Office chief, administered the Oath of Office for reappointed Board Members Jeff Adams and Ed Armstrong and newly appointed Board Member Scott Wiggins.

4. Employee Recognition

Chair Adams recognized employees who have reached at least 20 years of service with the District and thanked them for their service. The following staff was recognized: Chris Zajac, Anthony Andrade and Robert Peterson.

This item was provided for the Board's information and no action was required.

5. Additions/Deletions to Agenda

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

Board Member Schleicher asked that the following item be moved from the Consent agenda to Discussion:

Finance Committee

9. Budget Transfer Report

Chair Adams said there is good cause to approve the amended agenda as allowed by Section 120.525, Florida Statutes. A motion was made to approve the amendments to the published agenda, which was seconded. The motion carried unanimously. (Video 00:07:57)

6. Public Input for Issues Not Listed on the Published Agenda

Chair Adams noted at this time, the public is given an opportunity to comment on any topic not listed on the agenda.

Mr. David Ballard Geddis, Jr., spoke against the use of reclaimed water.

Mr. Richard Fraker spoke regarding historical flow of the Green Swamp and the District modeling scenarios.

CONSENT AGENDA

Chair Adams asked that before the Board considers action on the Consent Agenda whether there was anyone in the audience who wished to address the Board regarding an item listed on the Consent Agenda.

Resource Management Committee

7. Authorize Submission of Preliminary Flood Insurance Rate Maps for the West Anclote Watershed in Pasco County to the Federal Emergency Management Agency (L738)

Staff recommended the Board authorize submittal of the Preliminary FIRMs for the West Anclote Watershed in Pasco County to FEMA.

8. FARMS – G & D Farms, Inc. (H768), Manatee County

Staff recommended the Board:

- 1) Approve the G & D Farms, Inc. project for a not-to-exceed project reimbursement of \$49,417 provided by the Governing Board.
- 2) Authorize the transfer of \$49,417 from fund 010 H017 Governing Board FARMS Fund to the H768 G & D Farms, Inc. project fund;

- 3) Authorize the Division Director to sign the agreement.

Finance/Outreach & Planning Committee

9. Budget Transfer Report

~~Staff recommended the Board's approval of the Budget Transfer Report covering all budget transfers for June 2018.~~

Operations, Lands and Resource Monitoring Committee - None

Regulation Committee

10. Individual Water Use Permits Referred to the Governing Board – None

General Counsel's Report

11. Administrative, Enforcement and Litigation Activities that Require Governing Board Approval – None

12. Rulemaking - None

Executive Director's Report

13. Approve Governing Board Meeting Minutes – June 26, 2018

Staff recommended the Board approve the minutes as presented.

A motion was made and seconded to approve the Consent Agenda as amended. The motion carried unanimously. (Video 00:15:42)

Chair Adams relinquished the gavel to the Resource Management Committee Vice Chair Henslick, who called the meeting to order. (Video 00:15:54)

Resource Management Committee

Discussion

14. Consent Item(s) Moved for Discussion - None

15. Tampa Bay Water (TBW) Update

Mr. Matt Jordan, Tampa Bay Water general manager, provided an update regarding TBW.

Mr. Jordan stated the TBW reservoir is near capacity after utilization during this past Spring. He stated the consolidated permit is currently averaging 77.5 million gallons per day.

Mr. Jordan updated information on the TBW master water plan. He stated there will be public workshops in August that will address projects and their rankings. These projects will include additional groundwater, additional surface water, additional desalinated sea water and highly treated reclaimed water.

Mr. Jordan outlined how efficiency helps to maintain low production costs. He stated the wholesale cost to produce one gallon of water is less than one penny.

Mr. Warren Hogg, TBW Water Use Permitting manager, provided historical background information that led to the development of TBW. He explained that TBW was formerly known as the West Coast Regional Water Supply Authority. Mr. Hogg outlined the TBW infrastructure systems and the reduction in pumping associated which has led to recovery in lakes and wetlands.

This item was for the Board's information only, and no action was required.

16. Cooperative Funding Initiative (CFI) Program – Project Cost Increases and Scope Changes

Mr. Eric DeHaven, Resource Management assistant director, provided a presentation regarding project cost increases and scope changes related to the CFI Program. This presentation included a history of cost increases, District guidelines for cost increases, summary of projects with cost increases, District outreach to cooperators on cost increase guidelines and project Scope of Work changes. Mr. DeHaven provided an example of Pasco County Boyette Reclaimed Water Reservoir project – H056. He outlined the guidelines that are used to assess projects associated with cost increases. Mr. DeHaven outlined projects with cost increases from January 2016 to current. He provided a graph of the 27 projects that have had scope of work changes from January 2016 to current. Mr. DeHaven outlined the types of scope of work changes. He provided an overview of the evaluation process which included metrics for ranking cost effectiveness.

Board Member Maggard asked how metric costs are determined. Mr. DeHaven explained the costs are calculated through use of data from historical projects completed. He stated that data is also included from statewide historical databases which are maintained by the Florida Department of Environmental Protection (FDEP), other water management districts and other agencies. Mr. DeHaven stated that these cost metrics would be evaluated on a more frequent basis.

This item was for the Board's information only, and no action was required.

17. Facilitating Agricultural Resource Management Systems (FARMS) Program Cost Reimbursement Rates

Mr. Chris Zajac, FARMS Program manager, provided a presentation regarding the FARMS reimbursement cost rates. Mr. Zajac reminded the Board this was a presentation they requested at the May Board meeting.

Mr. Zajac provided historical information regarding the FARMS Program. He explained that cost share rates have historically been used by the Board to prioritize and address specific water resource issues within identified priority areas. Mr. Zajac stated the FARMS Program establishes a cost share rate of up to 50 percent reimbursement for water conservation Best Management Practices (BMPs) throughout the District. He added that FARMS Program will reimburse up to 75 percent reimbursement based on based on priority-area criteria. Mr. Zajac stated that the Board has approved over 200 FARMS projects and 128 of those were for the 75 percent cost share.

Board Member Taylor suggested a matrix be created to assist in understanding the cost sharing for FARMS. Mr. Zajac responded in the affirmative. Mr. Zajac stated that the FARMS program operates under Chapter 40D-26 Florida Administrative Code (F.A.C.) and is required to update the Model FARMS economic study every five years.

Committee Vice Chair Henslick stated, as a matter of information, the Board Members have received a copy of a letter from the SWFWMD Agricultural/Green Industry Advisory Committee Association in support of the FARMS program.

This item was for the Board's information only, and no action was required.

Submit & File Reports

18. Lower Hillsborough River Recovery Strategy Implementation – Annual Update

Committee Vice Chair Henslick stated he received a Request to Speak Card.

Mr. Chester Bradshaw spoke to the Board regarding concerns of the minimum flows established for the Hillsborough River and the overflow of the Withlacoochee River.

Board Member Senft asked if there is additional data to support Mr. Bradshaw's concerns.

Mr. Armstrong stated the District funded a three-year study of the Withlacoochee River that was led by District staff member Dr. Mark Fulkerson. He stated that Mr. Bradshaw's information was considered in that study.

Routine Reports

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

19. Minimum Flows and Levels Status Report

20. Significant Water Resource and Development Projects

Committee Vice Chair Henslick relinquished the gavel to the Finance/Outreach and Planning Committee Chair Williamson, who called the meeting to order. (Video: 02:14:50)

Finance/Outreach & Planning Committee

Discussion

21. Consent Item(s) Moved for Discussion

9. Budget Transfer Report

Board Member Schleicher stated he would like additional information on this item.

Mr. John Campbell, Management Services director, explained that these funds are being transferred from the Operations & Land Management Bureau to the Project Management Office. He stated additional information has been provided to the Board outlining the breakdown of the funds. These transfers are requested for reallocation of responsibilities that will allow for better efficiency of resources and staff time.

Staff recommended the Board's approval of the Budget Transfer Report covering all budget transfers for June 2018.

A motion was made and seconded to approve the staff recommendation. The motion carried unanimously. (Video 02:17:58)

22. Investment Strategy Quarterly Update

Mr. John Grady, Public Trust Advisors, provided a presentation on the quarterly investment strategy from April 1, 2018 to June 30, 2018. This presentation included an economic update and yield curve analysis. He stated interest rates are rising and the yield curve is flattening. The housing market continues to be strong. Mr. Grady stated the Gross Domestic Product (GDP) is anticipated to be 4.2 percent. He stated inflation is trending higher and two more federal rate hikes are anticipated.

Staff recommended the Board accept and place on file the District's Quarterly Investment Reports for the quarter ended June 30, 2018.

A motion was made and seconded to approve the staff recommendation. The motion carried unanimously. (Video 02:26:41)

As requested by the Board at the April meeting, Mr. Grady provided an investment program review and performance analysis. He provided a summary of the District's core portfolio for one-to-three-year strategies and one to five-year strategies.

A motion was made to shorten the duration of the District investment portfolio from a one-to-five-year investment strategy to a one-to-three-year investment strategy. The motion was seconded and carried with eight in favor and three opposed. (Video 02:46:32)

23. Fiscal Year (FY) 2019 Budget Development

Please note that items a, b and c were discussed collectively but were voted on separately.

Mr. John Campbell, Management Services director, provided a presentation that included: budget development calendar; expenditure goals and outcomes; expenditures by category; expenditures by program; summary of revenue budget changes since the Recommended Annual Service Budget (RASB); summary of Ad Valorem and millage rate; and revenues by source.

Mr. Campbell stated the tentative FY2019 total budget is \$176.3 million, which is a decrease of four percent from FY2018. He stated the proposed millage rollback-back rate is 0.2955 which translates to a reduction of \$273,812 in Ad Valorem tax revenue from the RASB. Mr. Campbell stated the proposed Ad Valorem budget is \$110.6 million which uses an actual new construction growth rate of 2.43 percent.

a. FY2019 Budget Update

Staff recommended the Board approve the budget changes that have been made since the June 26, 2018 Governing Board meeting.

A motion was made and seconded to approve the staff recommendation. The motion carried unanimously. (Video 02:56:10)

b. Adoption of Proposed District Millage Rate for FY2019

Staff recommended the Board approve Resolution No. 18-09, Adoption of Proposed Millage Rate for Fiscal Year 2019.

A motion was made and seconded to approve the staff recommendation. The motion passed with ten in favor and one opposed. (Video 02:56:36)

c. Approval of August 1 Standard Format Tentative Budget Submission

Staff recommended the Board approve the August 1 submittal of the *Standard Format Tentative Budget Submission* report, with the budget modifications approved by the Governing Board on July 24, 2018.

A motion was made and seconded to approve the staff recommendation. The motion carried unanimously. (Video 02:57:00)

Submit & File Reports – None

Routine Reports

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

24. Treasurer's Report and Payment Register

25. Monthly Financial Statement

26. Monthly Cash Balances by Fiscal Year

27. Comprehensive Plan Amendment and Related Reviews Report

Committee Chair Williamson relinquished the gavel to the Operations, Lands and Resource Monitoring Committee Chair Maggard, who called the meeting to order. (Video: 002:57:33)

Operations, Lands and Resource Monitoring Committee

Discussion

28. Consent Item(s) Moved for Discussion

29. Hydrologic Conditions Report

Mr. Granville Kinsman, Hydrologic Data manager, provided a presentation on the hydrologic conditions. Mr. Kinsman stated that rainfall in June was slightly below average but in the normal range. He stated that most of the District remains wetter than normal. Groundwater levels throughout the District remain in the above normal range. Lake levels are below normal in the northern counties. The Tampa Bay, Lake Wales Ridge and Polk Upland lakes are in the normal range. Flows on the Withlacoochee River are within the above normal range. The Hillsborough, Alafia and Peace rivers are near record flow. The Hillsborough, Bill Young and the Peace River reservoirs remain at healthy levels. Mr. Kinsman stated that El Niño is likely to develop this fall. The hurricane forecast has lowered and there is an increased likelihood of rainfall for winter and spring.

This routine report provided information on the general state of the District's hydrologic conditions, by comparing rainfall, surface water, and ground water levels for the current month to comparable dates from the historical record

This information was for the Board's information only, and no action was required.

Submit & File Reports – None

Routine Reports

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

30. Surplus Lands Update

31. Structure Operations

32. Significant Activities

Committee Chair Maggard relinquished the gavel to the Regulation Committee Chair Taylor, who called the meeting to order. (Video: 03:03:12)

Regulation Committee

Discussion

33. Consent Item(s) Moved for Discussion - None

34. Denials Referred to the Governing Board

Submit & File Reports – None

Routine Reports

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

35. Dover/Plant City Water Use Caution Area Flow Meter and Automatic Meter Reading Equipment Implementation Program Update

36. Overpumpage Report

37. Individual Permits Issued by District Staff

Committee Chair Taylor relinquished the gavel to the Chair Adams. (Video: 03:03:45)

General Counsel's Report

Discussion

38. Consent Item(s) Moved for Discussion - None

Ms. Karen West, General Counsel, provided an update on the seven petitions that were received regarding the modification of renewal of the Peace River Manasota Water Supply Authority (PRMWSA) water use permit. The petitions were referred to the Division of Administrative Hearings (DOAH). The Administrative Law Judge (ALJ) has issued an order for the parties to engage in a resolution session within 90 days from an order issued on July 12. In accordance with the sunshine law, Ms. West advised the Board of the possible need of a closed session consultation with the Board

regarding the potential litigation. If it is determined to be necessary, it will be scheduled in conjunction with the August or September Governing Board meeting.

Submit & File Reports – None

Routine Reports

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

39. July 2018 – Litigation Report

40. July 2018 – Rulemaking Update

Committee Liaison Reports

41. Environmental Advisory Committee

A written report was provided for the July 10 meeting.

42. Committee/Liaison Reports

A written report was provided for the July 11 Well Driller's Advisory meeting.

Executive Director's Report

43. Executive Director's Report

Mr. Armstrong provided an update on the Internal Auditor General (IAG) job search. The position has been advertised. He stated a presentation will be provided next month regarding the role and responsibilities of the IAG position.

Mr. Armstrong thanked TBW for the use of its facilities.

Mr. Armstrong welcomed new Board Member Scott Wiggins.

Chair's Report

44. Chair's Report

The next Board meetings are scheduled for August 28 and September 25 in the Tampa Office. The Fiscal Year 2019 Tentative Budget meeting will be on September 11 and the Final Budget meeting will be on September 25, both in the Tampa office starting at 5:01 p.m.

45. Other

46. Employee Milestones

The meeting was adjourned at 1:09 p.m.

Attest:


Chair


Secretary