

MINUTES OF THE MEETING

GOVERNING BOARD SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

BROOKSVILLE, FLORIDA

DECEMBER 11, 2018

The Governing Board of the Southwest Florida Water Management District (District) met for its regular meeting at 9:00 a.m., on December 11, 2018, at the Brooksville Office. 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 *via phone
Randall S. Maggard, Member
John Henslick, Member
Kelly S. Rice, Member
Mark Taylor, Member
Joel Schleicher, Member
Rebecca Smith, Ph.D., Member
James G. Murphy, Member *via phone
Scott Wiggins, Member

Staff Members

Brian J. Armstrong, Executive Director
Amanda Rice, Assistant Executive Director
Karen E. West, General Counsel
Brian Werthmiller, Inspector General
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 & Executive Services 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 Adams 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. 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 were recognized: Margit Crowell, August Fox and Silas Rooker

4. Additions/Deletions to Agenda

Mr. Brian Armstrong, executive director, stated the following changes were made to the agenda:

The following item was deleted:

Regulation Committee

Consent

10. Individual Water Use Permits Referred to the Governing Board

- b. WUP No. 20004600.009 - Sweetwater Preserve, LLC/Sweetwater Preserve, LLC (Hardee County)**

The following item was added:

Operations and Land Management Committee

Discussion

52. Authorization to proceed, together with Sarasota County, with the terms of the 6th Amendment to the Carlton Escrow Agreement, SWF Parcel No. 21-694-103C

Board Member Schleicher requested that the following items be moved to Discussion:

Resource Management Committee

6. Bethel Farms, LLLP – Hog Bay Phase 2

Regulation Committee

10. Individual Water Use Permits Referred to the Governing Board

- a. WUP No. 20001635.010 – Bethel Farms, LLLP/DeSoto County Farm; Bethel Farms, LLLP (DeSoto County)**

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. (Audio 00:09:06)

5. 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 water district taxation.

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

6. Bethel Farms, LLLP – Hog Bay Phase 2

Staff recommended the Board:

- 1) ~~Approve the Bethel Farms, LLLP – Hog Bay Phase 2 project for a not-to-exceed project reimbursement of \$338,000 with \$338,000 provided by the Governing Board;~~
- 2) ~~Authorize the transfer of \$338,000 from fund 010 H017 Governing Board FARMS Fund to the~~

- H775 Bethel Farms, LLLP – Hog Bay Phase 2 project fund;
3) ~~Authorize the Assistant Executive Director to sign the agreement.~~

Finance/Outreach & Planning Committee

7. Budget Transfer Report

Staff recommended the Board approve the Budget Transfer Report covering all budget transfers for November 2018.

Operations, Lands and Resource Monitoring Committee

8. Acceptance of Perpetual Easement Donation – Central Florida Water Initiative (CFWI) Project, Lake Wales Ridge Arbuckle and Walk in the Water Tracts, SWF Parcel No. 20-020-149, 20-020-150, 20-020-151 & 20-020-152

Staff recommended the Board:

- Accept the donation of a perpetual easement from the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida for the CFWI Project and authorize the Executive Director to execute the easement.
- Authorize staff to sign documents at closing necessary to complete the transaction in accordance with the approved terms.

9. Acceptance of Perpetual Easement Donation – Central Florida Water Initiative (CFWI) Project, Lake Wales Ridge Mountain Lake Cutoff Tract, SWF Parcel No. 20-020-154 & 20-020-155

Staff recommended the Board:

- Accept the donation of a perpetual easement from the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida for the CFWI Project and authorize the Executive Director to execute the easement.
- Authorize staff to sign documents at closing necessary to complete the transaction in accordance with the approved terms.

Regulation Committee

10. Individual Water Use Permits Referred to the Governing Board

a. WUP No. 20001635.010 – Bethel Farms, LLLP/DeSoto County Farm; Bethel Farms, LLLP (DeSoto County)

~~Staff recommended the Board approve the proposed permit attached as an exhibit.~~

b. WUP No. 20004600.009 – Sweetwater Preserve, LLC/Sweetwater Preserve, LLC (Hardee County)

~~Staff recommended the Board approve the proposed permit attached as an exhibit.~~

General Counsel's Report

11. Administrative, Enforcement and Litigation Activities that Require Governing Board Approval

a. Amendment to Conservation Easement for Fox Branch Ranch Wetland Mitigation Bank – ERP No. 43042632.000 – Polk County

Staff recommended the Board approve, accept, and execute the attached First Amendment to Deed of Conservation Easement Third Party Beneficiary Rights to USACE for the Fox Branch Ranch Mitigation Bank.

12. Rulemaking – None

Executive Director's Report

13. Approve Governing Board Minutes - November 13, 2018

A motion was made and seconded to approve the Consent Agenda. The motion carried unanimously. (00:12:56)

Chair Adams relinquished the gavel to the Resource Management Committee Chair Rice, who called the meeting to order. (00:13:43)

**Resource Management Committee
Discussion**

14. Consent Item(s) Moved for Discussion

6. Bethel Farms, LLLP – Hog Bay Phase 2

Board Member Schleicher asked how many current Facilitating Agricultural Resource Management Systems (FARMS) applicants qualify for the 75 percent reimbursement. Mr. Chris Zajac, Farms Program manager, responded that 128 of the 200 Board approved projects qualified for the 75 percent reimbursement.

Board Member Wiggins asked how many FARMS grants have been received by this applicant. Mr. Zajac responded there have been five previous projects completed. Board Member Wiggins asked what the total dollar amount is for the five previous grants. Mr. Zajac responded the amount is approximately \$750,000. Board Member Wiggins asked what the District's portion is. Mr. Zajac responded approximately \$525,000 for Board approved projects. Mr. Zajac outlined the criteria and regional areas associated with the 75 percent and the 50 percent cost-share programs.

Board Member Henslick asked why Best Management Practices (BMPs) are not a standard requirement for FARMS permits. Ms. Alba Más, Regulation director, responded that applicants are encouraged to use BMPs through use of effective irrigation systems, maintaining quantities on standby and allocation of water provided. Mr. Brian Armstrong, executive director, stated that water allocations are only permitted for efficient water systems.

Staff recommended the Board:

- 1) Approve the Bethel Farms, LLLP - Hog Bay Phase 2 project for a not-to-exceed project reimbursement of \$338,000 with \$338,000 provided by the Governing Board;
- 2) Authorize the transfer of \$338,000 from fund 010 H017 Governing Board FARMS Fund to the H775 Bethel Farms, LLLP - Hog Bay Phase 2 project fund;
- 3) Authorize the Assistant Executive Director to sign the agreement.

A motion was made and seconded to approve the staff recommendation. The motion carried ten in favor and one against. (00:37:42)

15. Fiscal Year 2019-20 Cooperative Funding Process

Mr. Jay Hoecker, Water Supply Section manager, provided a presentation regarding the Fiscal Year (FY) 2019-20 cooperative funding initiative. This overview included a schedule for the review and ranking of requests, comparison of funding requests, preliminary funding requests by region, regional subcommittee structure and the cooperative funding meeting schedule for February and April.

Staff recommended the Board approve the proposed February and April subcommittee meeting schedule and agenda topics staff has proposed for the February regional subcommittee meetings.

A motion was made and seconded to approve the staff recommendation. The motion carried ten in favor and one against. (00:43:50)

16. City of Haines City – Reclaimed Water Ground Storage Tank and Pumping Stations – Preliminary Design and Third-Party Review (N898)

Mr. JP Marchand, Water Resources Bureau chief, provided a presentation on the City of Haines City reclaimed water tank and pump stations project. Mr. Marchand provided an overview of the project description, project costs estimates, results of the third-party results, staff evaluation and a list of third-party reviews completed to date with the District cost share.

Mr. Marchand explained that the project consists of four major elements: a storage tank, transfer pump station, high service pump station, and a booster station. This project will provide improved reclaimed water availability and quality in the Ridge Lakes area. He stated this project is in a Rural Economic Development Initiative area (REDI).

Board Member Maggard asked why the project was ranked medium. Mr. Marchand explained the project was ranked medium because it increases the availability and quality of the existing system but does not add new customers.

Ms. Tracey Mercer, City of Haines City director, explained the potential for new customers with the improvement of storage for reclaimed water to provide alternative water supply. She explained there are additional projects, Lake Eva and Lake Boomerang, that will be using reclaimed water for additional recharge.

Staff recommended the Board:

1. Authorize continuation of the Reclaimed Water Tank and Pump Stations project to final design, permitting, and construction.
2. Authorize staff to amend cooperative funding agreement with the City to include final design, permitting, and construction with a total project budget of \$6,800,000 with the District funding \$4,620,000 and the City funding \$2,180,000.

A motion was made to delay the vote on this agenda item until the January 22 Governing Board meeting. The motion was seconded and carried with nine in favor three against (01:16:56)

17. Pasco County – Scope Changes for the Cypress Preserve Reclaimed Water Transmission Project Phase 1 (N837 and Q021)

Mr. Eric DeHaven, Resource Management assistant director, provided a presentation regarding phase one project N837 and phase two project Q021 and associated scope changes associated.

Mr. DeHaven reminded the Board that Pasco County (County) submitted project Q021 for the FY2019 Cooperative Funding Initiative (CFI) cycle and at the May 2018 Board meeting. He stated the Board agreed to provide funds if several conditions were met. Mr. DeHaven stated that staff believes the County has met those conditions. However, as a part of meeting those conditions, the County has requested a Scope of Work (SOW) change to the Phase one project N837.

Mr. DeHaven provided an overview of projects N837 and Q021 and the SOW change to project N837. He outlined the conditions that were proposed at the May 2018 Board meeting.

Mr. DeHaven stated the County has submitted a funding request for phase three project Q098 and provided a brief overview.

Board Members asked for clarification regarding cost benefit. Mr. DeHaven explained the cost benefit is based on quantity of water usage, not the number of homes.

Staff recommended the Board:

1. Approve the revision to the project scope for the Cypress Preserve Reclaimed Water Transmission Project Phase 1 (N837) to decrease the number of homes served with no change to the project measurable benefit (0.19 mgd);
2. Approve the measurable benefit (0.20 mgd) and number of homes served (296 homes) for the Cypress Preserve Reclaimed Water Transmission Project Phase 2 (Q021) and provide final approval for the project to receive FY 2019 funding.

A motion was made and seconded to approve the staff recommendation. The motion carried unanimously. (01:34:12)

Submit & File Reports

18. Annual Status of the Southern Water Use Caution Area

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 Chair Rice relinquished the gavel to the Finance/Outreach & Planning Committee Chair Williamson, who called the meeting to order. (01:34:43)

Finance/Outreach & Planning Committee

Discussion

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

22. Knowledge Management Program and Governing Board Policy Overview

Ms. Amanda Rice, assistant executive director, provided a presentation regarding the knowledge management program and governing board policies. Ms. Rice provided an overview of the knowledge management program. She stated that division and bureau level documents were reviewed in FY2018, resulting in 578 documents being migrated to repository, 83 documents archived, 78 new documents identified for creation and 207 documents updated or created.

Ms. Rice stated that governing board and executive director level procedures will be addressed in FY2019. She provided an overview of the policies that will be reviewed. Ms. Rice stated these will include the advisory committee policies and outlined the proposed changes. The proposed changes include: combining the Agricultural and Green Industry Advisory Committees; removing the names of committee members; removing the requirement of quorum for election of officers or recommendations to the Governing Board, removing the limitation of two consecutive terms for officers; and removing the requirement that missing three consecutive meetings without prior notice results in removal from the committee. Ms. Rice stated these proposed changes have been presented to the advisory committees and were favorably received. She stated that a follow-up recommendation on policy changes will be presented at the January 2019 Governing Board meeting.

Board Members expressed concern regarding the removal of term limits and attendance requirements. Ms. Rice suggested that because of the comments received from the Board, this item will be readdressed and presented at the January Governing Board meeting. The Board agreed to this.

This item was presented for the Board's information, and no action was required. The attached revised policies will be included in a consent item in the January 2019 Board packet and approval of the revisions will be requested at that time.

23. Preliminary Budget for FY2020

Mr. John Campbell, Management Services director, provided a presentation that included FY2020 budget calendar, expenditures goals/outcomes, expenditures by category, program expenditures, expenditures by areas of responsibility, revenues by source and projected available reserves.

Mr. Campbell stated the budget was developed in accordance with the direction provided at the October Governing Board meeting. All budget requests will be subject to Governing Board review and approval during the development of the final budget for FY2020.

Mr. Campbell stated that at the June 2019 Governing Board meeting, staff will present and request approval of the Recommended Annual Service Budget (RASB). At the July 2019 Governing Board meeting, staff will present a budget update, including information regarding the results of the Certifications of Taxable Value, and will request approval to submit the FY2020 Tentative Budget Submission to the Governor and Florida Legislature on August 1, 2019.

Staff recommended the Board approve the submittal of the FY2020-21 Preliminary Budget Submission to the Florida Legislature on or before January 15, 2019.

A motion was made and seconded to approve the staff recommendation. The motion carried with ten in favor and one opposed. (02:02:13)

24. Office of the Inspector General Annual Report Fiscal Year Ending September 30, 2018

Mr. Brian Werthmiller, inspector general, provided a presentation regarding the Office of Inspector General Annual Report. Mr. Werthmiller stated that during the period of October 1, 2017 to September 30, 2018, five audits were completed, testing was performed on Information Technology (IT) systems, reviews were completed on overtime budget and travel procedures and one investigation was completed. No significant issues were determined.

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

25. Auditor General Six-Month Follow Up

Mr. Brian Werthmiller, inspector general, provided a presentation regarding the auditor general six-month follow-up requirements. He provided an overview of the Florida Statute and District policy that mandates the requirements for this report. Mr. Werthmiller outlined a timeline associated with the six-month report requirements. He outlined findings and actions taken since July 2018 when the auditor general report was released.

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

Submit & File Reports

26. Strategic Plan Update

Mr. Michael Molligan, Employee and External Relations director, referenced the inclusion of the District Strategic Plan in this month's packet under the Submit and File heading. The Strategic Plan will be included in the draft Consolidated Annual Report that will be presented at the January Governing Board meeting. The Strategic Plan will also be presented for final approval as part of the Consolidated Annual Report at the February Governing Board meeting. Mr. Molligan requested Board members to contact him if they have any questions regarding the Strategic Plan or if there are any discussions they would like to have regarding the Strategic Plan at the January meeting.

Routine Reports

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

27. Treasurer's Report and Payment Register

28. Monthly Financial Statement

29. Monthly Cash Balances by Fiscal Year

30. Comprehensive Plan Amendment and Related Reviews Report

31. Development of Regional Impact Activity Report

Committee Chair Williamson relinquished the gavel to Operations, Lands & Resource Monitoring Committee Chair Maggard and called the meeting to order. (02:09:01)

Operations, Lands & Resource Monitoring Committee

Discussion

32. Consent Item(s) Moved for Discussion

52. Authorization to proceed, together with Sarasota County, with the terms of the 6th Amendment to the Carlton Escrow Agreement, SWF Parcel No. 21-694-103C

Mr. Rick Vaughn, Land Resources manager, provided a presentation regarding the Mabry Carlton Ranch Escrow Agreement. He provided an overview of the initial agreement. Mr. Vaughn explained that this item is related to a conservation easement acquired through a partnership with Sarasota County in December 2007. Mr. Vaughn stated that at the time of acquisition, approximately 20 percent of the mineral interests were held by third parties. He stated that the tri-party Escrow Agreement required that \$2.5 million in acquisition funds be held in reserve to allow an opportunity for Carlton Ranch to obtain the outstanding mineral interests. Currently, 2.6 percent of mineral interests remain outstanding and are held by two owners. The Escrow Agreements provides the District and Sarasota County the option to proceed to acquire the outstanding mineral interests upon notice to the Carltons and the Escrow Agent. The County would like to proceed with the District to obtain the remaining mineral interests. Notification must be provided within 30 days from December 12.

Mr. Vaughn explained that voluntary offers will be made to the two remaining mineral right holders. He also mentioned that eminent domain is an allowable option.

A Memorandum of Understanding (MOU) was also executed by the District and Sarasota County in 2007 that establishes the respective roles and responsibilities of the parties with regard to the jointly held property. The MOU includes a provision that addresses the responsibilities for proceeding with the exercise of the option under the Escrow Agreement.

Board Member Henslick asked if it is common practice to purchase property without mineral rights. Mr. Frink responded in the negative and stated that this was an exception to policy due to the urgency to complete the purchase related to the Myakka conservation area.

Board Member Henslick asked if the conservation easement is accessible to the public. Mr. Armstrong explained that there is no public access to the easement since the District does not own it in fee. This conservation easement was purchased for the protection of the water resources.

Board Member Schleicher expressed concern regarding the potential use of eminent domain. Board Member Maggard concurred. He stated the land owner should be responsible for obtaining the remaining mineral rights.

Board Member Wiggins asked what the expiration date is for this agreement. Ms. Karen West, General Counsel, responded that the Escrow Agreement indicates eleven years after the closing date on the property, which was December 20, 2007. Board Member Wiggins asked if the eleven-year time-period could be extended. Ms. West responded in the affirmative and stated if the parties are agreeable.

A motion was made and seconded to approve the staff recommendation. The motion carried with eleven in favor and one opposed. (02:36:57/2:43:28)

Submit & File Reports

33. Hydrologic Conditions Report

Routine Reports

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

34. Surplus Lands Update

35. Structure Operations

36. Significant Activities

Committee Chair Maggard relinquished the gavel to Regulation Committee Chair Taylor and called the meeting to order. (02:43:47)

Regulation Committee

Discussion

37. Consent Item(s) Moved for Discussion

10. Individual Water Use Permits Referred to the Governing Board

a. WUP No. 20001635.010 – Bethel Farms, LLLP/DeSoto County Farm; Bethel Farms, LLLP (DeSoto County)

Mr. Darrin Herbst, Water Use Permitting Bureau chief, provided a presentation on the Bethel Farms Water Use Permit (WUP). Mr. Herbst explained that the WUP application is requesting an increase in quantities. He explained how agricultural demands are determined.

Board Member Wiggins asked if this property has any Facilitating Agricultural Resource Management Systems (FARMS) grants. Mr. Chris Zajac, FARMS Program manager responded in the affirmative. He stated there are two existing cost-share agreements.

Staff recommended the Board approve the proposed permit attached as an exhibit.

A motion was made and seconded to approve the staff recommendation. The motion carried unanimously. (02:44:23/2:55:14)

38. Denials Referred to the Governing Board

None were presented

Submit & File Reports – None

Routine Reports

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

39. Dover/Plant City Water Use Caution Flow Meter AMR Implementation Program Update

40. Overpumpage Report

41. Individual Permits Issued by District Staff

Ms. Alba Más, Regulation Division director, provided an update regarding the proposed changes for the Statewide Environmental Resource Permit (SWERP) Program. Ms. Más commented that the State is prepared to advertise the rule changes that have been proposed to reflect time lines, coordination and forms to match with the Army Corps of Engineers (ACOE). Comments from Environmental Protection Agency (EPA) have been incorporated. This rule will be sent to the Office of Fiscal Accountability and Regulatory Reform (OFFAR). Ms. Más said that once OFFAR approves the rule it will be published. If there are no rule challenges, the Florida Department of Environmental Protection (FDEP) will send the 404 assumption package to EPA for approval. FDEP will implement the rule, with assistance from the water management districts.

Board Member Henslick asked about staffing to assist with implementing this rule. Ms. Michelle Hopkins, Environmental Resource Permitting Bureau chief, stated that FDEP will be implementing the program and they have retained vacant positions to assist with implementation.

Committee Chair Taylor relinquished the gavel to Chair Adams. (02:59:50)

General Counsel's Report

Discussion

42. Consent Item(s) Moved for Discussion – None

Ms. Karen West, general counsel, informed the Board that the parties involved in the administrative challenge to the Peace River Manasota Regional Water Supply Authority (PRMRWSA) permit modification have reached a settlement agreement. The Polk Regional Water Cooperative and the PRMRWSA will be presenting the agreements at their respective Boards for approval.

Submit & File Reports – None

Routine Reports

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

43. December 2018 Litigation Report

44. December 2018 Rulemaking Update

Committee/Liaison Reports

45. Agricultural Advisory Committee

46. Green Industry Advisory Committee

47. Other Committee/Liaison Reports

Executive Director's Report

48. Executive Director's Report

Mr. Brian Armstrong, executive director, stated there has been a request to switch the Governing Board meeting locations for January and February. This would make the January 22 meeting in Sarasota and the February 26 meeting in Tampa. The Board agreed.

Mr. Armstrong informed the Board that Tampa Bay Water will be holding a workshop on December 17 to discuss the Tampa Augmentation Project (TAP).

Mr. Armstrong stated the District's Communications staff received awards last month at the Public Relations Society of America (PRSA) Tampa Bay PRestige Awards. The District was recognized for the 2017 My Home My Springs social media campaign and video series and won an Award of Excellence in both categories. Mr. Armstrong stated the 2017 My Home My Springs Campaign won a PRestige Award in community relations and the Crystal River/Kings Bay Minimum Flows Outreach won a PRestige Award in public affairs. The District has received 13 local and state awards this year.

Chair's Report

49. Chair's Report

Chair Adams stated he received a request to speak card.

Ms. Taren Wadley spoke regarding drought levels and improvement of water quality in Florida Lakes, specifically Lake Hancock. Staff will assist Ms. Wadley with her concerns. Board Member Smith asked for an update at the January 2019 Governing Board meeting. Board Member Wiggins asked if staff could provide a eutrophication status for Lake Hancock.

Chair Adams commended District leadership for their transparency and willingness to address items that have been presented in the media.

50. Other


51. Employee Milestones

The meeting was adjourned at 12:14 p.m.

Attest:



Chair



Secretary