MINUTES OF THE MEETING

GOVERNING BOARD
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

BROOKSVILLE, FLORIDA MAY 23, 2017

The Governing Board of the Southwest Florida Water Management District (District) met for its regular meeting at 9:00 a.m. on May 23, 2017, at the Brooksville Office. The following persons were present:

**Board Members Present**
- Randall S. Maggard, Chair
- Jeffrey M. Adams, Vice Chair
- Ed Armstrong, Treasurer
- Michael A. Babb, Member
- H. Paul Senft, Member
- John Henslick, Member
- Kelly S. Rice, Member*
- Michelle Williamson, Member
- Mark Taylor, Member
- Joel Schleicher, Member

**Board Members Absent**
- Bryan Beswick, Secretary
- *Via Telephone

**Staff Members**
- Brian J. Armstrong, Executive Director
- Amanda Rice, Assistant Executive Director
- David T. Rathke, Division Director
- Karen E. West, General Counsel
- Kurt P. Fritsch, Inspector General
- John J. Campbell, Division Director
- Ken L. Frink, Division Director
- Mark A. Hammond, Division Director
- Alba E. Más, Division Director

**Board’s Administrative Support**
- Cara Martin, Board & Executive Services Manager
- Lori Manuel, Administrative Assistant

A list of others present 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 Web site (www.WaterMatters.org).

PUBLIC HEARING (Audio – 00:00)

1. **Call to Order**
   Chair Maggard called the meeting to order and opened the public hearing. Treasurer Armstrong stated a quorum was present.

2. **Invocation and Pledge of Allegiance**
   Board Member Babb offered the invocation. Chair Maggard led the Pledge of Allegiance to the Flag of the United States of America.

Chair Maggard 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 Maggard 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 Maggard 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.

2a. Oath of Office for Newly Appointed Board Member – Joel Schleicher
Ms. Cara Martin, Board and Executive Services Manager, administered the Oath of Office for Board Member Joel Schleicher.

3. Employee Recognition
Chair Maggard 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: Kelly Keck, Noel Pioszak; Mark Hammond; Bill Permenter; and Garry Flood.

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

4. Outgoing Chair’s Transition Items
Chair Maggard thanked the District staff for the cooperation they have provided over his tenure as Chair. He provided an overview of the items that were accomplished during this time. These items included: improvement of business processes; reduction of costs; ensured public water needs were met; assisted in minimizing flood risks; assisted the Polk County Water Cooperative solidify its entity; assisted in identifying new water supplies; amended the state statute governing the surplus lands by the water management districts; updated District surplus and land use policies; purchased the Rainbow River Ranch and the Triangle Ranch; approved the Flatford Swamp feasibility study; approved the funding for the 4G Project in Pasco County; approved two comprehensive Surface Water Improvement Management (SWIM) plans to improve springs systems; and maintained leadership in the field of science by employing top staff with decades of experience and expertise.

5. Election of Governing Board Officers
Board Member Henslick made a motion to slate the nomination for officers as followed: Chair, Randy Maggard; Vice Chair, Jeff Adams; Secretary, Bryan Beswick; and Treasurer, Ed Armstrong. The motion was seconded and carried unanimously. (Audio-00:10:44)

6. Additions/Deletions to Agenda
Section 120.525, Florida Statutes, allows the District to change the published agenda for good cause shown, as determined by the presiding officer.

Mr. Brian Armstrong, Executive Director, stated there was one addition:

Operations, Lands and Resource Monitoring Committee
60. Surplus Lands
   a. Approve Sale of Surplus Lands – Chito Branch Reserve (Chito North), SWF Parcel No. 11-709-145S
   b. Approve Sale of Surplus Lands – Green Swamp Wilderness Preserve, East Tract (GSE-6), SWF Parcel No. 10-200-1285S
   c. Approve Sale of Surplus Lands – Green Swamp Wilderness Preserve, East Tract (GSE-7), SWF Parcel No. 10-200-1286S
   d. Approve Sale of Surplus Lands – Tampa Bypass Canal (TBC-1), SWF Parcel No. 13-001-736S
   e. Approve Sale of Surplus Lands – Green Swamp Wilderness Preserve, West Tract (GSW-3), SWF Parcel No. 10-411-117S
   f. Approve Sale of Surplus Lands – Green Swamp Wilderness Preserve, West Tract (GSW-4), SWF Parcel No. 10-411-118S

Ms. Karen West, General Counsel, stated there was a title change to the following item:
17. **Administrative, Enforcement and Litigation Activities that Require Governing Board Approval**

   d. **Initiation of Litigation — Construction Without a Permit — Hillsborough County — Riverside Heights Holdings III, LLC (The Heights Redevelopment) — CT No. 386932**

   She stated the new title for this item is as follows:

   d. **Approval of Consent Order as signed by Riverside Heights Holdings III, LLC (The Heights Redevelopment) Hillsborough County — CT No. 386932**

7. **Public Input for Issues Not Listed on the Published Agenda**

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

   Chair Maggard stated he received four Request to Speak cards.

   Mr. David Glogowski spoke regarding his concern for Lake Henry water levels. Chair Maggard directed staff to investigate this issue.

   Mr. David Francis waived his right to speak based on Mr. Glogowski's representation.

   Mr. David Ostrowski waived his right to speak based on Mr. Glogowski's representation.

   Ms. Lynn Spivey, Director of Plant City Utilities and representing Reuse Florida, thanked the District for its support regarding water reuse.

**CONSENT AGENDA**

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

Chair Maggard said there is good cause to amend the published agenda as allowed by Section 120.525, Florida Statutes. A motion was made to approve the amendments to the published agenda, as amended, which was seconded. The motion carried unanimously. (Audio 00:21:47)

**CONSENT AGENDA**

8. **Authorize Submission of Preliminary Flood Insurance Rate Maps Based on the Update of the Delaney/Archie Creek Watershed Management Plan in Hillsborough County to the Federal Emergency Management Agency (N394)**

   Staff recommended the Board authorize the submittal of the preliminary FIRMs for the Delaney/Archie Creek watershed in Hillsborough County to FEMA.

9. **City of Madeira Beach — Rex Place Stormwater BMPs — Scope Changes (W207)**

   Staff recommended the Board approve the revision to decrease the drainage area treated for the Rex Place project (W208) from 5.8 acres to 5.2 acres, which is the measurable benefit in the cooperative agreement.

10. **Initiation and Approval of Rulemaking to Amend Rule 40D-8.624, Florida Administrative Code, to Adopt Revised Minimum and Guidance Levels for Deer Lake in Hillsborough County (P256)**

    Staff recommended the Board:
    
    A. Accept the report entitled, “Revised Minimum and Guidance Levels for Deer Lake in Hillsborough County, Florida.”
B. Authorize staff to make any necessary minor clarifying edits that may result from the rulemaking process and to complete report finalization.

C. Initiate and approve rulemaking to amend Rule 40D-8.624, F.A.C., to replace the previously approved Minimum and Guidance Levels with the proposed Minimum and Guidance Levels for Deer Lake in Hillsborough County, as shown in the Exhibit.

Finance/Outreach & Planning Committee

11. Road Replacement at Lake Hancock Field Office
Staff recommended the Board authorize a budget transfer for $27,000 from unallocated funds available in the Capital Improvements Plan for Roof and HVAC Replacements, and Facility Capital Renovation Projects to combine with $93,100 originally allocated for the Sarasota Office parking lot repair to complete the paving project at the Lake Hancock Field Office.

12. Budget Transfer Report
Staff requested the Board approve of the Budget Transfer Report covering all budget transfers for April 2017.

Operations, Lands and Resource Monitoring Committee

13. Conveyance of Non-Exclusive Easement to Nelson and Pauline Zambito and Lease Amendment with Hillsborough County – Brookere Creek Headwaters Preserve, SWF Parcel No. 14-074-159X
Staff recommended the Board:
- Approve and authorize the chairman to execute the Non-Exclusive Easement for 14-074-159X with the Zambito Family;
- Approve and authorize the chairman to execute the Brookere Creek Preserve Sixth Lease Amendment for 14-074-144X;
- Accept the affidavits to be executed by the Zambito Family;
- Authorize the Operations Lands & Resource Monitoring Director to act on behalf of the Board to submit a petition to Hillsborough County to vacate the platted right of way shown in Exhibit 6 to this recap.

Staff recommended the Board accept the donation of a perpetual easement from the City of Eagle Lake for the CFWI Project.

15. Transfer of Property to Manatee County – Tampa Bay Estuarine Ecosystem, Pine Island Tract, WF Parcel No. 21-728-128S
Staff recommended the Board:
- Execute Quit Claim Deed transferring title to SWF Parcel No. 21-728-128S to Manatee County.
- Authorize staff to execute other documents necessary to complete the transaction.

Regulation Committee

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

General Counsel’s Report

17. Administrative, Enforcement and Litigation Activities that Require Governing Board Approval
a. Approve Amendment to Agreement for Release of Conservation Easement – Sarasota Interstate Park of Commerce (SIPOC) – Sarasota County
Staff recommended the Board approve the Amendment to the Agreement for Release of Conservation Easement.
b. **Settlement Agreement – George L. Southworth Revocable Trust v. SWFWMD – DOAH**  
*Case No. 16-007361 – ERP No. 43042121.000 – Hernando County*

Staff recommended the Board approve the Settlement Agreement, and authorize any litigation as necessary to obtain compliance with the Settlement Agreement.

c. **Approval of Agency Designation of Minor Rule Violations Pursuant to Section 120.695, Florida Statutes**

Staff recommended the Board approve the designation of minor rule violations recommended by staff, and certify the list of recommended designations to the President of the Senate, the Speaker of the House of Representatives, the Joint Administrative Procedures Committee, and the rules ombudsman.

d. **Initiation of Litigation – Construction Without a Permit – Hillsborough County – Riverside Heights Holdings III, LLC (The Heights Redevelopment) – CT No. 386932**

Staff recommended the Board authorize the initiation of litigation against Riverside Heights Holdings III, LLC, to recover an administrative fine/civil penalty, District enforcement costs, litigation costs, and attorneys' fees.

18. **Rulemaking** – None

Executive Director's Report

19. **Approve Resolution No. 17-08, Commending George W. Mann for His Service as a Member of the Southwest Florida Water Management District Governing Board**

Staff recommended the Board approve Resolution No. 17-08 as presented.

20. **Approve CFI Northern Region Meeting Minutes – April 5, 2017**

21. **Approve CFI Heartland Region Meeting Minutes – April 6, 2017**

22. **Approve CFI Southern Region Meeting Minutes – April 12, 2017**

23. **Approve CFI Tampa Bay Region Meeting Minutes – April 13, 2017**

24. **Approve Governing Board Meeting Minutes – April 25, 2017**

A motion was made and seconded to approve the Consent Agenda as amended. Motion carried unanimously. (Audio 00:22:05)

Chair Maggard relinquished the gavel to the Resource Management Committee Chair Babb who called the meeting to order. (Audio 00:23:00)

Resource Management Committee Discussion

25. **Consent Item(s) Moved for Discussion – None**

26. **Initiation and Approval of Rulemaking to Amend Rule 40D-8.041, Florida Administrative Code, to Adopt a Minimum Flow (MFL) for the Crystal River/Kings Bay System (System) and Accept Report**

Mr. Mark Hammond, Resource Management Division Director, explained that Florida Legislature directed the Districts to establish MFLs for outstanding Florida springs by July 1, 2017. Mr. Hammond emphasized that MFLs are based on the science of the resource that is being protected.

Dr. Gabe Herrick, Ph.D., Senior Environmental Scientist, provided a presentation on the Crystal River/Kings Bay system. He identified the area of Crystal River/Kings Bay explaining it is a first magnitude spring and a Surface Water Improvement and Management Program (SWIM) water body. Dr. Herrick provided an overview of why MFLs are established and what is an MFL. He explained the process used in determining how an MFL and significant harm are established and how environmental values are evaluated. Dr. Herrick stated the MFL is expressed as a
percentage relative to the natural flow that occurs in the absence of any withdrawals. Significant harm occurs when there is a 15 percent decrease in the most sensitive habitat or resource. Dr. Herrick stated there were 18 independent PEER review panels involved in reviewing the 15 percent threshold. Each panel consisted of three independent scientists.

Dr. Herrick explained the importance of salinity and temperature associated with the ecological system. He outlined the spring vents used in collecting this data.

Mr. Ron Basso, P.G., Chief Hydrologist, provided a presentation regarding the groundwater withdrawal impacts to Kings Bay Springs. Mr. Basso explained the relationship and geology associated with springs and the Floridian Aquifer and the recharge process.

Mr. Basso provided historical information and data regarding the gauge flow and water levels associated with monitor wells associated with the spring flow in Kings Bay.

Mr. Basso detailed the Northern District Model (version 5.0) that is used to assess ground water withdrawals and impacts to springs.

Board Member Williamson asked if any data shows an increase in salinity or chloride levels. Mr. Hammond responded in the affirmative and explained that monitor well (TR-21-3) showed a 20-25 milligram per liter (mgl) increase over a 20-year period. He explained monitor wells, TR-21-3 and TR-21-2 are specifically used to monitor any salt water intrusion. Mr. Basso explained these wells were installed in the late 1970s and chlorides are normally 120 mgl at TR-21-3, adding that drinking water standards are 250 mgl. He added that TR-21-2 is showing a decreasing trend in chlorides.

Board Member Williamson asked about future monitoring. Mr. Basso responded that there are 30 wells and individual springs that are monitored from Pasco county to Levy county for a coastal monitoring system.

Board Member Williamson asked if staff is satisfied that there has been no significant saltwater intrusion to the aquifer. Mr. Basso responded in the affirmative.

Board Member Senft asked if there are any monitoring wells to monitor the Lower Floridan aquifer levels in the northern region. Mr. Basso stated the District has been drilling exploratory wells that provide data on the Upper and Lower Floridan aquifers over the last five years.

Chair Maggard asked if habitats utilized by manatees will be protected if this proposed MFL is implemented. Mr. Herrick responded in the affirmative.

Board Member Henslick asked about the inaccurate historical data associated with the 900 cubic feet per second from the 1960-70s. Mr. Basso responded the USGS has a disclaimer on their website indicating the data is inaccurate.

Board Member Henslick asked if the potential for sea level rise associated with climate change is considered in the data. Mr. Basso responded in the affirmative. Mr. Herrick provided additional information in response to this question.

Board Member Henslick asked if information has been provided to the United States Florida Fish and Wildlife Conservation Commission and the Florida Fish and Wildlife Conservation Commission. Mr. Herrick responded in the affirmative. Board Member Henslick asked if there was a negative response or opposing view from either agency. Mr. Herrick responded in the negative.
Committee Chair Babb asked for clarification regarding the percentage of the decline of spring flow over the next 20 years. Mr. Basso responded two and a half percent. Committee Chair Babb asked for confirmation that monitoring will be done frequently and this can return to the Board on a yearly basis if necessary. Mr. Hammond responded in the affirmative.

Dr. Steve Peene, Chair of the Peer Review Panel, stated he saw no fatal flaws in the analysis and indicated the model was sufficient for use in evaluating changes.

Committee Chair Babb stated he received multiple Request to Speak cards.

Mr. Don Clark spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Mr. Wayne Sawyer spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Mr. Jim Tatum, Our Santa Fe River, spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Mr. Michael Waite spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Ms. Heather Obara, Florida Springs Institute, spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Mr. Dan Hilliard, Florida Springs Council, spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Mr. Andy Auner spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Mr. Steve Minguy, Homosassa River Alliance, spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Ms. Jodi Lanier spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Mr. Michael Gerwinski spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Mr. Ben Berauer spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Mr. Adam Thomas spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Ms. Maxine Connor spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Mr. Roger Debrony spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.
Mr. Brad Rimbey spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Mr. Dave Ostrowski spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Mr. Art Jones, spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Ms. Cheryl Phillips spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Mr. Bob Messersmith spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Ms. Cagie Peardon spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Ms. Sharon Kerner spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Ms. Chelsea Rowe spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Ms. Bev Goethe spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Mr. Robert Goethe waived his opportunity to speak on opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Mr. Whitey Markle, Suwannee/St. Johns Sierra Club, spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Mr. Sean Barber spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Ms. Kaithleen Hernandez spoke in opposition of setting the minimum flows for the Crystal River/Kings Bay System.

Mr. Ed Call, City of Crystal River, spoke in support of the setting the minimum flows for the Crystal River/Kings Bay System but at a more conservative number.

Vice Chair Adams asked for an explanation on the reason for establishing different MFLs for different systems.

Mr. Hammond explained that when establishing an MFL, consideration must be given to determine if further withdrawals will cause significant harms for the water resources of that system. Mr. Hammond stated that MFLs must be established on the science specific to each system, so MFLs will differ from system to system. MFLs cannot be set on a projected need.

Vice Chair Adams asked for a better understanding what is the source of the disagreement from the public.
Mr. Hammond stated the District agrees that the Kings Bay system has been impacted. He stated the differing perspectives are associated with how withdrawals are affecting and impacting the system.

Board Member Taylor asked if 15 percent used to establish significant harm is the appropriate number. Dr. Peene responded he wasn’t involved in the determination of the science that was used.

Board Member Taylor asked if the 11 percent established for this MFL is appropriate. Dr. Peene responded in the affirmative and explained 11 percent was based on salinity changes in the system. He stated the analysis reviewed volume change of salinity and salinity change along the bottom and the shoreline. Dr. Peene stated that salinity change along the shoreline was the most sensitive.

Board Member Senft asked how tidal flow affects the monitoring wells. Dr. Peene stated that measuring is difficult because of the tidal flows. He stated that the flow is affected by the head down stream and the head in the aquifer. He stated it is the mean water level over time that is the head difference that drives the flow into the system.

Board Member Senft asked if there would be a difference with more current well data analysis. Dr. Peene stated that the wells monitoring is ongoing and the data is historic and current.

Board Member Henslick asked how the reduction in flow will impact the turbidity, visibility and nutrient load associated with the system. Mr. Hammond responded there is no expectation of any impact.

Board Member Henslick asked if there will be updating of data associated in the monitoring. Mr. Hammond responded in the affirmative.

Board Member Babb asked Dr. Chris Anastasiou to update the board on what the District is being done to improve the visibility in the Kings Bay system. Dr. Anastasiou responded regarding the SWIM plan that sets quantifiable objects, water quantity and water quality for natural systems and habitats. This is a living document.

Staff recommended the Board:
(1) Accept the report entitled, "Recommended Minimum Flow for the Crystal River/Kings Bay System, Final Draft, May 2017."
(2) Initiate rulemaking and approve adoption of amendments to Rule 40D-8.041, Florida Administrative Code, to establish a minimum flow for the Crystal River/Kings Bay System.
(3) Authorize staff to make any necessary clarifying or minor technical changes that may result from the rulemaking process.
(4) Initiate the emergency rulemaking process set forth in Section 120.54(4), F.S., and approve adoption of amendments to Rule 4CD-8.041, Florida Administrative Code, to establish a minimum flow for the Crystal River/Kings Bay System to ensure that the District will be able to meet the July 1, 2017 statutory deadline.

A motion was made and seconded to approve staff’s recommendation. Motion carried with nine in favor and one dissenting vote. (Audio 02:40:17/3:10:54)

Submit & File Reports
27. 2017 Florida Department of Transportation Mitigation Program Plan
This item was for the Committee’s information only, no action was required.

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

29. Significant Water Resource and Development Projects
This item was for the Committee's information only, no action was required.

Committee Chair Babb relinquished the gavel to the Finance/Outreach & Planning Committee Chair Armstrong who called the meeting to order. (Audio 03:11:30)

Chair Maggard recessed the Board meeting for lunch. (Audio 03:11:45)

Chair Maggard reconvened the Board meeting at 1:00 p.m., and relinquished the gavel to the Finance/Outreach & Planning Committee Chair Armstrong who called the meeting to order. (Audio 03:11:38)

Finance/Outreach & Planning Committee Discussion
30. Consent Item(s) Moved for Discussion — None

31. Investment Strategy Quarterly Update
Mr. Tom Tight, Public Trust Advisors, provided a presentation on the investment strategy quarterly update as of March 31, 2017. Mr. Tight stated the economy continues to be strong.

Mr. Tight provided a comparison summary for the period of January 1, 2017 to March 31, 2017 of the District's portfolios. These portfolios included: liquidity, enhanced cash, one to three year; one to five year; and all aggregate public trust. He also provided a summary of the District's all assets earnings as of March 31, 2017.

Staff recommended the Board accept and place on file the District's Quarterly Investment Reports for the quarter ended March 31, 2017.

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

32. Fiscal Year 2017-18 Ad Valorem New Growth Projections
Mr. John Campbell, Management Services Director, provided a presentation which included: graph on new growth from Fiscal Year (FY) 2001 to FY 2017; explanation of a model predicting new construction; graph outlining the prediction of new growth rate; graph of correlation analysis of unemployment versus construction; graph of new construction rate forecast; and planning suggestions.

Staff recommended the Board approve the ad valorem tax revenue based on the updated new unit construction projection for development of the Recommended Annual Service Budget.

A motion was made and seconded to approve staff's recommendation. Motion carried unanimously. (Audio 03:23:06)

33. Fiscal Year 2015-16 Comprehensive Annual Financial Report
Mr. Todd Webster, KPMG, provided a presentation that included an overview of the reports that KMPG issued as of the independent auditing.

Mr. Webster stated a clean report was issued for grants for state awards. In addition, a clean management letter was also issued. Mr. Webster also referenced uncorrected audit differences in the management representation letter. He stated these are usually timing differences. However, he stated there was a discrepancy related to the discount rate used by the Florida Retirement
System (FRS) for pension liability. The analysis completed by KPMG showed greater than the posting threshold. But KPMG did not think the difference was great enough to object.

Chair Maggard asked if this is something that should be a future concern. Mr. Webster explained because this is an issue the FRS will have to review.

Committee Chair Armstrong asked if KPMG’s number is lower. Mr. Webster responded in the negative.

Chair Maggard asked staff to ensure the Board is kept informed on this issue. Mr. Campbell responded in the affirmative.

Board Member Schleicher asked if every agency audited by KPMG would have the same issue. Mr. Webster responded in the affirmative but added any entity that participates in the FRS.

Staff recommended the Board accept and place on file the District’s Comprehensive Annual Financial Report, including the Single Audits pursuant to Title 2 U.S. Code of Federal Regulations Part 200 (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General, the Management Letter and the Independent Accountants’ Report for fiscal year ended September 30, 2016.

A motion was made and seconded to approve staff’s recommendation. Motion carried unanimously. (Audio 03:35:12)

34. Legislative Update

Ms. Colleen Thayer, Public Affairs Bureau Chief, provided a legislative update. She stated Senate Bill 10, water resources bill has become law. This was a bill to develop a plan with the funding provisions to achieve storage south of Lake Okeechobee.

Ms. Thayer addressed a bill that would increase the homestead exemption. It would provide an additional exemption from all taxes, other than school districts. It would provide an additional exemption for assessed value from $100,000 to $125,000. If it is signed by the Governor it will appear on the 2018 ballot.

Ms. Thayer stated House Bill (HB) 181, the natural hazards bill, has been sent to the Governor for signature. This bill created an interagency workgroup to share information on current and potential impacts on natural hazards throughout the state. This workgroup will include participation by the Districts.

Ms. Thayer stated if the budget is approved by the Governor, land management funding would be reduced to $2.25 million dollar, springs restoration funding would be fully funded at $50 million dollars, and water project funding would be funded at approximately $55.5 million dollars. She stated that $14.5 million dollars is in the budget for local governments within the District. This would include $400,000 for design and permitting for the Weeki Wachee springs system.

Ms. Thayer stated Mr. Noah Valenstein was selected as the next Secretary for the Florida Department of Environmental Protection.

Chair Maggard asked staff to prepare information on the impact of the homestead exemption. Mr. Campbell stated that a preliminary analysis was done and the impact to the District is approximately $4.6 million dollars.

This item was for the Committee’s information only, 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.

35. Treasurer's Report and Payment Register
This item was for the Board's information only, no action was required.

36. Monthly Financial Statement
This item was for the Board's information only, no action was required.

37. Monthly Cash Balances by Fiscal Year
This item was for the Board's information only, no action was required.

38. Comprehensive Plan Amendment and Related Reviews Report
This item was for the Board's information only, no action was required.

Committee Chair Armstrong relinquished the gavel to the Operations, Lands & Resource Monitoring Committee Acting Chair Mark Taylor who called the meeting to order. (Audio 03:40:52)

Operations, Lands and Resource Monitoring Committee
Discussion
39. Consent Item(s) Moved for Discussion – None

Operations, Lands and Resource Monitoring Committee
60. Surplus Lands
Ms. Carmen Sanders, Assistant Bureau Chief, provided a presentation for the sale of six parcels of surplus lands. Ms. Sanders explained the total sale is $5,258,028 for 1,178.55 acres. She provided a map outlining each parcel and provided information on acreage, terms, acquired price, appraised value and offer for each parcel.

Acting Committee Chair Taylor stated he receive two request to speak cards.

Mr. Jim Knight spoke regarding the purchase of Tampa Bypass Canal (TBC-1), SWF Parcel No. 13-001-736S. Mr. Knight expressed concerns of not submitting the highest accepted bid.

Mr. Ken Frink, Operations, Lands and Resource Monitoring Director responded to Mr. Knight's concerns.

Mr. James Jenkins spoke regarding the purchase of Green Swamp Wilderness Preserve, West Tract (GSW-4), SWF Parcel No. 10-411-118S. Mr. Jenkins expressed concerns that his offer of $10,000 above highest and best offer was not accepted.

Mr. Frink responded to Mr. Jenkins concerns. He stated the offer Mr. Jenkins submitted was not within the confines of the submittal process.

Ms. Karen West, General Counsel, explained that although there is limited statutory parameters established on the sale of surplus lands, the District has developed a fair and open process. She outlined the concerns associated with the bids that were submitted by Mr. Jenkins on the purchase of Green Swamp Wilderness Preserve, West Tract (GSW-4), SWF Parcel No. 10-411-118S.

Chair Maggard asked if the one of the conservation easements associated with GSW-3 and GSW-4 was more beneficial than the other. Mr. Frink responded that both protect the conservation efforts of the District.
a. **Approve Sale of Surplus Lands – Chito Branch Reserve (Chito North), SWF Parcel No. 11-709-145S**  
Staff recommended the Board:
- Accept the offer;
- Approve the Contract for Sale and Purchase and authorize the Executive Director or designee to sign on the behalf of the District;
- Upon the request of the buyer authorize the conveyance of the District's interest in all phosphate, minerals, metals and petroleum in or on or under the land; and
- Authorize staff to execute any other documents necessary to complete the transaction in accordance with the approved terms.

b. **Approve Sale of Surplus Lands – Green Swamp Wilderness Preserve, East Tract (GSE-6), SWF Parcel No. 10-200-1285S**  
Staff recommended the Board:
- Accept the offer;
- Approve the Contract for Sale and Purchase and authorize the Executive Director to sign on the behalf of the District;
- Upon the request of the buyer authorize the conveyance of the District's interest in all phosphate, minerals, metals, and petroleum in or on or under the land;
- Accept the Conservation Easement; and
- Authorize staff to execute any other documents necessary to complete the transaction in accordance with the approved terms.

c. **Approve Sale of Surplus Lands – Green Swamp Wilderness Preserve, East Tract (GSE-7), SWF Parcel No. 10-200-1286S**  
Staff recommended the Board:
- Accept the offer;
- Approve the Contract for Sale and Purchase and authorize the Executive Director to sign on the behalf of the District;
- Upon the request of the buyer authorize the conveyance of the District's interest in all phosphate, minerals, metals and petroleum in or on or under the land;
- Accept the Conservation Easement; and
- Authorize staff to execute any other documents necessary to complete the transaction in accordance with the approved terms.

d. **Approve Sale of Surplus Lands – Tampa Bypass Canal (TBC-1), SWF Parcel No. 13-001-736S**  
Staff recommended the Board:
- Accept the offer;
- Approve the Contract for Sale and Purchase and authorize the Executive Director to sign on the behalf of the District;
- Upon the request of the buyer authorize the conveyance of the District's interest in all phosphate, minerals, metals and petroleum in or on or under the land; and
- Authorize staff to execute any other documents necessary to complete the transaction in accordance with the approved terms.

e. **Approve Sale of Surplus Lands – Green Swamp Wilderness Preserve, West Tract (GSW-3), SWF Parcel No. 10-411-117S**  
Staff recommended the Board:
- Accept the offer;
- Approve the Contract for Sale and Purchase and authorize the Executive Director to sign on behalf of the District;
• Approve conveyance of an ingress/egress easement over an existing road from US 98
• Upon the request of the buyer authorize the conveyance of the District's interest in all phosphate, minerals, metals, and petroleum in or on or under the land;
• Accept the Conservation Easement; and
• Authorize staff to execute any other documents necessary to complete the transaction in accordance with the approved terms.

f. **Approve Sale of Surplus Lands – Green Swamp Wilderness Preserve, West Tract (GSW-4), SWF Parcel No. 10-411-1185**

Staff recommended the Board:
• Accept the offer;
• Approve the Contract for Sale and Purchase and authorize the Executive Director to sign on the behalf of the District;
• Approve conveyance of an ingress/egress easement over the existing District road adjacent to the west and north property boundary;
• Upon the request of the buyer authorize the conveyance of the District's interest in all phosphate, minerals, and metals, and petroleum in or on or under the land;
• Accept the Conservation Easement; and
• Authorize staff to execute any other documents necessary to complete the transaction in accordance with the approved terms.

A motion was made and seconded to approve staff's recommendation. Motion carried unanimously. (Audio 04:07:19/4:15:23)

40. **District Wildlife Fire Update**

Mr. Will VanGelder, Land Management Manager, provided a presentation that included: a map of statewide wildfires; information on wildfires specific to District lands; comparison of forecast fire danger indices from May 11 to May 22; and information on the cooperative agreement between the Florida Forestry Services (FFS) and the District.

Mr. VanGelder recognized the FFS and District staff for their efforts while fighting the wildfires.

Chair Maggard stated he would like to see staff involved in fighting the wildfires be recognized at the next Board meeting.

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

41. **Hydrologic Conditions Report**

Mr. Steve DeSmith, Senior Professional Geologist, provided a presentation on the hydrologic conditions. Mr. DeSmith stated drought conditions are continuing to persist. The northern region is the most severe. Groundwater levels in the District are in the low normal range in the central counties to below normal in the northern and southern counties. Surface water levels in the northern lakes are in the below normal range. Tampa Bay lake levels are below normal and declining. Polk Upland and Lake Wales Ridge lakes are in the low normal range and declining. The Withlacoochee is in the critically low level. The Hillsborough River is in the extreme low level. The Hillsborough Reservoir is showing significant declines. Alafia River is at the critically low level. Peace River is at the extreme low level. The climate forecast indicates a possible development of El Niño conditions. Improved rainfall is forecasted for mid-summer. There is a prediction of 11 named storms with two major hurricanes.

This routine report provides information on the general state of the District's hydrologic conditions, by comparing rainfall, surface water, and groundwater levels for the current month to comparable data from the historical record.
This item was for the Board's information only, 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.

42. Surplus Lands Update
43. Structure Operations
44. Significant Activities

Mr. Frink updated the Board that the Hillsborough County (County) Commission voted in the affirmative to allow the District to join the rezoning application with Port Tampa Bay to clarify allocation/distribution of existing entitlements owned by the District and the Tampa Port Authority. Mr. Frink stated when the County provides a process to market those entitlements the District will begin work to negotiate and sell.

Acting Committee Chair Taylor relinquished the gavel to the Regulation Committee Chair Paul Senft who called the meeting to order. (Audio 04:27:56)

Regulation Committee
45. Consent Item(s) Moved for Discussion – None
46. Consider Water Shortage Order(s) as Necessary

Mr. Darrin Herbst, Water Use Permitting Bureau Chief, provided a presentation on water shortage recommendations. Mr. Herbst stated that hydrologic conditions indicate all 16 counties are experiencing moderate, severe, extreme or critical drought condition levels. Although, there is currently no a water supply shortage, conditions are worsening.

Staff recommended amending Water Shortage Order No. SWF 2017-14 to a modified Phase III water shortage for the District's entire sixteen counties. This recommendation will allow for once per week watering between the hours of midnight to 8:00 a.m. or 6:00 p.m. to Midnight. It does not allow additional irrigation to meet Home Owners Association (HOA) requirements or deed restrictions. Non-commercial car washing is allowed on watering day. Water Use Permit (WUP) holders follow permit conditions. If conditions warrant, this recommendation will allow the Executive Director to execute the remaining Phase III restrictions prior to Governing Board approval.

A motion was made and seconded to approve staff's recommendation. Motion carried unanimously. (Audio 04:30:31)

47. Denials Referred to the Governing Board
None presented

Submit & File Reports - None
Routine Reports
The following items were provided for the Committee's information, and no action was required.

48. Dover/Plant City Water Use Caution Area Flow Meter and Automatic Meter Reading (AMR) Equipment Implementation Program
49. Overpumpage Report
50. Individual Permits Issued by District Staff

Committee Chair Senft relinquished the gavel to Chair Maggard. (Audio 04:32:25)

General Counsel's Report
51. Consent Item(s) Moved for Discussion – None
52. May 2017 – Litigation Report
53. **May 2017-Rulemaking Update**

Ms. Karen West, General Counsel, updated the Board on receipt of a request for a public hearing the District received for the Rainbow River Minimum Flow and Levels (MFL). The District received the request on May 5 from the Rainbow River, Inc., and other individuals. In response to this request, a public hearing was held on May 15 which was presided over by Board Member Rice. Ms. West stated nineteen members of the public presented oral and written comments. The summary of these materials has been made part of the rulemaking record.

54. **Committee Liaison Reports**

**Industrial and Public Supply Advisory Committee**

Board Member Taylor provided a written report of the May 16 meeting, which included a site visit to a blueberry farm.

55. **Committee/Liaison Reports**

56. **Executive Director’s Report**

Mr. Brian Armstrong thanked the Board for their volunteer service. Mr. Armstrong also congratulated Noah Valenstein on his appointment as Secretary of the FDEP.

57. **Chair’s Report**

58. **Other**

59. **Employee Milestones**

The June 27 Governing Board meeting will be at Tampa Bay Water in Clearwater. The July 25 Governing Board meeting will be in the Brooksville Office and the August 29 will be in the Tampa Office.

The meeting was adjourned at 2:26 p.m.

Attest:

[Signature]

Chair

Secretary