

MINUTES OF THE MEETING

GOVERNING BOARD SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

CLEARWATER, FLORIDA

JULY 25, 2017

The Governing Board of the Southwest Florida Water Management District (District) met for its regular meeting at 10:00 a.m. on July 25, 2017, at Tampa Bay Water at 2575 Enterprise Road, Clearwater. The following persons were present:

Board Members Present

Randall S. Maggard, Chair
Jeffrey M. Adams, Vice Chair
Bryan Beswick, Secretary
Ed Armstrong, Treasurer
H. Paul Senft, Member
Michael A. Babb, Member
John Henslick, Member
Michelle Williamson, Member
Mark Taylor, Member
Joel Schleicher, Member
Rebecca Smith, Member

Board Members Absent

Kelly S. Rice, Member

Staff Members

Brian J. Armstrong, Executive Director
Amanda Rice, Assistant Executive 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
Michael Molligan, 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. Secretary Beswick stated a quorum was present.

2. Invocation and Pledge of Allegiance

Board Member Williamson 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.

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.

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: Sonny Clay, Michael Balser and Ron Basso.

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

4. Additional/Deletions to Agenda

Mr. Brian Armstrong, executive director, stated there were no additions or deletions to the agenda.

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

Chair Maggard stated he received one Request to Speak card.

Mr. David Ballad Geddis, Jr., spoke regarding the use of reclaimed water.

CONSENT AGENDA

Resource Management Committee

6. Initiation and Approval of Rulemaking to Amend Rule 40D-8.624, Florida Administrative Code, to Adopt Minimum and Guidance Levels for Lake Aurora in Polk County

Staff recommended the Board:

- A. Accept the report entitled, "Minimum and Guidance Levels for Lake Aurora in Polk County, Florida", dated July 25, 2017.
- 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 include the proposed Minimum and Guidance Levels for Lake Aurora in Polk County as shown in the Exhibit.

7. FARMS –Farmland Reserve, Inc. – Sun City (H760), Hillsborough County

Staff recommended the Board:

- 1) Approve the Farmland Reserve, Inc. - Sun City project for a not-to-exceed project reimbursement of \$196,300, with \$196,300 provided by the Governing Board;
- 2) Authorize the transfer of \$196,300 from fund 010 H017 Governing Board FARMS Fund to the H760 project fund;
- 3) Authorize the Assistant Executive Director to sign the agreement.

8. FARMS – Schwartz Farms, Inc –(H762), Sarasota County

Staff recommended the Board:

- 1) Approve the Schwartz Farms, Inc. project for a not-to-exceed project reimbursement of \$76,376, with \$76,376 provided by the Governing Board;
- 2) Authorize the transfer of \$76,376 from fund 010 H017 Governing Board FARMS Fund to the H762 Schwartz Farms, Inc. project fund;
- 3) Authorize the Division Director to sign the agreement.

Finance/Outreach & Planning Committee

9. Budget Transfer Report

Staff requested approval of the Budget Transfer Report covering all budget transfers for June 2017.

10. Budget Transfer from South Lake Conine Watershed Restoration Project (W773) to Fleet Management Operating Capital Outlay (B630) for Boom Mower Replacement

Staff recommended the Board approve a budget transfer for \$210,000 from the South Lake Conine Watershed Restoration project cooperatively funded with the City of Winter Haven. The funds were scheduled to lapse after the City of Winter Haven was awarded a grant from the FDEP; thereby, reducing the District's share of the project cost. The transferred funds will procure a replacement Boom Mower to continue with the District's Levee Maintenance Program activities.

Operations, Lands and Resource Monitoring Committee

11. Acceptance of Easement Donation – Central Florida Water Initiative (CFWI) Project, ROMP 88.5, SWF Parcel No. 20-020-127

Staff recommended the Board accept the donation of a perpetual easement from Nola Land Company, Inc., for the CFWI Project.

12. Acceptance of Easement Donation – Central Florida Water Initiative (CFWI) Project, Thornhill Ranch Replacement, SWF 20-020-141

Staff recommended the Board accept the donation of a perpetual easement from the Board of Trustees of the Internal Improvement Trust Fund for the State of Florida for the CFWI Project.

Regulation Committee

13. Approve and Execute Encroachment Agreement for Hanover Jordan's Grove, LLC – Environmental Resource Permit 43026389.004 (Application ID No. 749198) – Polk County

Staff recommended the Board approve and execute the Encroachment Agreement.

14. Individual Water Use Permits Referred to the Governing Board - None

General Counsel's Report

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

a. Concurrence with Emergency Order No. SWF 17-037 Suspending Section 112.061, F.S., to Allow Modified Class C Subsistence Reimbursement for State of Emergency

Staff recommended the Board provide concurrence with Emergency Order No. SWF 17-037 suspending the provisions of Section 112.061, F.S., to provide reimbursement for meals for District employees involved in responding to wildfires during the state of emergency.

16. Rulemaking - None

Executive Director's Report

17. Approve Governing Board Meeting Minutes - June 27, 2017

Staff recommended the Board approve the minutes as presented.

A motion was made and seconded to approve the Consent Agenda. Motion carried unanimously. (Audio 00:07:37)

Chair Maggard relinquished the gavel to the Resource Management Committee Chair Babb who called the meeting to order. (Audio 00:07:50)

Resource Management Committee

Discussion

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

19. Tampa Bay Water Update

Mr. Matt Jordan, Tampa Bay Water (TBW) general manager, provided an update on the regional water system. Mr. Jordan stated that TBW is an inter-connected regional water supplier for

Hillsborough County, Pasco County, Pinellas County, the cities of New Port Richey, St. Petersburg and Tampa. Mr. Jordan stated TBW was established in 1998 and provided a history of the establishment of TBW.

Mr. Jordan stated TBW is updating its master plan. He outlined the diversity of the various supply sources, operation and maintenance, asset management, public outreach, future planning, and affordability of water provided.

Mr. Jordan outlined future planning which included expanding the desalination, additional surface and groundwater and diversifying purified reclaimed water.

Board Member Senft asked what is TBW's policy for emergency reserves. Mr. Jordan responded TBW has a rate stabilization fund which maintains approximately ten percent of the annual budget in reserve.

Committee Chair Babb asked about a time line associated with future planning as related to purified reclaimed water. Mr. Jordan responded that information is still being gathered but the TBW Board hopes to have a decision in December of 2018.

This item was presented for the Board's information; no action was required

20. Tampa Bay Estuary Program (TBEP) Update (W027)

Ms. Holly Greening, Tampa Bay Estuary Program Director, provided an annual update for the TBEP. She provided a presentation that included historical information on the establishment of the TBEP. Ms. Greening stated there are over 45 public and private partners that have assisted in restoration for over 500 projects and removal of over 400 tons of nitrogen. She also outlined water quality improvement that has occurred since 1974 to 2016. Ms. Greening provided a chart that outlined the success that has been achieved related to seagrass recovery.

Ms. Greening described how TBEP, sponsors and volunteers coordinated to remove nearly one ton of trash and debris from Rock Ponds. She stressed the importance of maintaining the progress that has been made.

This item was presented for the Board's information; no action was required.

21. Thirty Years of the Surface Water Improvement and Management Program (SWIM)

Mr. Randy Smith, SWIM program manager, provided a presentation that included historical information, outlined priority water bodies, accomplishments, partnerships and seagrass mapping.

Mr. Smith explained that the SWIM program coordinates with the Florida Department of Environmental Protection (FDEP) to develop a list of priority water bodies within the District. Currently, the District has 12 SWIM priority waterbodies, three estuaries, five spring systems and four lakes.

Mr. Smith provided summaries for current SWIM projects in Crystal River/Kings Bay, Charlotte Harbor and Tampa Bay.

Staff recommended the Board approve Resolution 17-10 designating the month of August 2017, as Surface Water Improvement and Management Month in recognition of 30 years of accomplishments improving water resources and restoring natural systems.

A motion was made and seconded to approve the staff recommendation. Motion carried unanimously. (Audio 01:02:48)

22. Hillsborough River Dam and Harney Canal Diversion Facilities Project Name & Scope Change (N492)

Please note that agenda items 22 and 23 were discussed collectively, but voted on separately (see Item 23, below).

23. Agreement with the City of Tampa for Operation of Pumping Facilities at the Tampa Bypass Canal S-161 Structure and Hillsborough River Dam to Meet the Lower Hillsborough River Recovery Strategy

Mr. Eric DeHaven, Resource Management Division assistant director, provided a presentation that included a history and overview of Lower Hillsborough River minimum flow recovery strategy, the Hillsborough River Dam and Harney Canal Diversion Facilities Project (N492), and the proposed agreements with the City of Tampa for the operation of pumping facilities.

Mr. DeHaven identified the four recovery sources, which are: Sulphur Springs, Blue Sink project, transfers from the Tampa Bypass Canal and the Morris Bridge Sink. He provided an overview of the pumping stations associated with each source and indicated that today's presentation would focus on the pumping stations on the Tampa Bypass Canal.

Mr. DeHaven addressed the funding costs and resource benefits associated with the change of scope for project N492. He then discussed the proposed agreements with the City of Tampa for the operation of the pump stations.

Board Member Henslick asked if the pumps were manually operated. Mr. DeHaven responded the pumps will be operated remotely by the City of Tampa. Board Member Henslick asked if the pumps will be operated for flooding situations. Mr. DeHaven responded in the negative.

Board Member Henslick asked if consideration has been given to the setting of salinity levels. Mr. DeHaven responded that the salinity levels were addressed in the initial minimum flow evaluations. It is expected that there will be a re-evaluation of the system in the future.

Board Member Williamson asked about the length of time the temporary pump stations are intended to be utilized. Mr. DeHaven responded the length of time is likely to be more than five years for the pumps at the S-161 structure.

For Item 22, Staff requested approval to revise the funding, scope of work and resource benefit for the City of Tampa Lower Hillsborough River Dam and Harney Canal Diversion Facilities project (N492). The revisions include:

- 1) Elimination of a new pump station at the S-161 structure on the Tampa Bypass Canal;
- 2) Modification to the City's Hillsborough River dam that replaces the siphon structure with a control gate.

For Item 23, Staff recommended the Board:

- 1) Authorize staff to enter into an agreement to sell water pumps, facilities and easement with the City of Tampa to convey the S-161 pump station and easement to the city for \$75,000;
- 2) Authorize staff to enter into operation, maintenance and management agreement for the temporary pump facilities at the Hillsborough River dam site.

A motion was made and seconded to approve the staff recommendation. Motion carried unanimously. (Audio 01:20:51)

Submit & File Reports

24. Lower Hillsborough River Recovery Strategy Implementation – Annual Update

Routine Reports

25. Minimum Flows and Levels Status Report

26. Significant Water Resource and Development Projects

Committee Chair Babb relinquished the gavel to the Finance/Outreach & Planning Committee Chair Armstrong who called the meeting to order. (Audio 01:21:11)

Finance/Outreach & Planning Committee

Discussion

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

28. Investment Strategy Quarterly Update

Mr. Tom Tight, Public Trust Advisors, provided a presentation on the investment strategy quarterly update as of June 30, 2017. Mr. Tight reminded the Board the objectives of the portfolios are safety of funds and preservation of principle. In addition, ensuring sufficient liquidity is available for the District to meet its short-term and long-term needs.

Mr. Tight provided a comparison summary for the period of April 1, 2017 to June 30, 2017 of the District's portfolios. These portfolios included: liquidity, enhanced cash, one to three-year, one to five-year, and an aggregate. He also provided a summary of the District's assets earnings as of June 30, 2017.

Board Member Schleicher expressed concern regarding reserve funding that is being held by the District. Committee Chair Armstrong stated there is a workshop scheduled at the August Board meeting to address this issue.

Board Member Senft stated there have been several reconciliations done regarding reserve funding and the accounting indicated most funding was committed to long-term projects that have been initiated.

This item was presented for the Board's information; no action was required.

29. Fiscal Year (FY) 2018 Budget Development

Mr. John Campbell, Management Services Director, provided a presentation that included: FY2018 expenditure goals and outcomes; expenditure budget changes since the recommended annual service budget (RASB) was presented at the June 27 Governing Board meeting; expenditures by category; expenditures by program; revenue budget changes since RASB was presented at the June 27 Governing Board meeting; ad valorem and millage rate update; sources of revenue; projected resources available for future projects; long term funding plan and budget development calendar.

Mr. Campbell stated there were two changes since the June 27 Governing Board meeting. These changes include a \$510,000 reduction for the Lower Withlacoochee River Data Collection and a \$200,000 reduction for the Weeki Wachee River Restoration Feasibility Study. He stated the total budget is approximately \$181.6 million dollars. He indicated the operating budget increased by 1.0 percent, approximately \$1.5 million dollars. Mr. Campbell stated the adopted millage decreased by 5.6 percent. This results in a rolled back millage rate of 0.3131 or \$108.1 million dollars.

Staff recommended the Board:

- A. Approve the budget changes that have been made since the June 27, 2017 Governing Board meeting, adjusted for any additional funding provided by the state for Springs projects.
- B. Approve Resolution No. 17-09, Adoption of Proposed Millage Rate for Fiscal Year 2018.
- C. Approve the August 1 submittal of the Standard Format Tentative Budget Submission report, with the budget modifications approved by the Governing Board on July 25, 2017.

A motion was made and seconded to approve the staff recommendation. Motion carried with 10 in favor and 1 opposed. Board Member Schleicher stated his nay vote is not in opposition to the proposed FY2018 budget but rather ad valorem tax per comments associated with Item 28. (Audio 01:47:45)

30. Independent Auditing Services

Ms. Mary Beth McNeil, assistant general counsel/interim procurement manager, provided a presentation that provided an overview of the selection process for the independent auditing services. Ms. McNeil stated James Moore was the selection for the independent auditing services.

Ms. McNeil explained that a negotiation letter was sent to the three short-listed firms requesting a final cost proposal. She explained that KPMG remained at its initial cost proposal; James Moore reduced its cost proposal by \$24,625; and Morris, Stevens and Lovelace (MSL) reduced its cost proposal by \$9,500.

Committee Chair Armstrong explained the committee's selection process and presented a recommendation for the selection of James Moore.

Board Member Smith expressed her concern regarding the process for selection. She suggested consideration be given to the establishment of a policy regarding the tenure as an auditor.

Ms. McNeil stated that three other water management districts have used James Moore. She clarified staff's recommendation.

Board Member Henslick asked if setting term limits could be added to the motion. It was agreed that based on the contract language there is an option to allow the Board to review and make any necessary changes. Ms. Karen West stated that the Office of General Counsel would like to develop a policy regarding this issue and return to the Board with its recommendation at a future Board meeting.

Staff recommended the Board:

- 1) Select a firm to provide independent auditing services
- 2) Authorize staff to execute a contract and a letter of engagement consistent with the terms and conditions of the RFP and the presented costs
- 3) Dissolve the Ad Hoc Audit Committee

A motion was made and seconded to approve the staff recommendation. Motion carried with 10 in favor and 1 opposed. (Audio 02:05:17/02:10:00)

31. Inspector General Charter

Mr. Kurt Fritsch, inspector general, provided a presentation that addressed the objectives of the proposed rewrite to Office of Inspector General (OIG) Charter policy. These objectives included: maintain consistency with professional practices; improve operations; streamline reporting process; enhance project selection; increase Board opportunity for oversight; leverage best practices from private sector; and consolidate two policies into one.

Mr. Fritsch outlined the four Board policies and the changes that will occur involving the OIG. These policies he referenced included: 140-1, 140-3, 710-1 and 710-2. Mr. Fritsch reviewed the changes that would be occurring. He provided an overview of the four areas of successful management: operations, reporting, compliance and safe guarding assets.

Board Member Smith asked if consideration could be given to establishing a sub-committee to allow the Inspector General the ability to address issues that would be presented to the full Board. Chair Maggard agreed to take this suggestion into consideration.

This item was presented for the Board's information; no action was required.

Submit & File Reports - None

Routine Reports

32. Treasurer's Report and Payment Register

33. Monthly Financial Statement

34. Monthly Cash Balances by Fiscal Year

35. Comprehensive Plan Amendment and Related Reviews Report

36. Development of Regional Impact Activity Report

Committee Chair Armstrong relinquished the gavel to the Operations, Lands & Resource Monitoring Committee Chair Beswick who called the meeting to order. (Audio 02:27:29)

Operations, Lands & Resource Monitoring Committee

Discussion

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

38. Hydrologic Conditions Report

Mr. Granville Kinsman, hydrologic data manager provided a presentation on the hydrologic conditions. Mr. Kinsman stated rainfall for June was above-normal. However, there is still a deficit of approximately six inches District-wide.

Mr. Kinsman stated groundwater levels in the northern counties have declined slightly, but are in the low-normal range. Groundwater levels in the central and southern counties are within the normal range.

Lake levels in the northern lakes are below normal. Tampa Bay, Polk Upland and Lake Wales Ridge lake levels are all within the normal range.

The Withlacoochee River is in the extreme-low range but improving. The Hillsborough River is in the normal range and the City of Tampa Reservoir is full. The Alafia River has improved to the normal range, and the Bill Young Reservoir is being refilled. The Peace River is in the above normal range, and the reservoir and Aquifer Storage and Recovery supplies are being refilled.

Mr. Kinsman stated that above-normal rainfall is needed to reduce the deficit and rebuild supplies for the upcoming eight-month dry season. However, the long-range forecast indicates the rainfall forecast is uncertain through spring of 2018.

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
39. Surplus Lands Update
40. Structure Operations
41. Significant Activities

Committee Chair Beswick relinquished the gavel to the Regulation Committee Chair Jeff Adams who called the meeting to order. (Audio 02:35:27)

Regulation Committee
Discussion

42. Consent Item(s) Moved for Discussion - None
43. Consider Water Shortage Order(s) as Necessary

Mr. Darrin Herbst, water use permit bureau chief, provided a presentation on the current water shortage conditions. He stated the Hydrologic Conditions Report indicated the Northern counties are still experiencing severely, extremely, or critically abnormal drought conditions. However, the hydrologic conditions in the central and southern counties have greatly improved.

Staff recommended the Board:

- Approve the Amended Water Shortage Order No. SWF 2017- 014.
- Continue Modified Phase III Water Shortage for the District's Northern counties including Citrus, Hernando, Lake, Marion, and Sumter through October 1.
- Allow Modified Phase III Water Shortage Order to expire in the Central and Southern Counties and return to the District's Year-Round Water Conservation Measures.

A motion was made and seconded to approve the staff recommendation. Motion carried unanimously. (Audio 02:36:56)

44. Denials Referred to the Governing Board
No denials were presented.

Submit & File Reports - None
Routine Reports

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

Committee Chair Adams relinquished the gavel to Chair Maggard. (Audio 02:38:16)

General Counsel's Report
Discussion

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

Submit & File Reports - None
Routine Reports

49. July 2017-Litigation Report
50. July 2017-Rulemaking Update

Committee Liaison Reports

51. Environmental Advisory Committee

A written report was provided for the July 11 meeting. Board Member Williamson stated there was a recommendation for the Board regarding experts related to wetlands. Mr. Frink clarified it was related to surplus lands.

52. Well Drillers Advisory Committee

A written report was provided for the July 12.

53. Other Committee/Liaison Report

Executive Director's Report

54. Executive Director's Report

Mr. Brian Armstrong, executive director, introduced the new Employee and External Affairs Director, Mr. Michael Molligan.

Mr. Armstrong thanked Tampa Bay Water for the use of its facility and the assistance TBW staff provided.

Chair's Report

55. Chair's Report

56. Other

57. Employee Milestones

Chair's Report

59. Chair's Report

60. Other

The August 29 Governing Board meeting will be in the Brooksville Office. The Fiscal Year 2018 Tentative Budget meeting will be on in the Tampa Office on September 12 at 5:01 p.m. And the September 26 Governing Board meeting will be in the Tampa Office.

61. Employee Milestones

The meeting was adjourned at 12:42 p.m.

Chair



Attest:

Secretary

