



South Florida Water Management District

MINUTES GOVERNING BOARD WORKSHOP

August 13, 2008

1:00 PM

District Headquarters - B-1 Auditorium

3301 Gun Club Road

West Palm Beach, FL 33406

Members Present:

Eric Buermann, Chair

Charles Dauray

Shannon Estenoz

Melissa Meeker

Jerry Montgomery

Patrick Rooney

Members Absent:

Michael Collins

Paul C. Huck Jr.

1. **Call to Order** - Eric Buermann, Chairman, Governing Board

Chair Buermann called the meeting to order at 1:00 pm.

2. **Pledge of Allegiance** - Eric Buermann, Chairman, Governing Board

Mr. Dauray led the group in the Pledge of Allegiance.

3. **Approval of Minutes**

Approval of the June 30, 2008, Special Meeting, the July 9, 2008, Workshop, and the July 10, 2008, Business Meeting Minutes all held in West Palm Beach, Florida

Motion made by Charles Dauray, seconded by Melissa Meeker to Approve the following item(s): 3

Vote called. Voting yes: Charles Dauray, Melissa Meeker, Eric Buermann, Shannon Estenoz, Jerry Montgomery, Patrick Rooney. Motion passed.

4. **Agenda Addendum** - Annette Carter, Director, Office of Governing Board & Executive Services

Annette Carter, Director, Office of Governing Board & Executive Services stated an addendum to the agenda was prepared and provided to Governing Board members, staff and the public.

5. Abstentions by Board Members from items on the Workshop Agenda

There were no abstentions by Board members.

6. Pull Items for Discussion from Consent Agenda

There no were items pulled from the Consent Agenda to the Discussion Agenda.

Water Resources

7. "River of Grass" Project Acquisition Update - Sheryl G. Wood, General Counsel, Kenneth G. Ammon, P.E., Deputy Executive Director, Everglades Restoration, and Paul E. Dumars, Sr., Chief Financial Officer

A Resolution of the Governing Board of the South Florida Water Management District addressing its actions in approving the nonbinding Statement of Principles approved on June 30, 2008 for a potential acquisition by the District of land and assets from the United States Sugar Corporation; reaffirming its commitment to full and complete public disclosure and discussion of any proposed transaction; providing general policy guidance regarding this acquisition; providing for severability; and providing an effective date. (Sheryl G. Wood, Ext. 6976)

Sheryl Wood, General Counsel, provided information on the process and exempt records timeline for the U. S. Sugar Corp. acquisition. Ms. Wood explained that if staff and U.S. Sugar are able to propose acceptable terms and conditions, staff will present a contract to Governing Board for public discussion at board meeting in September or special meeting. The District will continue due diligence reviews, including surveys, title review, engineering, environmental and financial assessments.

The contract will be contingent upon specific terms and conditions, including but not limited to availability of financing.

Ms. Wood also discussed the type of information that would be exempt from disclosure.

Ken Ammon, Deputy Executive Director, Everglades Restoration, presented information on restoration needs for the project including Lake Okeechobee regulatory releases and storage and treatment estimates. Mr. Ammon reported on the outreach activities and economic transition activities to the Glades area.

Mr. Ammon also reported on implementation activities, including due diligence with asset evaluation, water budgets and land evaluation. Mr. Ammon also discussed post agreement planning.

Paul Dumars, Chief Financial Officer, provided information the financial milestones:

PHASE I: Plan of Financing Strategy

PHASE II: Draft Rating Agency Presentation (in progress)

Distribute Letter of Credit / Liquidity RFP

Draft Financing Documents

PHASE III:

Rating Presentations

Rating Agency / Insurer Review

Board Approval

PHASE IV:

Market Certificates of Participation (COPs)

Sell COPs

Closing

Ms. Wood requested the Board approve Resolution 2008-827 and read the resolution into the record.

Public Comment: Mali Chamness, Mayor of Clewiston, thanked Ms. Wehle and staff for meeting with Clewiston residents to discuss their concerns. She asked for a viable economic transition.

Public Comment: Kevin McCarthy, Hendry County Commissioner, thanked staff for meeting with Hendry County to discuss their concerns.

Public Comment: Sara Fain, National Parks Conservation Association, commented on Everglade's Coalition guideline recommendations for Everglade's restoration.

Public Comment: Ardis Hammock, Frierson Farms, commented on the concerns of the Glades residents. She requested open communication with the Glade's community.

Public Comment: Jason Totoiu, Everglades Law Center, commented on an economic development plan for the River of Grass acquisition.

Public Comment: Martha Musgrove, Decision Makers Forum, commented on the debt policy for the aquisition.

Ms. Estenoz asked about the negotiation process.

Ms. Wehle reported on the confidentiality agreement.

Ms. Wood commented on disclosure exemptions.

Mr. Dauray commented on the Everglades being a National Park and requested federal funding.

Ms. Estenoz commented on storing water in the central and southern plains and federal funding.

Ms. Meeker commented on addressing economic diversity issues.

Motion made by Charles Dauray, seconded by Patrick Rooney to Approve the following item(s): 7

Vote called. Voting yes: Charles Dauray, Patrick Rooney, Eric Buermann, Shannon Estenoz, Melissa Meeker, Jerry Montgomery. Motion passed.

8. Picayune Strand Reservation Peer Review Findings and Recommendations - Chip Merriam, Deputy Executive Director, Water Resources, and John H. Gentile, PhD, Harwell Gentile and Associates, L.C. (ext. 6597)

Chip Merriam, Deputy Executive Director, provided information on the Peer Review findings and recommendations for the Picayune Strand Reservation. Mr. Merriam reported on the protection of the restoration projects and how water reservations are established. The District has determined the reservation is the most appropriate tool to protect water for the Picayune Strand Restoration project (PSRP). John Gentile, Harwell Gentile and Associates, presented the scientific aspect of the peer review for the Picayune Strand Reservation.

Dr. Gentile provided information on the findings and recommendations for hydrology, terrestrial ecology, and estuarine ecology.

The panel's recommendations were as follows:

- The PSRP Water Reservations Report technically supports the concept of the proposed water reservation to protect fish and wildlife.
- The linkages between hydrology and ecology are sound for the terrestrial/wetland but require further documentation for the estuary.
- The PSRP Water Reservations Report must clearly delineate that there are two water reservations being proposed that includes the flow- salinity relationship with estuarine ecological targets.
- The PSRP Water Reservations Report should address the concept of uncertainty for the indicators, models, targets, and linkages.

Mr. Merriam reported on the milestones:

- Rule development initiated:
February 2008
- Scientific peer review of technical report to support water reservation:
June 24-26 2008
- Workshops to develop rules:
June 17, July 24, and August 27, 2008
- Present draft rules to WRAC:
September 2008
- Revise technical report:
October 2008
- Seek Governing Board approval to publish the final draft rule in Florida Administrative Weekly:
October 2008

9. Overview of Chapter 373, Florida Statutes (Continued), Part IV, Introduction to Water Quality Kirk L. Burns, Senior Practice Expert, Office of Counsel (ext. 6546)

Kirk L. Burns, Senior Practice Expert, presented information on Chapter 373 Florida Statutes, introduction to Water Quality standards. Mr. Burns reported on the Clean Water Act and stated the water quality standard has four parts: "designated use," criterion, anti-degradation provision, and moderating provisions. Mr. Burns provided examples of how water quality standards are applied in Florida.

Ms. Estenoz commented on the ERP process and requested a Workshop on water quality standards and the ERP process.

Mr. Merriam said they would workshop this with the Governing Board.

Public Comment: Jason Totoiu, Everglades Law Center, commented on the ERP Program and water quality standards.

10. Everglades Agricultural Area (EAA) and C-139 Compliance Annual Update Pamela Wade, Director, Everglades Regulation Division (ext. 6901)

Pamela Wade, Director, Everglades Regulation Division, presented information on this year's performance in the EAA and C-139 regarding compliance with the phosphorus criterion.

Ms. Wade reported on the Everglades Construction Project and the goals of the Best Management Practices (BMPs). Ms. Wade reported on the tributary basins to the Everglades, the permits for the comprehensive BMP plans, compliance methodology, the EAA Basin Performance, the long-term benefits of the BMPs, and the EAA Basin activities.

Ms. Wade also provided information on the activities of the C-139 Basin.

There was Board discussion on the feasibility study, agricultural permitting, and Best Management Practices.

Corporate Resources

11. Draft 10-Year Strategic Plan Briefing - Doug Bergstrom, Director, Budget Division (ext. 6214)

Doug Bergstrom, Director, Budget Division, presented the draft 10-year Strategic Plan. The Strategic Plan:

- Sets agency direction
- Identifies District priorities
- Program specific:
 - Descriptions
 - Goals
 - Success Indicators
- Funding Sources
- Deliverables and Milestones
- What we are going to do and when
- The platform for planning annual work

Mr. Bergstrom reported on restoring the Everglades by setting the following priorities:

- Acquiring land and planning projects to expand water storage and treatment options south of Lake Okeechobee to revive the River of Grass
- Advancing construction schedules of existing key projects
- Implementing the Long-Term Plan to achieve water quality standards

The remaining District priorities have remained unchanged.

- Protect and restore natural systems in the Northern Everglades (Kissimmee, Lake Okeechobee, Caloosahatchee and St. Lucie watersheds) by increasing storage capacity and water quality treatment
- Refurbish the regional water management system by implementing the 50-year Plan
- Meet the current and future demands of water users and the environment through implementation of regional water supply plans
- Retain and recruit a high quality, diverse workforce by continuing to recognize the value of employees

15. Adjourn

Chair Buermann adjourned the meeting at 4:00 pm.

Eric Buermann
Governing Board Chairman
South Florida Water Management District Governing Board

Recorded By:

Cathy Widness
Administrative Assistant Senior
Governing Board and Executive Services
SFWMD