

**Gulf Consortium Board Meeting
January 31, 2019, 1:00 p.m. (Eastern)
Tallahassee Center for Innovation
350 S. Duval Street, Tallahassee, FL 32301**

Members in Attendance: Commissioner Phil Griffitts (Bay), Commissioner Chris Constance (Charlotte), Commissioner Scott Carnahan (Citrus), Gary McAlpin (Collier), Tim Alexander (Dixie), Commissioner Douglas Underhill (Escambia), Commissioner Joseph “Smokey” Parrish (Franklin), Commissioner Wayne Dukes (Hernando), Warren Yeager (Gulf), Commissioner Betsy Barfield (Jefferson), Charlie Hunsicker (Manatee), Commissioner Kelly Windes (Okaloosa) Commissioner Jack Mariano (Pasco), Commissioner Charlie Justice (Pinellas), Commissioner Lane Lynchard (Santa Rosa), LaWanda Pemberton (Taylor), David Edwards (Wakulla), Larry Jones (Walton)

Phone: Commissioner John Meeks (Levy)

Also in Attendance: Valerie Seidel (The Balmoral Group), Dan Dourte (The Balmoral Group), Evan Rosenthal (Nabors, Giblin & Nickerson)

Agenda Item 1 – Call to Order and Roll Call

Vice Chair Warren Yeager (Gulf) called the meeting to order at 1:05pm (ET). Attendees as above.

Agenda Item #2 – Public Comment

Mike Langton (Langton Associates) commented on the general counsel recommendation at Agenda Item 10b to not amend the SEP. He stated that he disagreed with the Counsel’s analysis and asked it to be on the record. Keith Kolasa - aquatic waterways manager at Hernando County made a comment regarding Pot 3 concerns and the science-based process and appealed for it to be more streamlined. He said clarity was needed regarding conceptual design and reference sites.

Agenda Item #3 – Approval of Minutes

Commissioner Phil Griffitts (Bay) moved the minutes of the November 29th meeting of the Board as presented; second by Gary McAlpin (Collier). All in favor, none opposed.

ACTION: APPROVED

Agenda Item #4 –Officer Elections

Vice Chair Warren Yeager (Gulf) recognized Dan Dourte (The Balmoral Group) who gave a detailed overview of the agenda item including the process by which the officers are elected each year. Three minutes’ speech time was to the running officers who declined to speak for sake of time. Voting commenced by ballot for the nominated individuals. The ballots were tallied during Agenda Item 5 discussion. Results were confirmed and board approved as:

Chairman – Warren Yeager (Gulf)

Vice Chair – Commissioner Chris Constance (Charlotte) was approved after Commissioner Jack Mariano (Pasco) withdrew himself from the runoff vote

Secretary/Treasurer – Commissioner Jack Mariano

Agenda Item #5 – Gulf Consortium History and Status

Dan Dourte (The Balmoral Group) brought to the executive committee a presentation of the history and status of The Gulf Consortium which had been requested at the last board meeting for new or returning Consortium members. Dan Dourte (The Balmoral Group) gave a short presentation of the history and status of the Gulf Consortium. No action was required on this item.

Agenda Item 6- RESTORE Update

Mr. Ben Scaggs (RESTORE Council) provided a council overview and update to the board. He noted that the CFR200 requirements for the Gulf Consortium would not be going away. Mr. Scaggs and the board members discussed suggestions on what they could do additionally to speed up the process or make it go smoother. Commissioner Wayne Dukes (Hernando) asked if the board could be provided a list of contact names and numbers that they could reach out to when they had questions or concerns. No action was required on this item.

Agenda Item #7a, 7b, 7d– Manager’s Report

Valerie Seidel (The Balmoral Group) gave an update on the Manager’s report. A lot of activity had been done on the SSEP grant since the last board meeting. Subrecipient training, and all of the web interfaces for submitting grant applications are live and in use. Formal written comments on the SSEP grant application had been received prior to the November board meeting as well as a Council request of workflows. A conference call was held with Council on December 19th 2018 to discuss aspects of the SSEP and its implementation. A meeting was held on January 16th 2019 to review internal controls and process and procedures. An updated OSA and policy documents including workflows was submitted on December 21 and resubmitted with NGN edits on January 2nd. An important issue that came up during Council’s visit to the manager’s office on January 19th was that while the Pot 3 Grant overall does not allow more than 3% in administrative costs to be pulled down, this restriction does not flow to subrecipients’ individual grant requests. So far, there were not any formal comments on the policies to know if there were any substantive issues to bring to the board. Because approval was obtained for pre-award costs, a grant application system – Wizehive was in the process of being customized for the Consortium and was expected to have links by the January board meeting. Balmoral is still on track for completing the SSEP on budget, but due to the passage of time, the hours in the Pre-award were exceeded. The Pre-award approval letter from Council required notification if the estimated pre-award share changed, and Council had been notified that the estimate had changed but that the total budget remained on track. On the non-SSEP side, The Balmoral Group reached out to introduce the Consortium to the appropriate contacts in the Governor’s office – fortunately for the Consortium the main liaison was retained by Gov. DeSantis. Now that new administration is in place, in addition to the 25% of funding item later in today’s agenda, there are important policy issues that affect this group’s members, and now-Mayor Robinson felt this group to better further policy and the possibility of an ad hoc Exec Committee session to consider potential strategies and this group’s appetite for those discussions. Ms. Seidel commented that Dan Dourte will provide additional information about the SEP implementation itself in a later agenda item. As the last Board meeting resulted in approval of substantially more project grant applications during the current fiscal year than were originally in the operating budget, there was also an agenda item reflecting the revised Budget. The Planning Grant pending invoices have now been paid out, and the final project close out reports are expected to be filed before the end of the month in coordination with Council staff. Finally, there were bank signature cards to transition the bank account to the newly elected officers for signature. Also with the transition and

the new policies, a standup audit committee would be needed to review the upcoming audit. Council would be visiting again to review the first round of grant applications. There were no questions on this item. No action was required.

Agenda Item #8– SEP Project Implementation update

Dan Dourte (The Balmoral Group) gave an update on the SEP project implementation since the last meeting. Progress had been made to advance the Gulf Consortium to be ready for project implementation. Policies and procedures were delivered to RESTORE Council, an updated OSA delivered to RESTORE Council, the grant management system selection/purchase had occurred, coordination with RESTORE Council and County personnel on grant application requirements were performed, a draft SEP amendment for Manatee County project changes was created, guidance materials and resources were improved as well as an improved data dashboard which were both on the website. The first implementation subaward application materials were received. Subaward applications have come in which will be reviewed in preparation for RESTORE Council. No action was required on this item. There were no questions on this item.

Agenda Item #9– Amended FY 19 Budget for The Gulf Consortium

Valerie Seidel (The Balmoral Group) brought to the committee a request to approve an Amended FY 18-19 Budget reflecting a higher dollar amount for funding. Warren Yeager (Gulf) asked if the funding dollar amount would change every year. Valerie Seidel answered that it would and the issue was trying to estimate the first year funding. After that they would have a better idea of the amount of funding to budget for. The motion to approve the amendment budget was made by Commissioner Scott Carnahan (Citrus), seconded by Gary McAlpin (Collier). All in favor. None opposed.

ACTION: APPROVED

Agenda Item #10 – Release SEP Amendment for Public Comment

Dan Dourte (The Balmoral Group) brought to the committee an amendment to the SEP which was prepared to accommodate a new project in Manatee County. They were looking to release to the public for the 45-day comment period which would start once the SEP was posted on the website. At the last board meeting they had agreed on March 28th date to submit amendments but after checking with county personnel it appeared there were no other amendments needed at the time and so they decided to proceed with Manatee County’s amendment. Two of their projects dropped costs or timing was adjusted to accommodate the new project. A question was raised about who would be funding the two projects that had been dropped, Dan Dourte answered that Manatee would fund them. Commissioner Phil Griffiths (Bay) suggested that a maximum expenditure be set for those types of costs. The motion to approve the SEP amendment was made by Commissioner Wayne Dukes (Hernando), seconded by Gary McAlpin (Collier). All in favor. None opposed.

ACTION: APPROVED

Agenda Item #10a- Contract Amendment for General Manager

Evan Rosenthal (NGN) began by informing the committee that Lynn had her baby about a week ago and they were both doing well. He then brought the agenda item to the board to renew The Balmoral Group’s agreement for one year through April 30, 2020 and establish terms pursuant to which TBG may be compensation for services from grant funds. At the November 30, 2018 Board meeting it was determined that the compensation structure of the agreement was likely insufficient to fund TBG’s efforts related to

the SSEP and “standing up” the Consortium as a grant-eligible entity, and likely not be sufficient to allow TBG to effectively oversee, manage and administer the SEP project implementation grants moving forward. The proposed amendment included in the agenda packet creates a separate fee structure governing grant-eligible services performed by TBG which is similar to how NGN contract is setup. The not to exceed amount of \$7,641 would be billed at a reduced rate of \$170/per hour. Commissioner Scott Carnahan (Citrus) made the motion to approve the third amendment to The Balmoral Group’s contract, seconded by David Edwards (Wakulla). All in favor. None opposed.

ACTION: APPROVED

Agenda Item #11b– SEP Planning Consultants – Conflict of Interest

Evan Rosenthal (NGN) went over the Conflict of Interest clause agreed to by ESA and its subcontractors that currently prohibits ESA and its subcontractors from working on implementation of the SEP for the Consortium and the 23 member counties. The board had denied the request in early 2018 to amend the clause. Evan Rosenthal noted that the clause only extends to projects included in the SEP. ESA and its subcontractors are free to work on Pot 1 and Pot 2 projects as well as other projects not related to SEP implementation for the Consortium and its member counties. Because the clause was included in the SEP, any adjustment of the clause would require an amendment which must be approved by the RESTORE Council. RESTORE is aware of the decision made in early 2018. Evan commented that he strongly disagrees with ESA’s analysis that they are precluded because their contract has been terminated. The conflicts of interest were never intended to expire. Mike Langton (ESA) disagreed with the opinion of General Counsel and that the intent was to comply throughout the SEP process and it expired once the contract expired. Doug Robison stated his opinion on the conflict of interest clause in the agreement being null and void once their scope of work changed. He noted that a 1-year ban would be appropriate but that a lifetime ban was not reasonable. Commissioner Betsy Barfield (Jefferson) commented that they pulled on ESA’s expertise during the SEP and would like to use ESA instead of going outside for knowledge they’ve already paid for. Since ESA agreement was terminated the conflict of interest would have been at the same time. Survivorship was not in the contract. Commissioner Wayne Dukes (Hernando) noted that contractors come to these meetings, looking for opportunities. He noted that if the waiver of the conflict of interest was approved by the Board that he wished any counties that did not vote yes on the waiver would not be held accountable for any further legality. Commissioner Jack Mariano (Pasco) noted that other firms did not bid originally because they wanted to wait for the projects to come in. Unless Treasury says it is OK, he had the same concerns as Commissioner Wayne Dukes (Hernando). Commissioner Douglas Underhill (Escambia) noted that Mark Bisgeier, General Counsel of the RESTORE Council was present and asked him to speak on the topic. Mark noted that they were not part of Treasury but would give his informal view. A reasonable person reading the clause would see that the intent was a perpetual recusal. While they do not direct the Consortium, they do have to comply with Federal Law and the possibility of unfair competition. They would look at it carefully and would not award funds if it was too close to call. A no survivorship on conflict of interest would not want to be argued in court. Commissioner Douglas Underhill (Escambia) said that he supports General Counsel’s decision to do nothing. Commissioner Scott Carnahan noted that he would not vote to change any provision in the original agreement and Commissioner Wayne Dukes said that it could come back to haunt them many years later if they made a change in the agreement. Larry Jones (Walton) asked who would be at fault if a county contracted with ESA on an SEP project. Evan Rosenthal (NGN) said it depends on when it was caught. If it was caught later on, than the Consortium’s Trust fund would be at fault. Commissioner Scott Carnahan asked that once this decision was voted on to stick with it and not bring

it up again. Commissioner Kelly Windes (Okaloosa) made the motion to approve Option 1 (Accept General Counsel's recommendation to leave existing COI clause in place), seconded by Gary McApin (Collier). No opposition.

ACTION: APPROVED OPTION 1

Agenda Item #12– Triumph Planning Discussion

Dan Dourte (The Balmoral Group) brought to the board a discussion regarding the 25% of fund and clarified that it was not Triumph funds as listed on the agenda item but funds from Florida's economic damages settlement, specifically the portion allocated to general revenue. Dan Dourte gave some background information on the funds. Commissioner John Meeks (Levy) spoke about 5% of the money going to the panhandle but the 20% should go to the other 15 counties. He asked that a resolution be adopted to support the additional counties in obtaining these funds. Larry Jones (Walton) noted that they have records on how the money was spent and suggested referring to it as "Little Triumph" and agreed with Commissioner John Meeks (Levy) about the 5% for storm related damage and 20% for the other 15 counties. Commissioner Phil Griffiths (Bay) cautioned that Triumph funds were intended for economic diversification specifically and that hurricane related damages should not be part of the Triumph money. Warren Yeager (Gulf) supported the money going to the 15 counties and asked how they help with the process as the Consortium. Commissioner Kelley Windes (Okaloosa) noted that they might be getting into another board's responsibility to which Evan Rosenthal (NGN) commented that he did not know anything off hand that restricted the Consortium. Commissioner Scott Carnahan (Citrus) noted that they were working on a companion bill already (bill HB191). Warren Yeager (Gulf) suggested a Letter of Support or Resolution. Commissioner Scott Carnahan (Citrus) made the motion for such letter, 2nd by Commissioner Jack Mariano (Pasco). Commissioner Douglas Underhill (Escambia) asked if the decision could be made later after reviewing any possible conflicts which Phil Griffiths (Bay) agreed that he would like to talk with his representatives first. Commissioner Wayne Dukes offered that the letter be emailed out first so the board could discuss it first within their counties. Warren Yeager noted that they have the executive committee and would choose 2 more members and draft something and he withdrew the motion.

Agenda Item #13 – Public Comment

Phil Griffiths (Bay) thanked the counties for their much needed and appreciated support during hurricane recovery efforts.

Agenda Item #14 – Upcoming Gulf Consortium Board Meeting

The next board meeting was on March 28th in Leon County, time and place to be determined.

Agenda Item #11 - Adjournment

There being no further business, the Committee adjourned at 3:30 pm.

Respectfully submitted,

Chairman