



Executive Committee Agenda
April 13, 2016, 4:00 p.m. Eastern
Florida Association of Counties
100 South Monroe Street
Tallahassee, Florida 32301
Dial-in Number: 1-888-670-3525
Participant Passcode: 998 449 5298#

1. Call to Order
2. Public Comment
3. Approval of March 31, 2016 Minutes
4. Action Items on Board Agenda:
 - 4.1 Presentation of Revised SEP Development Process – Doug Robison, ESA
 - 4.2 ESA Contract Amendment and Recommendation – Sarah Bleakley, General Counsel
 - 4.3 Update on Planning Grant Application – Lisa King, Langton Association
 - 4.4 Discussion of 2016 Officer Elections – Ginger Delegal, Interim Manager
 - 4.5 Update on FY 2014/2015 Independent Financial Audit – Ginger Delegal, Interim Manager and Angela Balent, Warren Averett
 - 4.6 Committee of 8 Reauthorization, Sarah Bleakley, General Counsel
 - 4.7 Committee of 15 Reauthorization, Sarah Bleakley, General Counsel
5. New Business
6. Public Comment
7. Upcoming 2016 Meetings

Full Board of Directors

Thursday, April 21, 2016, 2:00 pm, ET
Hillsborough County, Frederick Karl Center
601 E. Kennedy Boulevard
26th Floor, Conference Rooms A & B
Tampa, Hillsborough County



Tuesday, June 28, 2016, 1:00 pm, ET
Hyatt Regency Orlando, Orange County

Tuesday, September 13, 2016, 3:00 pm, ET
Hutchinson Island, Martin County

Friday, December 2, 2016, 10:00 am, ET
Buena Vista Palace, Orange County

8. Adjourn

Notice of Meeting/Workshop Hearing

OTHER AGENCIES AND ORGANIZATIONS

Gulf Consortium

The Gulf Consortium Executive Committee announces a telephone conference call to which all persons are invited.

DATE AND TIME: April 13, 2016 at 4:00 pm (ET)

PLACE: Dial in Number: 888-670-3525

Participant Passcode: 998 449 5298#

GENERAL SUBJECT MATTER TO BE CONSIDERED: The Executive Committee of the Gulf Consortium will conduct a briefing on the planning grant application; development of the state expenditure plan; and, conduct other business. In accordance with section 163.01, the location of the conference call is the Florida Association of Counties, 100 S. Monroe Street, Tallahassee, FL 32301.

A copy of the agenda may be obtained by contacting: Ginger Delegal at 850-922-4300 or gdelegal@fl-counties.com; or, see www.FACRestore.com.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 3 days before the workshop/meeting by contacting: Ginger Delegal at 850-922-4300 or gdelegal@fl-counties.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1-800-955-8771 (TDD) or 1-800-955-8770 (Voice). If any person decides to appeal any decision made by the Board with respect to any matter considered at this meeting or hearing, he/she will need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence from which the appeal is to be issued.

For more information, you may contact Ginger Delegal at 850-922-4300 or gdelegal@fl-counties.com; or, see www.FACRestore.com.

Gulf Consortium Executive Committee Meeting
April 13, 2016, 4:00 p.m., Eastern
FAC Office - Conference Call



<u>County</u>	<u>Executive Committee Member</u>	<u>Present</u>
Escambia	Commissioner Grover Robinson	
Gulf	Warren Yeager	
Monroe	Commissioner George Neugent	
Walton	Commissioner Sara Comander	

**Gulf Consortium Executive Committee
April 13, 2016**

**Agenda Item 3
Approval of March 31, 2016 Executive Committee Minutes**

Statement of Issue:

This agenda item proposes approval of the March 31, 2016 Executive Committee meeting minutes.

Options:

- (1) Approve the March 31, 2016 Executive Committee minutes, as presented; or
- (2) Amend and then approve the March 31, 2016 Executive Committee minutes.

Recommendation:

Motion to approve the March 31, 2016 Executive Committee meeting minutes, as presented.

Prepared by:

Ginger Delegal
Florida Association of Counties
Interim Manager
On: April 7, 2016

Attachment:

Draft 3/31/16 Minutes

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved____; Approved as amended____; Defeated_____.

**Gulf Consortium Executive Committee Meeting
March 31, 2016, 4:00 p.m. (Eastern)
Florida Association of Counties
Leon County, Tallahassee, Florida**

Officers in Attendance Telephonically: Commissioner George Neugent (Monroe), Commissioner Grover Robinson (Escambia) and Warren Yeager (Gulf).

Agenda Item #1 – Call to Order

Chairman Grover Robinson (Escambia) called the meeting to order at 4:00 pm (ET).

Agenda Item #2 – Public Comment

None.

Agenda Item #3 – Approval of Minutes from February 25, 2016 Executive Committee Meeting

Chairman Grover Robinson (Escambia) presented the minutes from the February 25, 2016 Executive Committee meeting. A motion to approve the February 25, 2016 Executive Committee minutes was presented by Commissioner George Neugent (Monroe) and seconded by Commissioner Sara Comander (Walton).

ACTION: APPROVED

Agenda Item #4 – Follow-Up Discussion on Revised FSEP Development Process

Chairman Grover Robinson (Escambia) recognized Doug Robison with ESA who gave a detailed overview of the proposed revised FSEP development process, detailing each Task and revisions since the last Executive Committee conference call. Committee discussion ensued along with questions that were addressed by Mr. Robison. After Executive Committee discussion, a motion was made by Commissioner Sara Comander (Walton) for ESA Consultants to move forward with the revised FSEP development process as presented for Board approval at its meeting of April 21, 2016. The motion was seconded by Warren Yeager (Gulf) and passed unanimously.

ACTION: APPROVED

Agenda Item #5 – Planning Grant Application Update

Chairman Grover Robinson (Escambia) recognized Lisa King with Langton Associates who briefed the Committee on recent activity with regard to the Planning Grant Application to include a meeting between Gulf Consortium staff and Restoration Council staff on March 8, 2016 in Tampa, Florida. Ms. King advised the Committee that the revised Planning Grant Application will be ready for approval by the Board and resubmission on April 22, 2016. There were no questions by the Committee and no action was required.

Agenda Item # 6 – Consortium Activity Report

Ms. Ginger Delegal, Interim Manager, gave a detailed overview of this agenda item to the Committee which included detailed report on staff’s activities, including a 1-on-1 briefing with newly appointed Pinellas County Director, Commissioner John Morroni as well as near future activities. No action was required on this item.

Agenda Item # 7 – Proposed Comments to U.S. Treasury on Draft Consent Agenda

Ms. Sarah Bleakley, General Counsel, gave a detailed overview of this agenda item to the Committee including the intent of the Gulf Consortium on providing comments to U.S. Treasury, as Administrator of the Trust Fund created by the BP Consent Decree regarding authorization for acceleration of BP funds. A motion was made to authorize staff to revise the proposed letter to delete references to the proposed BP Consent Decree and authorize the Chairman to execute a revised letter to U.S. Treasury urging acceleration of receipt of BP funds by Commissioner Sara Comander (Walton) and seconded by Warren Yeager (Gulf). Said motion passed unanimously.

ACTION: APPROVED

Agenda Item # 8 – New Business

None.

Agenda Item #9 – Public Comment

None.

Agenda Item #10 – Upcoming Meetings

The next conference call meetings of the Executive Committee will be held on April 13, 2016 at 4:00 pm, ET, and the next meeting of the Consortium Board of Directors will be held on April 21, 2016 at 2:00 pm ET at the Hillsborough County Administrative Center in Hillsborough County.

Agenda Item #11 – Adjournment

There being no further business, the Committee adjourned at 4:40 pm (ET).

Respectfully submitted,

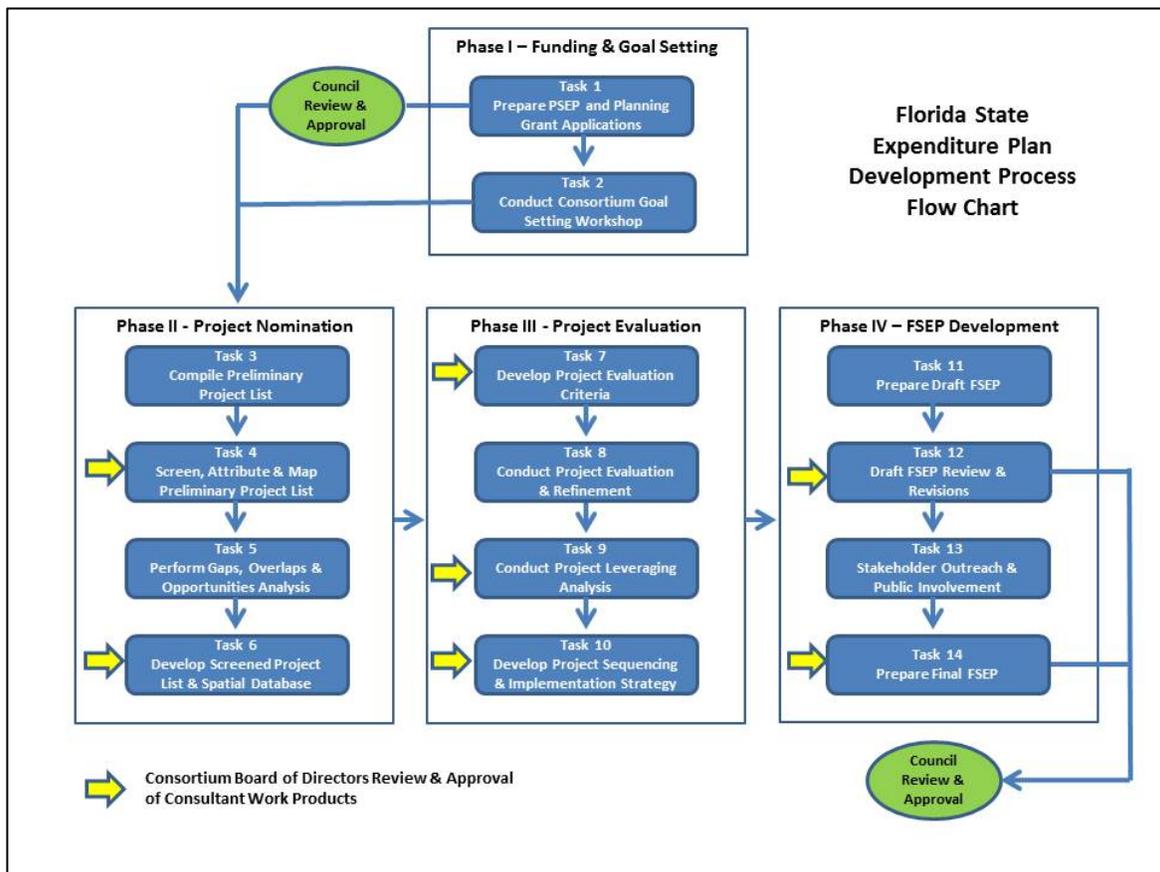
Grover Robinson
Chairman

Gulf Consortium Executive Committee
April 13, 2016

Agenda Item # 4.1
Presentation of Revised FSEP Development Process

Background

At the March 31, 2016 Executive Committee meeting Doug Robison, project manager of the ESA consultant team, presented an overview of proposed revisions to the FSEP development process shown in the project flow chart below.



At the March 31, 2016 meeting, the Executive Committee approved the revised FSEP development process depicted above and authorized the ESA consultant team to modify the Administrative Grant Application for planning grant funds to reflect this scope of work. The revised planning grant application and the revised ESA consultant team contract will be presented to the full Consortium at their April 21, 2016 meeting for review and approval.

With the completion of the Consortium Goal Setting Workshop, the approval of the revised FSEP development process, and the submittal of the revised Administrative Grant Application for planning grant funds, Phase I - Funding & Goal Setting will be complete. Upon approval of the planning grant by the Council the FSEP development process will move into Phase II - Project Nomination. What follows below is a brief description of the remaining work to be conducted under each task of the revised FSEP development process.

Phase II – Project Nomination

Task 3 - Compile Preliminary Project List

As specified in the Memorandum of Agreement (MOU) between the Consortium and the Governor, the Consortium must consult with the FDEP in the development and approval a “standard format” for submitting projects, programs and activities; and that said standard format must be consistent with the Florida Gulf of Mexico Project Submittal Form utilized by the FDEP. The ESA consultant team will consult with FDEP and develop a standard format project application for the counties to use in preparing and submitting their project concepts for compilation. It is anticipated that the project application will specify general screening criteria such as: 1) conformance with the RESTORE Act list eligible of activities; and 2) consistency with adopted goals, objectives and guiding principles.

The ESA consultant team will prepare and distribute project screening criteria, a standard format application form, and other guidance materials to each of the 23 counties to be utilized in development and submittal of their respective project concepts. Project concepts proposed by the individual counties could include the following.

- Projects identified as part of County Direct Component activities and associated local RESTORE Act committees.
- Projects identified in existing coastal resource and watershed management plans (e.g., National Estuary Program CCMPs; Water Management District SWIM Plans, etc.).
- Applicable County projects identified in Capital Improvement Programs or other County initiatives.

Following the distribution of standard format project application package to the counties the ESA consultant team will meet with individual counties, as requested, to assist them in developing and prioritizing project concepts. Upon submittal of project concepts from each of the counties, the ESA consultant team will compile

the preliminary project list which represents the first cut of project concepts for potential inclusion in the FSEP.

Task 4 - Screen, Attribute and Map the Preliminary Project List

The ESA consultant team will apply the screening criteria to the preliminary project list which may eliminate some projects that are not eligible for RESTORE Act funding or otherwise inconsistent with the goals, objectives and guiding principles adopted by the Consortium. The remaining projects will be attributed and converted into a spatial (GIS) database. Attribution will include such parameters as: project type; area affected by the project; project benefits; project costs; leveraging potential; project partners; etc. In addition, the screened preliminary project list will be digitized (e.g., project type; area affected; project cost; etc.) so that the full range and scope of the preliminary project list can be visually depicted in a map series. The screened preliminary project list will be summarized, mapped, and presented to the Consortium for discussion.

Task 5 - Perform Gaps, Overlaps, and Opportunities Analysis

The ESA consultant team will conduct an analysis of the preliminary project list to determine if there are substantial gaps in geographic coverage or project type focus. In addition, this analysis will explore opportunities to combine similar nearby projects into larger single projects to improve cost-effectiveness, as well as opportunities to modify or enhance projects in ways that will increase leveraging potential and streamline regulatory approvals. This task will involve coordination with individual counties to modify and enhance their project concepts, as appropriate.

Task 6 - Develop Screened Project List and Spatial Database

Recommended revisions to the preliminary project list generated from Task 5 will be presented to the Consortium for discussion and approval. Based on input from the Consortium, the ESA consultant team will revise and update the initial project list and develop the screened project list and associated spatial database. The screened project list will be summarized and presented to the Consortium for discussion and approval. Upon Consortium approval, the screened project list will represent the universe of projects that will be taken into Phase III – Project Evaluation.

Phase III – Project Evaluation

Task 7 - Develop Project Evaluation Criteria

Based on the range of projects represented in the revised project list, the ESA consultant team will develop project evaluation criteria to comparatively assess each project. Detailed evaluation criteria will focus on two key project attributes: 1) technical basis; and 2) feasibility. Evaluating the technical basis of proposed actions will be based on best professional judgment. This attribute will be assessed in terms of whether or not proposed projects are based on the best available science and/or engineering, as required by the Council, and whether they have a clearly defined technical rationale and justification. In addition, this attribute will address the relative benefits and risks associated with proposed actions. Evaluating the feasibility of proposed projects will essentially constitute a “reality check” also based largely on best professional judgment. The feasibility attribute will be assessed in terms of numerous factors including but not limited to: technical feasibility (e.g., both science and engineering), permitability, constructability, cost-effectiveness, leveragability, and public acceptance. The detailed project evaluation criteria will be presented to the Consortium for review and approval.

Task 8 - Conduct Project Evaluation & Refinement

All projects ultimately included in the FSEP should be technically justifiable, feasible, and affordable within the budget limitations of the Spill Impact Component. Towards that end, the ESA consultant team will apply the approved evaluation criteria to the revised project list to screen out those project concepts that don't meet the criteria, or modify them so that they do meet the criteria. It is anticipated that many project concepts submitted by the counties will have significant information gaps, while other project submittals will be well-developed as conceptual or even final designs with accompanying feasibility, engineering and environmental studies. To fairly and objectively evaluate the various project concepts submitted by the counties, those that are lacking in basic details with regard to such factors as technical justification, project boundaries, anticipated benefits, technical approach, construction methods, cost estimates, etc. will need to be further developed. Therefore, this task will involve the ESA consultant team working with individual counties, as needed, to further refine their project concepts.

Task 9 - Conduct Project Leveraging Analysis

The ESA consultant team will develop a *Grant Sources Inventory* applicable to the revised suite of projects generated from Task 8. This inventory will include a wide

range of federal, state, private and NGO grant programs (e.g., National Fish & Wildlife Foundation) that could potentially be used to leverage projects to be included in the FSEP. This task will also involve close coordination with the Restoration Council and FDEP with regard to the availability and applicability of leveraged funds from the Council Selected Restoration Component and the Florida portion of the Natural Resource Damages (NRD) settlement. The refined suite of projects will be individually linked to potential leveraging sources applicable to each, along with estimated dollar amounts. Upon completion of this task, the refined project list, and the leveraging potential for each, will be presented to the Consortium for review, modification, and/or approval.

Task 10 - Develop Project Sequencing & Implementation Strategy

The approximate funding levels available to each county from the Spill Impact Compact component have been estimated for the tentative BP settlement. Furthermore, based on current knowledge of the settlement, these will be paid out over a 15-year period, without the ability of using these funds to repay debt. Finally, Council implementation grants for all projects included in the FSEP must be project-specific, and be channeled through a single grant portal by the FSEP implementing entity. Individual counties will not be able to engage with the Council independently with regard to implementation grant funds. To address these complexities, a project sequencing strategy is necessary to expedite and optimize the distribution of Council implementation grant funds.

It is anticipated that the suite of projects ultimately included in the FSEP will vary significantly with regard to their relative complexity and level of development and/or design. For example, some projects may be ready to receive construction funds, while other projects may require planning or design funds. The ESA consultant team will develop a project sequencing schedule that optimizes the 15-year payout such that each county is annually making progress on their respective projects. In addition, this task will involve the development of an overall implementation strategy that considers multiple alternatives for managing the accounting of Spill Impact Component funds amongst the 23 counties over the 15-year payout schedule. A draft *Project Sequencing & Implementation Strategy* document will be prepared and presented to the Consortium for review, modification, and/or approval. The approved refined suite of projects along with the approved project sequencing and implementation strategy will serve as the basis for Phase IV - FSEP Development.

Phase IV – FSEP Development

Task 11 - Prepare Draft FSEP

Using the results of the previous tasks, the ESA consultant team will prepare the draft FSEP document to comply with all informational requirements specified by the Council in applicable rules and guidance documents. Prior to release of the Draft FSEP for formal review and public comment, the ESA consultant team will facilitate the performance of an independent legal review of the document to ensure compliance and consistency with all applicable federal, state, and local laws, rules, and agreements. Revisions to the Draft FSEP will be made to address any legal noncompliance or inconsistencies.

Task 12 - Draft FSEP Review and Revisions

The Draft FSEP will be submitted to the Consortium for review and approval prior to distribution to other reviewing entities. Upon approval by the Consortium, the Draft FSEP will be submitted to the FDEP, the Governor, the Council and other appropriate reviewing entities. The ESA consultant team will deliver summary presentations of the draft FSEP to the Consortium and other reviewing entities as requested, and will work closely with each of the reviewers to revise and amend the Draft FSEP document as appropriate to address any informational gaps, technical deficiencies, or other concerns. The review and revision process for the Draft FSEP will be an iterative process.

Task 13 - Stakeholder Outreach and Public Involvement

The ESA consultant team will develop and implement a Stakeholder Outreach and Public Involvement program to facilitate stakeholder review and solicit public comments on the Draft FSEP. This program will be tailored to meet the requirements of the Consortium, the Governor, and the Council, and may include the following:

- Facilitation of advertised public meetings with various affected stakeholder and citizen groups;
- Development of an online website and portal for the submittal and documentation of public comments; and
- Coordination of independent expert peer reviews of the Draft FSEP.

Task 14 - Prepare Final FSEP

The ESA consultant team will produce a Final FSEP document that incorporates all accepted revisions and amendments proposed by the Consortium, other reviewing entities, and the public. The ESA consultant team will deliver a presentation of the Final FSEP document to the Consortium summarizing the comments received, and the revisions and amendments made to the Draft FSEP. Upon approval by the Consortium, the Final FSEP document will be prepared for formal submittal to the Governor and the Council.

Analysis:

Pursuant to the Memorandum of Understanding between the State of Florida and the Gulf Consortium, the project submittal and consideration process for the development of the FSEP must include the following elements at a minimum:

- A review for consistency with the applicable laws and rules;
- Prioritization based on criteria established by the Consortium;
- Consideration of public comments; and
- Approval by an affirmative vote of at least a majority of the Directors present at a duly noticed public meeting of the Consortium.

The revised FSEP development process described above is consistent with these minimum requirements. In addition, this comprehensive scope of work should better facilitate the expeditious approval of the FSEP by the FDEP, the Governor, and the Council; as well as increase the overall leveragability of the FSEP to increase the overall benefits of the Spill Impact Component.

Recommendations:

No action needed. On March 31, 2016, the Executive Committee approved the revised FSEP development process presented in this agenda item. These revisions have been incorporated into the proposed contract amendment between the Consortium and ESA. See Agenda Item 4.2 for those revisions. Exhibit H to the proposed amendment contains the revised cost estimates for the tasks described in this agenda item.

Attachments:

None.

Prepared by:

Doug Robison

Environmental Science Associates

On: April 6, 2016

Gulf Consortium Executive Committee
April 13, 2016

Agenda Item 4.2
ESA Contract Amendment and Recommendation

Executive Summary:

The revisions to the SEP development process which were discussed at the previous Executive Committee meeting and are included in this meeting's agenda as item 4.1, necessitates a change in the scope and cost for services provided by ESA. This agenda item requests action on the attached Amendment to the Consortium's Agreement with ESA. The changes from the original Agreement are presented in legislative formatting protocol, which underlines language added to the agreement and ~~strikes through~~ language deleted from the Agreement.

Background:

The Consortium and ESA, the consultant team procured to develop the SEP, entered into an Agreement for services on March 13, 2015 (Agreement). The Agreement provides for a scope of services, a contract sum and other provisions that because of a change in the scope and costs as well as changes in personnel at the Consortium manager (FAC) and a change in the law should be updated.

Change in Scope. The Agreement provides for a scope of services through incorporating ESA's approach to the development of the SEP as described in its response to the Consortium's two procurement documents, the Invitation to Negotiate (ITN) and the Request for Best and Final Offer (RBAFO). ESA had proposed a county-independent approach whereby the Florida Department of Environmental Protection (FDEP) Deepwater Horizon project portal would serve as the universe of potential projects to be included in the SEP. Projects in the portal were to be reviewed, screened, evaluated, and prioritized as the SEP suite of projects. However, the Consortium Board implicitly rejected that approach when it adopted the Even-Steven, county-driven approach at its meeting on November 18, 2015. Furthermore, since the execution of the original agreement with ESA, other events have occurred that necessitate a change in scope. These events include: 1) the announcement of the BP Consent Decree which defines a 15-year payout as well as the approximate dollar allocations to the various components of the RESTORE Act; 2) the publication of additional rules and guidance by the Council regarding planning grants and State Expenditure Plans requirements; 3) experience working with the Council on the approval of the Consortium's planning grant request; 4) uncertainties going forward regarding the needs and expectations of the Consortium and the individual member counties with respect to the content of the SEP.

The county-driven approach approved by the Consortium, as well as the other factors cited above, necessitates several changes to the ESA scope of work. The most prominent changes include the following.

- Alters the starting point for identifying potential projects from the FDEP's project portal to working with each of the individual counties to develop their best project concepts.
- Modifies the project evaluation process from benefit/cost analysis of projects in the FDEP portal to conducting detailed feasibility reviews and refinement of proposed county projects.
- Replaces the priority project ranking process with the development of a sequencing and implementation strategy for county projects, based on grant-readiness, leveragability, and other factors.

The Executive Committee recommended ESA's revised approach to SEP development on March 31, 2016. The revised scope of services is incorporated into the Amended Agreement in section 1C and Exhibit H, of the attached Amended Agreement.

Change in Budget. Section 5 of the Agreement provides for a contract sum that in no event exceeds the amounts offered by ESA in its RBAFO, which was incorporated as part of the Agreement. In the RBAFO, ESA expressed its cost proposal which totaled \$1,773,880 for all the services to be provided by it and its sub-contractors.

The change in the scope of services has necessitated a change in the contract sum as well. The new total is included in Exhibit H of the attached Amended Agreement and totals \$2,722,780, of which \$154,928 has been encumbered under the existing agreement for services rendered by ESA, and for which ESA has not yet been compensated because the Consortium grant application has not yet been approved by the Council. This contract maximum constitutes less than 1% of the projected amount available to Florida under the Spill Impact Component.

Change in Public Records Provisions. The Amended Agreement revises the public records requirements to bring the agreement into compliance with the law changes made in the 2016 Session included in chapter 2016-20, Laws of Florida. See section 14, attached Amended Agreement.

Changes in Manager's Personnel. Section 8 of the Amended Agreement revises the prompt payment information to update the manager contact from Chris Holley to Virginia Delegal.

Analysis:

The attached Amended Agreement provides for several changes including the following:

- a. Modification of the scope of services to be provided by ESA in accordance with the direction provide by the Board of Directors at its November 18, 2015 meeting and the revised SEP development process recommended by the Executive Committee. See, section 1C, and Exhibit H, attached Amended Agreement.
- b. Revision to the Contract Sum to include additional costs attributable to the new approach. See new “Whereas” clauses, and section 5 and Exhibit H, attached Amended Agreement.
- c. Revisions to the public records requirements to comply with 2016 legislative amendments to the Public Records Law pursuant to chapter 2016-20, Laws of Florida. See section 14, attached Amended Agreement.
- d. Update for personnel changes of FAC, the project manager. See, section 8A, attached Amended Agreement.

The Amended Agreement will be included as part of the Consortium’s submission of the Administrative Grant Application. As such, the Amended Agreement will be subject to approval by the Restoration Council staff in accordance with federal grant law and Council rules.

Options:

- (1) Agree to the revised terms as expressed in the attached Amended Agreement between ESA and the Consortium, or
- (2) Provide other direction.

Fiscal Impact:

By agreeing to the revised terms in the Amended Agreement, the Consortium could incur up to \$2,567,852 in additional costs for services to be rendered by ESA to complete the revised scope of services described in the Amended Agreement. The Agreement provides that payment to ESA is contingent upon the receipt of federal funds and federal approval. See section 3, attached Amended Agreement. Further, the Agreement provides that the payment is contingent upon the availability of funds lawfully available. Thus, the Consortium is not legally required to pay ESA the additional costs until it receives grant funds from the Council. Further, the Consortium’s express approval is required to approve any and all future Work Orders to be performed by ESA. See section 3, attached Amended Agreement.

Recommendation:

Adopt a motion to recommend that the full Board approve of the Amended Agreement at its April 21, 2016 meeting.

Attachment:

Proposed Amended Gulf Consortium and Environmental Science Associates Agreement for Consultant Services for State Expenditure Plan

Prepared by:

Sarah M. Bleakley
Nabors, Giblin & Nickerson, P.A.
General Counsel
On: April 7, 2016

AMENDED
GULF CONSORTIUM AND ENVIRONMENTAL SCIENCE ASSOCIATES
AGREEMENT FOR CONSULTANT SERVICES
FOR STATE EXPENDITURE PLAN

THIS AMENDED AGREEMENT is by and between the Gulf Consortium, which is a special district established pursuant to an interlocal agreement among the 23 county governments along Florida's Gulf Coast (the "Consortium"), and Environmental Science Associates, a California corporation (the "Consultant"), collectively referred to as the "Parties."

RECITALS

WHEREAS, the Parties entered into an Agreement on March 13, 2015 which authorized the Consultant to provide specified services to the Consortium;

WHEREAS, in its response to the Consortium's Request for Best and Final Offer, the Consultant had proposed a county-independent approach whereby the Florida Department of Environmental Protection Deepwater Horizon project portal would serve as the universe of potential projects to be included in the State Expenditure Plan (SEP). However, the Consortium implicitly rejected that approach when it adopted the Even-Steven, county-driven approach at its meeting on November 18, 2015. Furthermore, since the execution of the Agreement with the Consultant, other events have occurred that necessitate a change in scope, including: 1) the announcement of the BP Consent Decree and the entering of the Order approving the Consent Decree which defines a 15-year payout as well as the approximate dollar allocations to the various components of the RESTORE Act; 2) the publication of additional rules and guidance by the Restoration Council (Council) regarding planning grants and SEP requirements; 3) experience working with the Council on the approval of the Consortium's planning grant request; 4) uncertainties going forward regarding the needs and expectations of the Consortium and the individual member counties with respect to the content of the SEP. Additionally, the Consortium's decision to change its approach to the development to the SEP, plus the referenced intervening events requires a change in the Contract Sum and an extension of the Contract Term through June 30, 2018;

WHEREAS, the legislature amended the Public Records Law in chapter 2016-20, Laws of Florida, necessitating a revision to the Agreement;

WHEREAS, the Consortium's Project Manager has been changed, requiring revisions to the Agreement;

WHEREAS, the Consortium is required to develop a State Expenditure Plan in accordance with the requirements of the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012, Public Law 112-141 (the "RESTORE Act"), and rules and regulations promulgated by the United States Department of the Treasury and the Gulf Coast Ecosystem Restoration Council;

CODING: Underlining indicates new text; ~~strikethrough~~ indicates deleted text.

WHEREAS, the Consortium anticipates that the costs for the development of the State Expenditure Plan will be funded by federal grant funds from the Gulf Coast Ecosystem Restoration Council to the Consortium;

WHEREAS, the Consortium has determined that it would be better to contract for consultant services for the development of the State Expenditure Plan than to hire the necessary personnel to satisfy the needs of the Consortium: and

WHEREAS, in order to secure the best value for these services, the Consortium sought and received competitive bids from qualified consulting firms the Consultant for such services through a two-phased procurement process established by the Consortium in Resolution 2014-01. The first phase consisted of an Invitation to Negotiate for Consultant Services for the Development of the Gulf Consortium's State Expenditure Plan Required by the RESTORE Act, ITN Number BC-06-17-14-33 (ITN) issued by Leon County on behalf of the Consortium. Six firms responded to the ITN and the Evaluation Team considered the responses and recommended that four of the six firms met the requirements. The Consortium accepted the Evaluation Team's recommendation and issued a Request for Best and Final Offer (RBAFO), which included a revised scope of services recommended by the Evaluation Team after interviews with each of the four qualified firms. The Evaluation Team reviewed and ranked the RBAFO responses of the four firms and recommended the Consortium enter into contract negotiations with the Consultant. The Board of Directors of the Consortium adopted the recommendation of the Evaluation Team at its meeting on November 19, 2014.

NOW, THEREFORE, the Parties hereto agree as follows:

1. SERVICES TO BE PROVIDED

The Consultant hereby agrees to provide to the Consortium services related to the development of a State Expenditure Plan for the Consortium in accordance with:

- A. The Invitation to Negotiate and the Request for Best and Final Offer for the development of a State Expenditure Plan for implementation of the oil spill impact funding program of the 2012 RESTORE Act for the Gulf Consortium, Bid# BC-06-17-14-33 which are attached hereto and incorporated herein as Exhibit A and Exhibit B respectively, to the extent that the Invitation to Negotiate and the Request for Best and Final Offer are not inconsistent with this Agreement; and
- B. The Consultant's submissions to the Invitation to Negotiate and the Request for Best and Final Offer, which are attached hereto and incorporated herein as Exhibit C and Exhibit D respectively, to the extent that the proposal submissions are not inconsistent with this Agreement or with Exhibits A and B. Where inconsistent, the terms of the Agreement will prevail.
- C. The Consultant's revised Scope of Services, Schedule and Compensation as

CODING: Underlining indicates new text; ~~strikethrough~~ indicates deleted text.

provided in Exhibit H hereto.

2. WORK ORDERS

Any work to be performed under this Agreement shall be upon the written request of the Consortium, which request shall be set forth in a Work Order that includes a description of the work to be performed, the commencement date of such work, the time within which such work shall be completed, and the method and schedule of payments to the Consultant.

3. FUND AVAILABILITY

The performance of the Consortium of any of its obligations under this Agreement shall be subject to and contingent upon the availability of funds lawfully expendable for the purposes of this Agreement for the current and any future periods provided for within this Agreement.

The following statement is included in this Agreement in accordance with section 218.77, Florida Statutes, regarding requirements for disclosure of contingencies associated with federal requirements: The payment of costs to the Consultant for the development of the State Expenditure Plan is contingent upon the receipt of federal funds and federal approval.

4. TERM OF AGREEMENT

The Amended Agreement shall be for a ~~period of two years term~~ commencing on the effective date of this Amended Agreement ~~February 1, 2015~~ and shall continue until ~~January 31, 2017~~ the later of June 30, 2018, or on the date which is two years after the Council's approval of the Administrative Grant Application. After the initial ~~two-year period term~~, at the sole option of the Consortium, this Agreement may be extended for no more than two additional one year periods. Such one year extensions will be automatic unless the Consortium provides written notice of non-renewal to the Consultant no less than 30 days prior to the expiration date of the then-current term.

5. CONTRACT SUM

The Consultant agrees that for the performance of the Services as outlined in Section 1 above, it shall be compensated by the Gulf Consortium in a manner that maximizes the use of federal funds to pay for such services, ~~and~~ and In no event shall the compensation exceed the amounts offered by the Consultant in its ~~Request for Best and Final Offer proposal~~ revised Scope of Services and Compensation which is attached in Exhibit H ~~D~~ unless the compensation amount is expressly modified in writing by the Parties.

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6. PAYMENTS

In accordance with part VII of Chapter 218, Florida Statutes, the Consortium shall make such payments within forty-five (45) days of submission and approval of invoice for services.

7. CONFLICT OF INTEREST

The Consultant agrees to recuse itself from all participation in any projects, programs, and activities ultimately included in the State Expenditure Plan. Attached as composite Exhibit E is a copy of each of the Consultant's agreements with its named team partner firms and individuals regarding such firms recusal from all participation in any projects, programs, and activities ultimately included in the State Expenditure Plan.

8. STATUTORY PROMPT PAYMENT INFORMATION REQUIREMENTS

A. The Consortium Project Manager is:

Name: Virginia S. Delegal ~~Christopher L. Holley~~
Street Address: 100 So. Monroe Street
City, State, Zip Code: Tallahassee, FL 32301
Telephone: (850) 922-4300
E-mail: gdelegal@fl-counties.com ~~cholley@fl-counties.com~~

B. The Consultant's Project Manager is:

Name: Doug Robison, PWS
Street Address: 4350 West Cypress Street, Suite 950
City, State, Zip Code: Tampa, FL 33607
Telephone: (813) 207-7200
E-mail: drobison@esassoc.com

C. Notices to the Consultant are to be submitted to:

Name: Doug Robison, PWS
Street Address: 4350 West Cypress Street, Suite 950
City, State, Zip Code: Tampa, FL 33607
Telephone: (813) 207-7200
E-mail: drobison@esassoc.com

D. Invoice: The Consultant shall submit requests for payment to the Consortium Project Manager in the following form:

A numbered invoice document with date of invoice; reference of the Consortium contract number; itemized listing of all goods and services being billed with unit prices and extended pricing, including timesheets or labor summaries and expense

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receipts and other necessary substantiation of the request for payment; Consultant's name, address, billing contact person information, and Federal tax identification number. The invoice must be properly addressed to the contact identified above.

- E. Payment Dispute Resolution: Resolution 2014-01 of the Consortium establishes the Gulf Consortium Purchasing Policy for State Expenditure Plan Consultant. A copy of the resolution is attached as Exhibit F. Section 15 of the Resolution and part VII of chapter 218, Florida Statutes, establish the policy and procedures for payment disputes that apply to this Agreement.

9. STATUS

The Consultant at all times relevant to this Agreement shall be an independent Consultant and in no event shall the Consultant nor any employees or sub-Consultants under it be considered to be employees of the Gulf Consortium.

10. INSURANCE

Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, employees or subConsultants. The cost of such insurance shall be included in the Consultant's proposal.

A. Minimum Limits of Insurance. Consultant shall maintain limits no less than:

1. General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage. (Non-owned, Hired Car).
3. Workers' Compensation and Employers Liability: Insurance covering all employees meeting Statutory Limits in compliance with the applicable state and federal laws and Employer's Liability with a limit of \$500,000 per accident, \$500,000 disease policy limit, \$500,000 disease each employee. Waiver of Subrogation in lieu of Additional Insured is required.

B. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the Consortium. At the option of the Consortium, either: the insurer shall reduce or

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eliminate such deductibles or self-insured retentions as respects the Consortium, its officers, officials, employees and volunteers; or the Consortium shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

C. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages (the Consortium is to be named as Additional Insured).

- a. The Consortium, its officers, officials, employees and volunteers are to be covered as insureds as respects; liability arising out of activities performed by or on behalf of the Consultant, including the insured's general supervision of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protections afforded the Consortium, its officers, officials, employees or volunteers.
- b. The Consultant's insurance coverage shall be primary insurance as respects the Consortium, its officers, officials, employees and volunteers. Any insurance of self-insurance maintained by the Consortium, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Consortium, its officers, officials, employees or volunteers.
- d. The Consultant's insurance shall apply separately to each insured against whom claims are made or suit is brought, except with respect to the limits of the insurer's liability.

2. All Coverages

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Consortium.

D. Acceptability of Insurers. Insurance is to be placed with insurers with a Best's rating of no less than A:VII.

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- E. Verification of Coverage. Consultant shall furnish the Consortium with certificates of insurance and with original endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the Consortium before work commences. The Consortium reserves the right to require complete, certified copies of all required insurance policies at any time.
- F. SubConsultants. Consultant shall include all subConsultants as insureds under its policies or shall furnish separate certificates and endorsements for each subConsultant. All coverages for subConsultants shall be subject to all of the requirements stated herein.

11. LICENSES

The Consultant shall be responsible for obtaining and maintaining its city or county occupational license and any licenses required pursuant to the laws of the State of Florida. Should the Consultant, by reason of revocation, failure to renew, or any other reason, fail to maintain his license to operate, the Consultant shall be in default as of the date such license is lost.

12. ASSIGNMENTS

- A. In providing services under this Agreement, the Consultant agrees to utilize the services of the team of subConsultants designated in its proposals as described in Exhibits C and D. If the Consultant desires to utilize the services of subConsultants that were not part of the Consultant's proposal submission team, it can do so only with the written approval of the Consortium.
- B. This Agreement shall not be assigned or sublet as a whole or in part without the written consent of the Consortium. The Consultant shall not assign any monies due or to become due to it hereunder without the previous written consent of the Consortium.

13. INDEMNIFICATION

The Consultant agrees to indemnify, defend and hold harmless the Consortium and Leon County, their officials, officers, representatives, employees and agents, from and against any and all claims, damages, liabilities, losses, costs, or suits of any nature whatsoever arising out of, because of, or due to any acts or omissions of the Consultant, its delegates, employees and agents, arising out of or under this Agreement, including reasonable attorney's fees. The Consortium may, at its sole option, defend itself or require the Consultant to provide the defense.

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14. AUDITS, RECORDS, AND RECORDS RETENTION

The Consultant agrees:

- a. To establish and maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting procedures and practices, which sufficiently and properly reflect all revenues and expenditures of funds provided by the Consortium under this Agreement.
- b. To the extent the Consultant is performing services on behalf of the Consortium, the Consultant must:
 - (i) Keep and maintain public records ~~that ordinarily and necessarily would be~~ required by the Consortium in order to perform the service;
 - (ii) Upon request from the Consortium's custodian of public records, provide the public Consortium with access to public a copy of the requested records or allow the records to be inspected or copied within a reasonable time on the same terms and conditions that the Consortium would provide the records and at a cost that not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law;
 - (iii) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contracted term and following completion of the contract if the Consultant does not transfer the records to the Consortium;
 - (iv) ~~Meet all requirements for retaining public records and~~ Upon completion of the Agreement, transfer, at no cost, to the Consortium all public records in possession of the Consultant or keep and maintain public records required by the Consortium to perform the services. If the Consultant transfers all public records to the Consortium upon completion of the agreement, the Consultant shall upon termination of this Agreement and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Consultant keeps and maintains public records upon completion of the Agreement, the Consultant shall met all applicable requirements for retaining public records. All records stored electronically must be provided to the Consortium, upon request from the Consortium's custodian of public records, in a format that is compatible with the Consortium's information technology systems.
- c. **If the Consultant has questions regarding the application of Chapter 119, Florida Statutes, to the Consultant's duty to provide**

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public records relating to this Agreement, contact the custodian of public records as follows: Virginia S. Delegal, 100 So. Monroe Street, Tallahassee, FL 32301; Telephone: (850) 922-4300; E-mail: gdelegal@fl-counties.com.

- e d. To retain all client records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to this Agreement for a period of five (5) years after termination of the Agreement, or if an audit has been initiated and audit findings have not been resolved at the end of five (5) years, the records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of this Agreement.
- e e. Upon completion or termination of the Agreement and at the request of the Consortium, the Consultant will cooperate with the Consortium to facilitate the duplication and transfer of any said records or documents during the required retention period as specified in this Section.
- e f. To assure that these records shall be subject at all reasonable times to inspection, review, or audit by Federal, state, or other personnel duly authorized by the Consortium.
- f g. Persons duly authorized by the Consortium and Federal auditors, pursuant to 45 CFR, Part 92.36(l)(10), shall have full access to and the right to examine any of the Consultant's Agreement and related records and documents, regardless of the form in which kept, at all reasonable times for as long as records are retained.
- g h. To include these aforementioned audit and record keeping requirements in all approved subcontracts and assignments.

15. MONITORING

The Consultant shall permit persons duly authorized by the Consortium to inspect any records, papers, documents, facilities, goods, and services of the Consultant which are relevant to this Agreement, and interview any clients and employees of the Consultant to assure the Consortium of satisfactory performance of the terms and conditions of this Agreement.

Following such evaluation, the Consortium will deliver to the Consultant a written report of its findings and will include written recommendations with regard to the Consultant's performance of the terms and conditions of this Agreement. The Consultant will correct all noted deficiencies identified by the Consortium within the specified period of time set forth in the recommendations. The Consultant's failure to correct noted deficiencies may, at the sole and exclusive discretion of the Consortium, result in any one or any combination of the following: (1) the Consultant being deemed in breach or default of this

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Agreement; (2) the withholding of payments to the Consultant by the Consortium; and (3) the termination of this Agreement for cause.

16. TERMINATION

The Gulf Consortium may terminate this Agreement without cause, by giving the Consultant 30 days written notice of termination. Either party may terminate this Agreement for cause by giving the other party hereto 30 days written notice of termination. The Consortium shall not be required to give Consultant such 30 day written notice if, in the opinion of the Consortium, the Consultant is unable to perform its obligations hereunder, or if in the Consortium's opinion, the services being provided are not satisfactory. In such case, the Consortium may immediately terminate the Agreement by mailing a notice of termination to the Consultant. Provided, however, the Parties may agree in writing to utilize the contract claim dispute process established in section 5.04 of the Consortium's Resolution 2014-10, which is included in Exhibit F.

17. PUBLIC ENTITY CRIMES STATEMENT

In accordance with Section 287.133, Florida Statutes, Consultant hereby certifies that to the best of his knowledge and belief neither Consultant nor his affiliates has been convicted of a public entity crime. Consultant and his affiliates shall provide the Consortium with a completed public entity crime statement form no later than February 15 of each year this Agreement is in effect. Violation of this section by the Consultant shall be grounds for cancellation of this Agreement by the Gulf Consortium.

18. UNAUTHORIZED ALIENS

The Consultant agrees that unauthorized aliens shall not be employed nor utilized in the performance of the requirements of this solicitation. The Consortium shall consider the employment or utilization of unauthorized aliens a violation of Section 274A(e) of the Immigration and Naturalization Act (8 U.S.C. 1324a). Such violation shall be cause for unilateral termination of this Agreement by the Consortium.

19. EMPLOYMENT ELIGIBILITY VERIFICATION

- a. Consultant agrees that it will enroll and participate in the federal E-Verify Program for Employment Verification under the terms provided in the "Memorandum of Understanding" governing the program. A copy of the Memorandum of Understanding is attached as Exhibit G. Consultant further agrees to provide to the Consortium, within thirty days of the effective date of this contract/amendment/extension, documentation of such enrollment in the form of a copy of the E-Verify "Edit Company Profile" screen", which contains proof of enrollment in the E-Verify Program (this page can be accessed from the "Edit Company Profile" link on the left navigation menu of the E-Verify employer's homepage).

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- b. Consultant further agrees that it will require each subConsultant that performs work under this contract to enroll and participate in the E-Verify Program within sixty days of the effective date of this contract/amendment/extension or within sixty days of the effective date of the contract between the Consultant and the subConsultant, whichever is later. The Consultant shall obtain from the subConsultant(s) a copy of the "Edit Company Profile" screen indicating enrollment in the E-Verify Program and make such record(s) available to the Agency upon request.
- c. Consultant will utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of: (a) all persons employed during the term of the Agreement by Consultant to perform employment duties within Florida; and (b) all persons (including subConsultants) assigned by Consultant to perform work pursuant to the Agreement.
 - 1) Consultant must use E-Verify to initiate verification of employment eligibility for all persons employed during the term of the Agreement by Consultant to perform employment duties within Florida within 3 business days after the date of hire.
 - 2) Consultant must initiate verification of each person (including subConsultants) assigned by Consultant to perform work pursuant to the Agreement within 60 calendar days after the date of execution of this contract or within 30 days after assignment to perform work pursuant to the Agreement, whichever is later.
- d. Consultant further agrees to maintain records of its participation and compliance with the provisions of the E-Verify program, including participation by its subConsultants as provided above, and to make such records available to the Consortium or other authorized state entity consistent with the terms of the Memorandum of Understanding.
- e. Compliance with the terms of this Employment Eligibility Verification provision is made an express condition of this contract and the Consortium may treat a failure to comply as a material breach of the contract.

20. NON-WAIVER

Failure by the Consortium to enforce or insist upon compliance with any of the terms or conditions of this Agreement or failure to give notice or declare this Agreement terminated shall not constitute a general waiver or relinquishment of the same, or of any other terms, conditions or acts; but the same shall be and remain at all times in full force and effect.

21. DELAY

No claim for damages or any claim other than for an extension of time shall be made or asserted against the Consortium by reason of any delays. The Consultant shall not be entitled to an increase in the contract sum or payment or compensation of any kind from the Consortium for direct, indirect, consequential, impact or other costs, expenses or damages, including but limited to costs of acceleration or inefficiency, arising because of delay, disruption, interference or hindrance from any cause whatsoever, whether such delay, disruption, interference or hindrance be reasonable or unreasonable, foreseeable or unforeseeable, or avoidable or unavoidable; provided, however, that this provision shall not preclude recovery of damages by the Consultant for hindrances or delays due solely to fraud, bad faith, or active interference on the part of the Consortium or its agents. Otherwise, the Consultant shall be entitled only to extensions of the contract time as the sole and exclusive remedy for such resulting delay, in accordance with and to the extent specifically provided above.

22. REVISIONS

In any case where, in fulfilling the requirements of this Agreement or of any guarantee, embraced in or required thereby it is necessary for the Consultant to deviate from the requirements of the Agreement, the Consultant shall obtain the prior written consent of the Consortium.

23. VENUE

Venue for all actions arising under this Agreement shall lie in Leon County, Florida.

24. CONSTRUCTION

The validity, construction, and effect of this Agreement shall be governed by the laws of the State of Florida.

25. CONFLICTING TERMS AND CONDITIONS

In the instance that any other agreement exists concerning the matters herein, then the terms and conditions in this Agreement shall prevail over all other terms and conditions.

ATTACHMENTS

Exhibit A Invitation to Negotiate for Consultant Services for the Development of the Gulf Consortium's State Expenditure Plan Required by the RESTORE Act, ITN Number BC-06-17-14-33

Exhibit B Request for Best and Final Offer for Consultant Services for the Development of

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the Gulf Consortium's State Expenditure Plan Required by the RESTORE Act, ITN Number BC-06-17-14-33

- Exhibit C** Environmental Science Associates Proposal in Response to Invitation to Negotiate for Consultant Services for the Development of the Gulf Consortium's State Expenditure Plan Required by the RESTORE Act, ITN Number BC-06-17-14-33
- Exhibit D** Environmental Science Associates Proposal in Response to Request for Best and Final Offer for Consultant Services for the Development of the Gulf Consortium's State Expenditure Plan Required by the RESTORE Act, ITN Number BC-06-17-14-33
- Exhibit E** Composite of Consultant's agreements with each of its named team partner firms and individuals regarding recusal from SEP pursuits
- Exhibit F** Consortium Purchasing Policy for State Expenditure Plan Consultant: Resolution 2014-01
- Exhibit G** THE E-VERIFY MEMORANDUM OF UNDERSTANDING FOR EMPLOYERS
- Exhibit H** Consultant Revised Scope of Services, Schedule and Compensation

WHERETO, the Parties have set their hands and seals effective the date whereon the last party executes this Agreement.

GULF CONSORTIUM

By: _____

Date: _____

SECRETARY/TREASURER:

By: _____

Date: _____

ENVIRONMENTAL SCIENCE ASSOCIATES

By: _____
Vice President or designee

Title: _____

Date: _____

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Approved as to Form:
Gulf Consortium Attorney

BY:

Sarah M. Bleakley
Nabors, Giblin & Nickerson, P.A.
~~Interim~~ General Counsel to
the Gulf Consortium

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EXHIBIT H

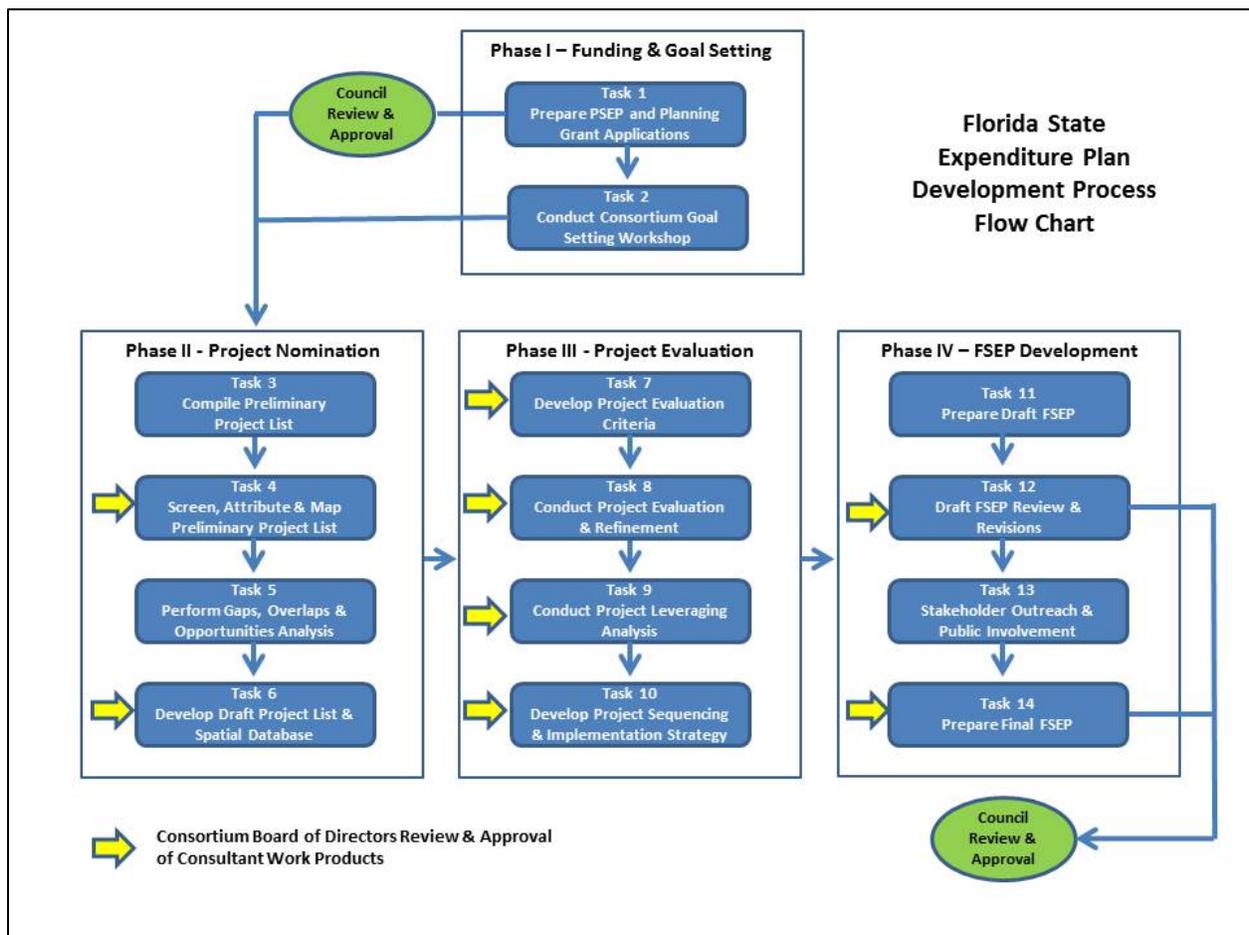
ESA CONSULTANT TEAM SCOPE OF WORK, SCHEDULE AND COMPENSATION

The ESA consultant team shall prepare the Florida State Expenditure Plan (FSEP) pursuant to the scope of work, schedule and compensation described herein.

Scope of Work

The project scope of work for FSEP development is broken down into four phases and 14 tasks, as shown in the flow chart below. An additional administrative task is also included for planning grant management.

Florida SEP Development Flow Chart



It should be noted that Tasks 1 and 2 (Phase I), and a portion of Task 13, have been completed, with the exception of the final revisions and submittal of the planning grant request to reflect the scope of work described herein. Task descriptions, including interim deliverables and Consortium review and approval of consultant work products, are described in the following sections.

Phase I – Funding and Goal Setting

Task 1 – Prepare Planning State Expenditure Plan and Administrative Grant Application

This task involved the preparation of the Planning State Expenditure Plan (PSEP) for the State of Florida, submittal of the PSEP to the Council for review, and coordination with the Council to obtain approval of the PSEP. This task also included the preparation of the Administrative Grant Application (AGA) for a planning grant, submittal of the AGA to the Council for review, and subsequent responses to requests for clarification and additional information from the Council. This task also includes all meetings, teleconferences, and subsequent revisions to the original AGA as needed to obtain grant award by the Council. Task order 1 was approved by the Board on January 21, 2016.

The PSEP has been approved by the Council, and the Council has indicated tentative approval of the AGA, pending revisions that reflect this scope of work.

Task 2 – Conduct Consortium Goal Setting Workshop

This task involved the facilitation of a one-day goal setting workshop with the Gulf Consortium Board of Directors to deliberate on Florida-specific goals, objectives, and guiding principles for the Florida SEP. In addition, this workshop addressed two key questions: 1) should there be a pre-determined geographic allocation of funds; and 2) should there be a pre-determined allocation of funds for environmental vs. economic projects. The workshop was held on August 26, 2015 in St. Petersburg, Florida. This task also included: pre-workshop interviews with all Consortium Directors; the development and distribution of a pre-workshop survey and supporting informational materials; analysis of survey results and development of summary workshop presentations. Finally, this task involved the development of a final summary report of the workshop proceedings, as well as an action item agenda for the subsequent November 17, 2015 Consortium meeting where formal decisions were voted on.

This task has been completed, pursuant to Task Order 2, which was approved by ESA and the Board on May 4, 2015.

Phase II – Project Nomination

Task 3 - Compile Preliminary Project List

The ESA consultant team will prepare general screening criteria, to be approved by the Gulf Consortium and used as the guiding criteria throughout the preliminary project list development

process. A standard project nomination form will be distributed, along with the screening criteria and other guidance materials, to assist the counties in identifying potential project concepts and develop the preliminary project list. The 23 counties will utilize these materials to submit their preliminary project concepts for review. It is important to note that the submittal of project concepts at this stage is totally non-binding for the counties. Project concepts proposed by the individual counties could include:

- Environmental and economic projects identified as part of County Direct Component activities through coordination with local RESTORE Act citizen and stakeholder committees
- Environmental projects identified in existing coastal resource and watershed management plans (e.g., National Estuary Program CCMPs; Water Management District SWIM Plans, etc.).
- Applicable County projects identified in Capital Improvement Programs or other County economic development initiatives.

The ESA consultant team will review the submitted materials and then meet with each of the 23 counties, as requested, to assist them in identifying and/or prioritizing their preliminary project concepts, and in finalizing their project nomination forms. In addition, if requested, the ESA consultant team will facilitate regional discussions and assist in identifying potential shared interests, goals, themes, and collaborative opportunities through the Spill Impact Component. These discussions will include assistance and advice on the potential for leveraging and partnering in order to maximize the efficient use of dollars and the cumulative benefits of all projects ultimately included in the FSEP.

Upon submittal of revised project nomination forms and project concepts from each of the counties, the ESA consultant team will compile the preliminary project list which represents the first cut of project concepts for potential inclusion in the FSEP.

Task 4 - Screen, Attribute and Map the Preliminary Project List

The ESA consultant team will apply the screening criteria to the preliminary project list which may eliminate some projects that are not eligible for RESTORE Act funding or otherwise inconsistent with the goals, objectives and guiding principles adopted by the Consortium. The remaining projects will be attributed and converted into a GIS spatial database. Attribution will include such parameters as: project type; area affected by the project; project benefits; project costs; leveraging potential; project partners; etc. In addition, the screened preliminary project list will be digitized (e.g., project type; area affected; project cost; etc.) so that the full range and scope of the preliminary project list can be visually depicted in a map series. The screened

preliminary project list will be mapped and summarized in a Technical Memorandum, and presented to the Consortium for discussion.

Task 5 - Perform Gaps, Overlaps, and Opportunities Analysis

The ESA consultant team will conduct an analysis of the preliminary project list to determine if there are substantial gaps in geographic coverage or project type focus. In addition, this analysis will explore opportunities to combine similar nearby projects into larger single projects to improve cost-effectiveness; as well as, opportunities to modify or enhance projects in ways that will increase leveraging potential based on funding availability research and streamline regulatory approvals. The ESA consultant team will work with individual counties to update and/or revise their preliminary project concepts accordingly.

Task 6 - Develop the Draft Project List and Spatial Database

Based on input from the Consortium and the individual counties received in Tasks 4 and 5, respectively, the ESA consultant team will revise and update the preliminary project list and develop the draft project list and associated GIS spatial database. The draft project list will be mapped, and summarized in a Technical Memorandum, and presented to the Consortium for review and approval. Based on input from the Consortium, the draft project list and spatial database may be further revised. Upon Consortium approval, the draft project list will represent the universe of projects that will be taken into Phase III – Project Evaluation.

Phase III – Project Evaluation

Task 7 - Develop Project Evaluation Criteria

It should be noted that the purpose of project evaluation under the revised County-driven process is not necessarily to eliminate projects, or to prioritize some projects over others, but rather to improve and refine each project included in the final project list to maximize its impact, cost-effectiveness, and grant readiness.

Based on the range of projects represented in the draft project list, the ESA consultant team will develop detailed project evaluation criteria to comparatively assess each project. Detailed evaluation criteria for environmental projects will focus on three key project attributes:

- **Technical basis and justification:** Evaluating the technical basis of proposed actions will be based on best professional judgment. This attribute will be assessed in terms of whether or not proposed projects are based on the best available science and/or engineering, as required by the Council, and whether they have a clearly defined technical rationale and justification (i.e., will the project address a demonstrated need).

- **Feasibility:** Evaluating the feasibility of proposed projects will essentially constitute a “reality check” also based largely on best professional judgment. The feasibility attribute will be assessed in terms of numerous factors including but not limited to: technical efficacy (both science and engineering) workability, permitability, constructability, cost-effectiveness, and public acceptance.
- **Leveragability:** Evaluating leveragability will involve an assessment of the ability for the project to attract leveraged funded from a range of sources. Under this task, the primary focus will be on funding streams associated with the Deepwater Horizon oil spill settlements.

Separate criteria will be developed for economic projects. The recommended project evaluation criteria will be summarized in a Technical Memorandum, and presented to the Consortium for review and approval.

Task 8 - Conduct Project Evaluation and Refinement

To facilitate approval by the Council, all projects ultimately included in the FSEP should ideally be technically justifiable, feasible, and affordable within the budget limitations of the Spill Impact Component. Towards that end, the ESA consultant team will apply the approved evaluation criteria to the draft project list to screen out those project concepts that cannot meet the criteria, or modify them so that they do meet the criteria. Furthermore, projects that can attract other funds through leveraging increase the overall value of the FSEP. Therefore, refining projects so that they can meet criteria for various leveraged funding sources will also be addressed in this task. It is anticipated that many project concepts submitted by the counties will have significant information gaps, while other project submittals will be well-developed as conceptual or even final designs with accompanying feasibility, engineering and environmental studies. To fairly and objectively evaluate the various project concepts submitted by the counties, those that are lacking in basic details with regard to such factors as technical justification, project boundaries, anticipated benefits, technical approach, construction methods, cost estimates, etc. will need to be further developed. Therefore, this task will involve the ESA consultant team working with individual counties, as needed, to further refine their project concepts.

It should be noted that conceptual design and feasibility studies (up to 30% design) for individual projects to be included in the FSEP are allowable activities for the use of planning grant funds. Accordingly, a total of \$1,500,000 has been reserved in the planning grant for these services if the Consortium decides to accelerate design activities for high priority projects identified at this stage of FSEP development; however, such services will need to be procured separately as the ESA consultant team selection did not include engineering design.

Upon completion of project evaluation and refinement activities, a final project list will be developed. This methods and findings of the project evaluation/refinement process, and the recommended final project list will be summarized in a Technical Memorandum and presented to the Consortium for review and approval. The final project list will serve as the basis for the remaining tasks.

Task 9 - Conduct Project Leveraging Analysis

The ESA consultant team will develop an *Other Grant Sources Inventory* document that addresses potential leveraged funding sources applicable to the final suite of projects recommended in Task 8. This inventory will include a wide range of federal, state, private and NGO grant programs (e.g., National Fish & Wildlife Foundation) that could potentially be used to leverage projects to be included in the FSEP. This task will also involve close coordination with the Restoration Council and FDEP with regard to the availability and applicability of leveraged funds from the Council Selected Restoration Component (RESTORE Act Pot 2) and the Florida portion of the Natural Resource Damages (NRD) settlement. The final suite of projects will be individually linked to potential leveraging sources applicable to each, along with estimated dollar amounts. Upon completion of this task, the final project list, and the leveraging potential for each, will be summarized in a Technical Memorandum, and presented to the Consortium for review and approval.

Task 10 - Develop Project Sequencing & Implementation Strategy

The approximate funding levels available to each county from the Spill Impact Compact component have been estimated for the BP settlement. Furthermore, based on current knowledge of the settlement, funds will be paid out over a 15-year period, without the ability to use these funds for bonding and debt payments. Finally, Council implementation grants for all projects included in the FSEP must be project-specific, and be channeled through a single grant portal by the FSEP implementing entity. Individual counties will not be able to engage with the Council independently with regard to implementation grant funds. To address these complexities, a project sequencing strategy is necessary to expedite and optimize the distribution of Council implementation grant funds.

It is anticipated that the final suite of projects ultimately included in the FSEP will vary significantly with regard to their relative complexity and level of development and/or design. For example, some projects may be ready to receive construction funds, while other projects may require planning or design funds. The ESA consultant team will develop a project sequencing schedule that optimizes the 15-year payout such that each county is annually making progress on their respective projects. In addition, this task will involve the development of an overall implementation strategy that considers multiple alternatives for managing the accounting of Spill Impact Component funds amongst the 23 counties over the 15-year payout schedule. A draft

Project Sequencing & Implementation Strategy document will be prepared and presented to the Consortium for review, modification, and/or approval. The approved final suite of projects along with the approved project sequencing and implementation strategy will serve as the basis for Phase IV - FSEP Development.

Phase IV – FSEP Development

Task 11 - Prepare Draft FSEP

Using the results of the previous tasks and the priority project rankings, the ESA consultant team will prepare the draft FSEP document to comply with all informational requirements specified by the Council in applicable rules and guidance documents. Prior to release of the Draft FSEP for formal review and public comment, the consultant team will conduct a legal review of the document to ensure compliance and consistency with all applicable federal, state, and local laws, rules, and agreements. Revisions to the Draft FSEP will be made to address any legal noncompliance or inconsistencies.

Task 12 - Draft FSEP Review and Revisions

The ESA consultant team will make a summary presentation of the Draft FSEP to the consortium. Upon approval of the Consortium the Draft FSEP will be submitted to the FDEP for a coordinated review by FDEP and other appropriate state agencies, including: the Florida Fish & Wildlife Conservation Commission; the Department of Economic Opportunity; the Department of Transportation; the Department of Agriculture and Consumer Services; and Florida Water Management Districts with regulatory jurisdiction over projects, programs and activities included in the Draft FSEP. Comments received from the FDEP coordinate review will be summarized in a Technical Memorandum and presented to the Consortium. Upon approval by the Consortium, the ESA consultant team will make recommended revisions to the Draft FSEP, as appropriate.

Task 13 - Stakeholder Outreach and Public Involvement

Pursuant to the MOU between the Governor and the Consortium, the Consortium must formally adopt the revised Draft FSEP, and allow the opportunity for the public review and comment on the document, prior to submittal of the Draft FSEP to the Governor. The ESA consultant team will develop and implement a *Stakeholder Outreach and Public Involvement* program to facilitate stakeholder review, and to solicit public comments. This program will be tailored to meet the specific requirements of the Consortium and the Governor, and may include the following:

- Development of an online website and portal for the submittal and documentation of public comments; and

- Facilitation of advertised public meetings with various stakeholder and citizen groups.

Comments received from stakeholders and the public will be summarized in a Technical Memorandum, and presented to the Consortium. If directed by the Consortium, the ESA consultant team will make further revisions to the Draft FSEP.

Task 14 - Prepare Final FSEP

Upon formal adoption by the Consortium, the Draft FSEP will be submitted to the Governor for review. Pursuant to the MOU between the Governor and the Consortium, the Draft FSEP shall be submitted to the Governor at least 90 day prior to its transmittal to the Council. Upon receipt of the Draft FSEP, the Governor shall provide comments back to the Consortium within 30 days. The Consortium shall have 30 days from the date of receipt of the Governor's comments to revise the Draft FSEP in accordance with the Governor's comments and submit the revised Draft FSEP back to the Governor for formal transmittal to the Council.

It is anticipated that further coordination and liaison with the Governor and the Council will be required to obtain formal Council approval of the FSEP. Therefore, this task includes formal presentations of the revised Draft FSEP to the Governor and the Council, as well as continued coordination with the Consortium and the FDEP. Upon receipt of comments on the revised Draft FSEP from the Council, the ESA consultant team will prepare the final FSEP document for formal approval by the Council.

The ESA consultant team will produce up to 50 hard and electronic (CD) copies of the final FSEP for distribution to the Council, the Governor, the FDEP, and the Consortium.

Task 15 – Planning Grant Management

Langton Associates of the ESA consultant team will provide planning grant management services throughout the duration of the FSEP development process. Services will include coordination with the Council with regard to grant allocation requests, progress reports, etc.

Schedule

It is anticipated that the scope of work described above will be completed within 24 months from the award of the planning grant from the Council. The anticipated project schedule broken down by task is shown in the Gantt chart below.

Task No.	Months from Planning Grant Award																								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
1	Complete Pending Approval of Revised AGA																								
2	Complete																								
3																									
4																									
5																									
6																									
7																									
8																									
9																									
10																									
11																									
12																									
13																									
14																									
15																									

Events not under the control by the ESA consultant team (e.g., delayed agency review times) may affect the project schedule. The Consortium shall be notified by ESA in writing of any substantial modifications to this project schedule, and shall provide documentation of the causes for any project delays.

Compensation

As noted above, Tasks 1 and 2 (Phase I), and a portion of Task 13, have been completed. The total and remaining project budget amounts are broken down in the table below by task.

Task No.	Task Description	Maximum Hours	Maximum Dollars	Percent Complete	Remaining Budget
1	Prepare PSEP & Administrative Grant Application	248	\$50,980	100%	\$0
2	Conduct Consortium Goal Setting Workshop	104	\$21,560	100%	\$0
3	Compile Preliminary Project List	1,472	\$301,760	0%	\$301,760
4	Screen, Attribute and Map the Preliminary Project List	922	\$189,010	0%	\$189,010
5	Perform Gaps, Overlaps, and Opportunities Analysis	734	\$150,470	0%	\$150,470
6	Develop the Draft Project List and Spatial Database	568	\$116,440	0%	\$116,440
7	Develop Project Evaluation Criteria	480	\$98,400	0%	\$98,400
8	Conduct Project Evaluation and Refinement	1,480	\$303,400	0%	\$303,400
9	Conduct Project Leveraging Analysis	982	\$201,310	0%	\$201,310
10	Develop Project Sequencing & Implementation Strategy	960	\$196,800	0%	\$196,800
11	Prepare Draft FSEP	1,600	\$328,000	0%	\$328,000
12	Draft FSEP Review and Revisions	1,300	\$266,500	0%	\$266,500
13	Stakeholder Outreach and Public Involvement	1,204	\$246,820	33%	\$164,432
14	Prepare Final FSEP	640	\$131,200	0%	\$131,200
15	Planning Grant Management	586	\$120,130	0%	\$120,130
Totals		13,282	\$2,722,780	6%	\$2,567,852

It should be noted that the labor hours and dollars shown in the budget summary table above represent maximums. Work to be conducted under each task will be subject to detailed Work Orders to be reviewed and approved by the Consortium prior to authorization to proceed.

Gulf Consortium Executive Committee
April 13, 2016

Agenda Item 4.3
Update on Planning Grant Application

Executive Summary:

Update on the status of the Planning Grant Application submitted to the Restoration Council on September 24, 2015.

Background:

Langton Associates, a part of the ESA Consultant Team, has prepared the planning grant application for the Consortium's review and approval. The total request for the grant is \$4,851,525.00, over a planning horizon that extends back from August 22, 2014 (period for pre-award costs), forward two (2) years, to September 30, 2017.

After exercising its delegated authority, on September 23, the Executive Committee approved the final grant applicability and it was submitted on September 24, 2015, to the Restoration Council.

Langton Associates contacted Council staff for comments on the Planning Grant application and on November 6, 2015, Council staff responded with five questions, labeled as "initial review". Those questions related to procurement, cost basis and budget. Lisa King of Langton Associates submitted a response to those questions to Council staff via email on December 10, 2015.

On December 7, 2015 Mary Pleffner, CFO of the Council sent a letter to Chair Robinson with 14 additional questions related to the Planning Grant application. Those questions related to Task 16 (Conceptual Design and Feasibility Studies) and differences between the budget and the consultant's BAFO. Chair Robinson replied to those questions, in writing, on December 22, 2015. Ms. Pleffner responded to Chair Robinson's letter on January 28, 2016 requesting additional revisions to the application (attached). On February 12, 2016 Chair Robinson, Consortium staff and the consultant team met with Justin Ehrenwerth, Executive Director of the Gulf Coast Ecosystem Restoration County, Ms. Pleffner and others of his staff, and Mimi Drew and others from DEP to discuss clarification of several issues related to the administrative grant.

The Council staff gave direction to the Consortium at this meeting on outstanding issues including:

- Change in project selection process originally recommended in the PSEP to a county-by-county basis. The Council has asked for a revised scope of work and budget narrative that reflects this change as well as the changes to the ESA scope since the BAFO.
- The Council requested a single-source procurement justification for Task 16. (This task is now referred to as Task 8 in the revised SEP development process)

- Council has adopted our suggested definition of “conceptual plans and feasibility studies”.
- Council requested re-work of the grant budget to include all pre-award costs (Our Phase 1 activities) to reflect the time lapse since the submission of the application in September 2015.
- Council requested more in-depth justification for blended hourly wage rates for consultant fixed fee contracts.

On March 8, 2016 Doug Robison, Mike Langton, and Ginger Delegal met with Mary Pleffner in Tampa to discuss changes to the grant application. At that time Ms. Pleffner advised that the vendor for Task 8 would require competitive procurement. This meeting also resulted in agreement on items requiring additional detail, the list of which was memorialized in an email from Joshua Easton of the Council staff which identified the following five items to be provided immediately:

1. Detailed cost basis information on the Langton sub-award;
2. Draft invoice for Task Order #3 with detailed labor & expense backup;
3. Example detailed cost estimate for Task 3;
4. State of Florida procurement provisions (Competitive Consultants Negotiation Act – CCNA); and,
5. Revised ESA contract summary tables.

The above items were submitted to Council staff by the consultant team on March 15, 2016.

Mr. Easton’s email also indicated that the following items should be submitted to the Council as they become available:

1. A new, complete application package that includes new SF-424 and certifications;
2. Full detailed cost basis for all ESA tasks based on the example provided and that Council staff approves; and,
3. Copy of the new executed ESA contract.

On April 5, Lisa King and Heather Pullen of Langton Associates attended a workshop in Baton Rouge about the Restoration Assistance and Award Management System (RAAMS) sponsored by the Council. This web-based system will be used for all stages of the grant cycle including Planning Grant Application, State Expenditure Plan, and SEP project application submissions as well as amendments, financial and performance reports and final closeout documentation. This system has previously been used by the Council for submission of Pot 2 projects and they have now mandated that this system will be used for the submission of the Consortium’s Planning Grant Application. While the format is different than the grant application submitted by the Consortium previously, the information required is the same. Staff has initiated registration procedures needed to ready the application for submission through this system, and the grant will be submitted on April 22, 2016 pending approval by the Consortium.

A revised planning grant application will be ready and presented to the full Board at its April 21, 2016 meeting. This revision addresses all of the concerns and issues that Langton Associates, Consortium staff, and the Restoration Council have informally resolved in the last several months. In addition, this revision will contain the amendment ESA Team contract cost and scope. The total amount of the planning grant application will not exceed the PSEP original planning grant application submission (approximately \$4.8 million).

Fiscal Impact:

Under Task Order 1, ESA agreed to develop the PSEP and the preparation of a grant application for planning funds. Task Order 1 provides that payment to ESA is contingent upon the receipt of federal planning grant monies. Upon receipt of those funds, ESA will be paid \$15,000 for its services for the planning grant application preparation, and \$35,980 when the Council approves the grant, for a total of \$50,980.

Attachments:

None.

Recommendation:

For information only.

Prepared by:

Lisa King
Langton Associates
On: April 7, 2016

Gulf Consortium Executive Committee
April 13, 2016

Agenda Item 4.4
Discussion of Officer Elections for 2016

Executive Summary:

The Executive Committee should discuss the slate of nominees for the officer and Executive Committee positions for 2016.

Background:

The elections of 2016 officers will be held at the Consortium's Board meeting on April 21, 2016. The three elected offices include: Chairman, Vice-Chairman and Secretary-Treasurer. The following is a summary of the election process as adopted by the Board:

- Self-nomination for one or more of the offices sought,
- Notification to the Interim Manager by December 15, 2015,
- Written approval by the respective Board of County Commissioners of the Director's candidacy provided to the Manager prior to the election,
- Re-election of an incumbent officer allowed,
- Election by written ballot, with a majority vote required of the Directors present and voting, and
- Newly elected officers take office immediately and serve until the election of new officers in 2017.

After the election of the officers, the three elected officers are required to select two additional Directors to serve as "at large," voting members of the Executive Committee. In 2013, 2014 and 2015, the Chairman called a special conference call meeting of the three elected officers to select the two at large members of the Executive Committee.

Analysis:

The Interlocal Agreement establishes the following elected officers: Chairman, Vice-Chairman and Secretary-Treasurer. These officers must be Directors and shall each serve a one year term, unless reelected. The duties of the Chairman include signing documents, calling meetings of the Board and taking such other actions and having such other powers as provided by the Board. See, Sec. 3.04, 3.05, 3.07. The Vice-Chairman is authorized to act in the absence or otherwise inability of the Chairman to act. Sec. 3.05. The Secretary-Treasurer is responsible for the minutes of the meetings and shall have other powers approved by the Board. Sec. 3.05. The Interlocal Agreement also provides that the Chairman, Vice-Chairman and Secretary-Treasurer shall select two other

Directors who, together with the elected officers, shall constitute an Executive Committee.

Pursuant to the procedure adopted by the Board in November 2012 (copy attached), the Board is required to annually elect three officers from among the Directors at the first meeting of the year.

The nomination period election to the Executive Committee closed on December 15, 2015. The following individuals have self-nominated and are running for the following office in 2016:

Candidate

Sara Comander (Walton)
Chris Constance (Charlotte)
Jack Mariano (Pasco)
George Neugent (Monroe)
Grover Robinson (Escambia)
Warren Yeager (Gulf)

Office

At-Large Officer
Vice-Chairman, Secretary-Treasurer
At-Large Officer
Secretary-Treasurer
Chairman
Vice-Chairman, Secretary-Treasurer
and At-Large Officer

Options:

This agenda item is for informational only. No action by the Executive Committee is required.

Fiscal Impact:

None.

Recommendation:

No action is required.

Attachment:

November 2012 adopted election process.

Prepared by:

Ginger Delegal
Florida Association of Counties
Interim Manager
On: April 6, 2016

Gulf Consortium Process for Election of the Chairman, Vice Chairman and Secretary-Treasurer

Adopted by the Board of Directors in November 2012.

Commencing with the elections in 2013 and applicable annually thereafter, the following election process is approved:

- **Date of Election.** Election of officers shall be held annually at the Board's first meeting of the calendar year (the "Election Meeting").
- **Term of Office.** An officer shall take office immediately upon election. The term of office shall end upon the election of the officer at the following year's Election Meeting of the Board
- **Self Nomination and Notification; Timelines.--** Any Director wishing to run for an elected office shall formally declare his/her candidacy by the Qualifying Date which is either December 15 of the year before the term begins, or such other date, as set by the Manager, that is not less than 20 days prior to the Election Meeting. The Manager shall provide notice to each Director of the Qualifying Date at least 45 days before the Election Meeting. The Director's declaration of candidacy must be in writing, stating the office or offices sought, and be received by the Manager on or before the Qualifying Date. The Director shall send the declaration of candidacy to the Manager by either (a) express delivery, return receipt requested, or (b) via electronic mail (email). The Manager shall acknowledge receipt of emails declaring candidacy within 24 hours of receipt. However, it shall be the responsibility of the Director declaring his or her candidacy to assure that the email has been received by the Manager on or before the qualifying date.
- **Board of County Commissioners Approval.--** On or before the Election Meeting, a Director who is a candidate for office shall cause to be delivered a letter or resolution to the Manager from that Director's board of county commissioners stating its support for that Director's candidacy for an officer of the Gulf Consortium.
- **Order of Election and Written Ballot.--** At the Election Meeting of the Board of Directors, the Manager shall conduct the election of the offices for the Chairman, Vice-Chairman and Secretary-Treasurer in that order. Qualified candidates shall be given an opportunity to address the Directors for three minutes each. After the candidates' presentation for the respective office, the Interim Manager shall issue a written ballot for each Director to vote his or her preference for that office.

- **Majority Vote Requirements.**-- A majority vote of the Directors present shall be required for the election of the officer. Voting shall continue until a majority vote of the Directors present is achieved for a candidate for the office. In case of a tie, the Interim Manager shall call for another vote for those tied until the office is filled by a majority vote of the Directors present.

Gulf Consortium Executive Committee
April 13, 2016

Agenda Item 4.5
Update on FY 2014-2015 Independent Financial Audit

Statement of Issue:

Discuss the FY 2014/2015 Independent Financial Audit.

Background:

Florida law, under section 218.39, Florida Statutes, requires that an annual independent financial audit be conducted on the Gulf Consortium. The Consortium conducted a competitive selection process that led to the engagement of Warren Averett to conduct the Consortium's FY 2013/2014 independent audit. The Executive Committee was empowered to extend that contract for additional years, which it did at its November 12, 2015 meeting for FY 2014/2015.

The FY 2014/2015 audit is complete and the report finalized. The report has been filed with both the State of Florida's Chief Financial Officer and the Florida Auditor General as further required by Florida law.

The auditor's opinion is that:

The financial statements..., in all material respects, the respective financial position of the business-type activities of the Gulf Consortium, as of September 30, 2015, and the respective changes in financial position, and,....cash flows thereof are in conformity with accounting principles generally accepted in the United States of America.

There were no negative management notes or comments in the report. The entire report is attached for review and discussion. Members of the Warren Averett firm are available for questions, during the meeting.

Fiscal Impact:

Under the Consortium's contract for services with Warren Averett for the FY 2014/2015 independent financial audit, the Consortium will pay Warren Averett \$3,000.00 within 45 days of receipt of the invoice.

Recommendation:

Discuss and recommend receipt of the final report to the full Board.

Attachment:

FY 2014/2015 Independent Financial Audit.

Prepared by:

Ginger Delegal
Florida Association of Counties
Interim Manager
On: April 6, 2015

GULF CONSORTIUM

FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

**GULF CONSORTIUM
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SEPTEMBER 30, 2015**

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INDEPENDENT AUDITORS' REPORT

To the Members of the Gulf Consortium

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Gulf Consortium (the Consortium), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Gulf Consortium, as of September 30, 2015, and the respective changes in financial position, and cash flows thereof in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2016, on our consideration of the Gulf Consortium's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gulf Consortium's internal control over financial reporting and compliance.

Emphasis of Matter Regarding Receipt of Federal Funds

As described in Notes 1 and 3 to the financial statements, the Consortium's activities pursuant to the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act), are dependent on: 1.) the final settlement of ongoing litigation between the federal government and parties responsible for the Deepwater Horizon Oil Spill of April 20, 2010; and 2.) completion of federal rules governing the expenditure of RESTORE Act funds.

Warren Averett, LLC

Fort Walton Beach, Florida
March 11, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Gulf Consortium (the Consortium), our discussion and analysis of the Consortium's financial performance provides an overview of the Consortium's financial activities for the fiscal year ended September 30, 2015. It should be read in conjunction with the Consortium's financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The Consortium's net position was \$15,815 as a result of this year's operations. Revenues consisted of member dues, which were assessed to each participating county.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Gulf Consortium is a public entity created in October 2012 by Inter-local Agreement among Florida's 23 Gulf Coast counties, from Escambia County in the western panhandle of Florida to Monroe County on the southern tip of Florida and the United States.

Florida's 23 Gulf Coast Counties formed the Consortium to meet requirements of the RESTORE Act to develop a State Expenditure Plan for economic and environmental recovery of the Gulf coast in Florida following the Deepwater Horizon oil spill. The RESTORE Act was passed by the Congress on June 29, 2012 and signed into law on July 6, 2012 by the President.

The Consortium Board of Directors consists of one representative from each of the 23 counties. As a public entity, the Consortium must meet all government transparency requirements in Florida, including open public records and meetings, ethics, and state auditing obligations. Since its inception, the Consortium has held several committee meetings to begin developing Florida's State Expenditure Plan.

To avoid duplication and to effectively utilize available resources, Florida's local governments are working in partnership with the State of Florida to fully recover the Gulf of Mexico following the Deepwater Horizon disaster. To foster the development of the State Expenditure Plan, enhance coordination, and to also ensure consistency with the goals and objectives of the Gulf Coast Ecosystem Restoration Council's Draft Initial Comprehensive Plan: Restoring the Gulf Coast's Ecosystem and Economy, the Consortium has entered into a Memorandum of Understanding with Florida Governor Rick Scott.

As a result of the nature of the funding the Gulf Consortium will receive, this function is considered a business-type activity and is accounted for in an enterprise fund in accordance with generally accepted accounting principles for governments as established by the Governmental Accounting Standards Board (GASB). As such, the required components of the Consortium's financial statements are as follows:

- Management's Discussion and Analysis
- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Fund Net Position
- Statement of Cash Flows
- Notes to the Financial Statements

Required Supplementary Information, other than Management's Discussion and Analysis, is not applicable to the Consortium's form of government and related activities.

The statement of net position and the statement of revenues, expenses, and changes in fund net position report information about the Consortium using the accrual basis of accounting, similar to most private-sector companies, as required for enterprise funds. The statement of net position presents information on the Consortium's (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources, with the difference between the two reported as net position. In the statement of revenues, expenses, and changes in net position, the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The statement of cash flows provides information as to the sources and uses of the Consortium's funds.

FINANCIAL ANALYSIS

Table 1 focuses on net position. The Consortium's net position was \$15,815 as of September 30, 2015. Unrestricted net position is intended to cover Consortium operating expenses. Although the Consortium's budget is designed so that its revenues equal its expenses, grant writer expenses were budgeted for fiscal year 2015 but those services were delayed until fiscal year 2016. The Consortium had limited activity during fiscal 2015.

Table 2 focuses on the change in net position. Net position at the end of the year was \$15,815. Operating revenues consist of membership dues paid by each of the 23 participating counties. Operating expenses consist of management, legal and other professional fees, and meeting and notice expenses incurred by the Consortium.

Table 1
GULF CONSORTIUM
STATEMENTS OF NET POSITION
AS OF SEPTEMBER 30, 2015 AND 2014

	Business-Type Activities	
	2015	2014
Current and other assets	\$ 47,949	\$ 21,468
Total assets	47,949	21,468
Accounts payable	32,134	13,174
Total liabilities	32,134	13,174
Net position		
Unrestricted	15,815	8,294
Total net position	\$ 15,815	\$ 8,294

Table 2
GULF CONSORTIUM
STATEMENTS OF CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	Business-Type Activities	
	2015	2014
REVENUES		
Operating revenues	\$ 140,071	\$ 233,633
EXPENSES		
Operating expenses	132,550	225,339
CHANGE IN NET POSITION	7,521	8,294
NET POSITION AT BEGINNING OF YEAR	8,294	-
NET POSITION AT END OF YEAR	<u>\$ 15,815</u>	<u>\$ 8,294</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The development of Florida's State Expenditure Plan that will identify projects to be funded out of the Spill Impact Component of the RESTORE Act are dependent upon the disbursement of federal funds, pursuant to the RESTORE Act. The timing of the disbursement of such funds is still unknown.

REQUESTS FOR INFORMATION

This financial report is designed to provide a narrative overview and analysis of the financial activities of the Consortium for the fiscal year that ended September 30, 2015. Management's Discussion and Analysis is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Consortium's financial activities, (c) identify changes in the Consortium's financial position, and (d) identify individual fund issues or concerns of the Gulf Consortium's financial activity. Questions concerning any of the information provided in the report or requests for additional information should be addressed to the Executive Director, Florida Association of Counties, 100 South Monroe Street, Tallahassee, Florida 32301.

**GULF CONSORTIUM
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015**

ASSETS

Current assets

Cash

\$ 47,949

TOTAL ASSETS

47,949

LIABILITIES

Current liabilities

Accounts payable

32,134

TOTAL LIABILITIES

32,134

NET POSITION

Unrestricted

15,815

TOTAL NET POSITION

\$ 15,815

See notes to the financial statements.

GULF CONSORTIUM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

OPERATING REVENUES

Membership dues	\$ 140,050
Other	<u>21</u>
Total operating revenues	<u>140,071</u>

OPERATING EXPENSES

Management	60,000
Legal and other professional fees	63,000
Travel and other	<u>9,550</u>
Total operating expenses	<u>132,550</u>

CHANGE IN NET POSITION

7,521

NET POSITION AT BEGINNING OF YEAR

8,294

NET POSITION AT END OF YEAR

\$ 15,815

See notes to the financial statements.

**GULF CONSORTIUM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from members	\$ 140,050
Payments to vendors for services	(113,590)
Receipts from other sources	<u>21</u>
Net cash provided by operating activities	<u>26,481</u>
NET INCREASE IN CASH	26,481
CASH AT BEGINNING OF YEAR	<u>21,468</u>
CASH AT END OF YEAR	<u><u>\$ 47,949</u></u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED IN OPERATING ACTIVITIES	
Operating income	\$ 7,521
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase (decrease) in liabilities:	
Accounts payable	<u>18,960</u>
Net cash provided by operating activities	<u><u>\$ 26,481</u></u>

See notes to the financial statements.

**GULF CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF DISTRICT

Description of District

The Gulf Consortium (Consortium) was created in response to the United States Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act). The RESTORE Act was established as a mechanism for providing funding to the Gulf Coast region to restore ecosystems and rebuild local economies damaged by the Deepwater Horizon Oil Spill which occurred on April 20, 2010. The RESTORE Act established the Gulf Coast Ecosystem Restoration Council (the Restoration Council), an independent entity, which is composed of certain federal officials and the Governors of Alabama, Florida, Mississippi, Louisiana, and Texas. The RESTORE Act charges the Restoration Council with developing a comprehensive plan for ecosystem restoration in the Gulf Coast region ("Council Comprehensive Plan") that identifies projects and programs aimed at restoring and protecting the natural resources and ecosystems of the Gulf Coast Region. The projects and programs are to be funded from a portion of the Gulf Coast Restoration Trust Fund. For Florida, the RESTORE Act, under 33 U.S.C. Chapter 1321(t)(3)(2012), requires a consortia of local political subdivisions to develop a State Expenditure Plan, for which the RESTORE Act provides for Trust Fund expenditures that would fund projects, programs and activities that will improve the ecosystems or economy of the Gulf Coast region that meet the criteria specified in the RESTORE Act. Therefore, pursuant to Section 163.01, *Florida Statutes*, by Interlocal Agreement among 23 Florida Gulf Coast affected counties, the Gulf Consortium was created on November 19, 2012 to: 1) develop Florida's State Expenditure Plan, 2) prepare and process proposals for funding under the competitive program to be processed and administered by the Restoration Council, and 3) act as a resource and advocate for Consortium members.

During the year ended September 30, 2015, the Gulf Consortium planning grant application to prepare Florida's State Expenditure Plan (FSEP) was submitted to the Restoration Council. Funds requested are approximately \$4.38 million over a two year period. As of the date of this report formal approval by the Restoration Council of the planning grant application has not been received.

On September 29, 2015, the Restoration Council published its proposed rule on the RESTORE Act, Spill Impact component state allocation formula. The Spill Impact component represents 30% of a portion of civil fines and administrative penalties derived from the Clean Water Act and is expected to be \$1.32 billion. The proposed allocation of the Spill Impact component for the State of Florida was 18.36% of the total designated or approximately \$242 million based on the expected settlement further disclosed in Note 5. The rule is contingent upon the final court order related to the settlement.

The Reporting Entity

The Consortium operates independently and is not subject to the oversight of any individual governmental unit and therefore is not a component unit of another primary government. Membership of the Consortium is limited to the counties that were impacted by the Deepwater Horizon Oil Spill. As of September 30, 2015, the Consortium's membership consisted of the 23 Florida counties with frontage to the Gulf of Mexico. Each member appoints one Director of the Consortium to act as a representative on its behalf.

**GULF CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF DISTRICT – CONTINUED

Measurement Focus and Basis of Accounting

The Consortium is accounted for as an enterprise fund. Enterprise funds are used to account for activities similar to those found in the private sector, where the determination of the excess of revenues over expenses is necessary or useful to sound financial accountability. The accounting records of the Consortium are organized on the basis of funds as prescribed by generally accepted accounting principles (GAAP) for governments as established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used by the Consortium. Revenues are recognized when they are earned and expenses when they are incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Consortium's enterprise fund are member dues. Operating expenses for the enterprise fund consist of legal and management contract expenses.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

The Consortium's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Subsequent Events

Subsequent events were evaluated through March 11, 2016, which is the date the financial statements were available to be issued.

2. CASH

At September 30, 2015, cash consists of \$47,949 with a local commercial bank. The carrying amount is equal to the bank balance.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the government's deposits may not be returned to it or the organization may not be able to recover the value of its investments that are in the possession of an outside party. Funds deposited in the local commercial bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank or by collateral pursuant to the Public Depository Security Act of the State of Florida and are therefore considered fully insured or collateralized.

**GULF CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

3. CONTINGENCY

As described at Note 1, the Consortium is required under the provisions of the RESTORE Act to develop a comprehensive Economic and Environmental Restoration Plan that identifies projects and programs to restore and protect the natural resources and ecosystems of the Gulf Coast region. The Consortium's funding for these activities is dependent on the settlement of on-going litigation between the federal government and parties responsible for the Deepwater Horizon Oil Spill, related to the application and extent of associated fines and penalties. The status of that settlement is further disclosed in Note 5 to the financial statements.

In January 2015, the Board of Directors approved a consulting contract for the development of the State Expenditure Plan. The contract period is from February 1, 2015, to January 31, 2017. The first task order of \$50,980 was also approved; however, payment is contingent on the receipt of federal funds. As of September 30, 2015, no federal funds have been awarded to the Consortium.

4. RELATED PARTIES

State of Florida

On June 12, 2013, the Consortium entered into a Memorandum of Understanding (MOU) with the Governor of the State of Florida to work together for the benefit of the Gulf of Mexico and the State of Florida with a focus on maximizing Florida's attainment of funds under the RESTORE Act to restore the Gulf Coast resources and energize the economy recovery in the region. The MOU establishes the process of coordinating with the Governor's office on projects in the State Expenditure Plan for Florida, which will be certified, if appropriate, by the Governor to the Gulf Coast Ecosystem Restoration Council for approval (see Note 1 for information on the Restoration Council). As part of the MOU, the Governor shall appoint six individuals to provide input and guidance to the Consortium on policies and criteria used to determine projects, activities, and programs for consideration in the State Expenditure Plan (the Plan). Additionally, the Consortium will consult with the State on the development of the Plan and provide the Plan to the Governor for review prior to submission to the Restoration Council.

Florida Association of Counties, Inc.

The Consortium entered into an agreement on October 19, 2012, with the Florida Association of Counties, Inc. (FAC) for the FAC to serve as the Consortium's interim manager. Services to be provided include administration of Consortium operations as well as other administrative duties, including the annual budget preparation. The term of the initial agreement was extended effective October 2013. According to the amendment, the contract term shall be extended and continue until sixty (60) days after the effective date of the Consortium's hiring, engaging, or retaining a permanent manager, unless an earlier expiration date is mutually agreed to in writing. FAC is to be compensated \$5,000 per month for these services. Management expenses for the year ended September 30, 2015, totaled \$60,000.

Leon County, Florida

The Consortium has an interlocal agreement with Leon County, Florida to provide all necessary personnel to develop a competitive procurement policy and procurement services as needed. The level of effort related to these services were not significant during the year ended September 30, 2015, and as such no expenses or related in-kind revenue have been recorded.

**GULF CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

5. SUBSEQUENT EVENT

In October of 2015, the federal and state agencies responsible for overseeing restoration proposed to accept a settlement from BP that will provide for a comprehensive portfolio of restoration activities. The total settlement was \$20.8 billion. BP must pay \$5.5 billion plus interest as a civil penalty under the Clean Water Act. Of that 80% of the penalty is allocated for environmental restoration, economic recovery projects, and tourism and seafood promotion in Alabama, Florida, Louisiana, Mississippi and Texas. An additional \$8.1 billion, plus up to an additional \$700 million for adaptive management and unknown conditions, is natural resources damages for early restoration projects. The designated federal and state trustees will use these funds to restore Gulf of Mexico natural resources injured in the spill. Settlement terms also include \$600 million to the United States government for natural resource damage assessments and reimbursements for costs to respond and resolve the investigation and a maximum of \$5.9 billion to the impacted States and Local economic claims which will be settled by the individual parties involved. The settlement is currently under separate public review and comment process conducted by the Federal Department of Justice.

**INDEPENDENT ACCOUNTANTS' REPORT ON AN EXAMINATION OF
COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER
10.550, RULES OF THE AUDITOR GENERAL**

To the Members of the Gulf Consortium

We have examined the Gulf Consortium's (the Consortium) compliance with Florida Statute 218.415 in regards to the investments for the year ended September 30, 2015:

Management is responsible for the Consortium's compliance with those requirements. Our responsibility is to express an opinion on the Consortium's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Consortium's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Consortium's compliance with specified requirements.

In our opinion, the Gulf Consortium complied, in all material respects, with Florida Statute 218.415 in regards to the investments for the year ended September 30, 2015.

Warren Averett, LLC

Fort Walton Beach, Florida
March 11, 2016

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

To the Members of the Gulf Consortium

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Gulf Consortium, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Gulf Consortium's basic financial statements and have issued our report thereon dated March 11, 2016.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Gulf Consortium's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gulf Consortium's internal control. Accordingly, we do not express an opinion on the effectiveness of the Gulf Consortium's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Gulf Consortium's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Warren Averett, LLC

Fort Walton Beach, Florida
March 11, 2016

MANAGEMENT LETTER

To the Members of the Gulf Consortium

Report on the Financial Statements

We have audited the financial statements of the Gulf Consortium (the Consortium), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated March 11, 2016.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

Other Report

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in this report, which is dated March 11, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. There were no recommendations made in the preceding audit report.

Official Title and Legal Authority

Section 10.554(l)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The official title and legal authority for the Consortium has been disclosed in Note 1 to the financial statements. The Consortium has no component units.

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether or not the Consortium has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the Consortium did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c., and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the Consortium's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Consortium, for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d, *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. The Consortium has no special districts that are component units.

Other Matters

Section 10.554(1)(i)2., *Rules of Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., *Rules of Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, members of the Gulf Consortium, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We greatly appreciate the assistance and cooperation extended to us during our audit.

Warren Averett, LLC

Fort Walton Beach, Florida
March 11, 2016

**Gulf Consortium Executive Committee
April 13, 2016**

**Agenda Item 4.6
Committee of 8 Reauthorization**

Executive Summary:

This agenda item recommends the adoption of the attached resolution reauthorizing the chair of the Committee of 8 to convene meetings to discuss matters of mutual interest, including Triumph Gulf Coast, Inc., Pot 1 and other issues. Agenda item 4.7 proposes a similar resolution reauthorizing the Committee of 15.

Background:

On November 12, 2015, the Board of Directors adopted the Committee Policy Resolution that prohibited the Committee of 8 and the Committee of 15 from convening until reauthorized by the Board of Directors. The attached resolution authorizes the committee of 8 to meet upon the call of the chair to discuss matters of mutual. However, the attached resolution continues the prohibition in the Committee Policy Resolution from the Committee of 8 meeting to discuss, consider or act upon matters concerning an allocation or distribution formula of the RESTORE Act's Spill Impact Component funds among the Consortium Members, except as may be authorized by the Board of Directors.

Analysis:

The resolution reauthorizing the Committee of 8 allows a convenient mechanism for the Directors of the 8 Disproportionately Affected Counties to meet in compliance with the Open Meetings Law and discuss matters of mutual interest. For example, the chair of the Committee of 8 has certain statutory duties to provide advice to the Gulf Coast Triumph, Inc., and the Chair prefers to consult with the Committee as a whole prior to providing advice to Triumph. The attached resolution also allows the Committee to matters of mutual interest regarding the Direct Component (Pot 1). The resolution also authorizes the Executive Committee and the Board of Directors to provide further authority to the Committee of 8 as necessary.

Options:

- (1) Approve the Resolution Reauthorizing the Committee of 8.
- (2) Provide other direction.

Fiscal Impact:

The fiscal impact is indeterminate because it depends on how often the committee decides to meet. It could be significant if the committee decides to meet frequently.

Recommendation:

Adopt a resolution approve the Resolution Reauthorizing the Committee of 8.

Attachment:

Proposed Resolution Reauthorizing the Committee of 8.

Prepared by:

Sarah M. Bleakley
Nabors, Giblin & Nickerson, P.A.
General Counsel
On: April 7, 2016

GULF CONSORTIUM RESOLUTION REGARDING THE COMMITTEE OF 8

A resolution of the Gulf Consortium reauthorizing the Committee of 8 in accordance with Resolution 2015-04, the Consortium's Committee Policy Resolution; authorizing the Committee of 8 to meet and discuss matters of mutual interest, as specified herein; prohibiting the Committee of 8 from discussing certain matters, except as may be further authorized by the Board of Directors; requiring the Committee of 8 to adhere to the meeting notice and records requirements as specified in the Consortium's Committee Policy Resolution; and providing an effective date.

RECITALS

Whereas, the Consortium adopted the Gulf Consortium Committee Policy Resolution 2015-04 on November 12, 2015 (the "Committee Policy Resolution");

Whereas, the Committee Policy Resolution establishes a policy for the creation and jurisdiction of Consortium Committees;

Whereas, the Committee Policy Resolution defines the Committee of 8 Disproportionately Affected Counties as an advisory committee consisting of the Directors individually appointed by the following respective Consortium Members: Bay County, Escambia County, Franklin County, Gulf County, Okaloosa County, Santa Rosa County, Wakulla County and Walton County;

Whereas, the Committee Policy Resolution provides that the Committee of 8 shall have advisory jurisdiction on matters as may be authorized by the Board of Directors;

Whereas, the Committee of 8 has no jurisdiction to meet without further authorization of the Consortium Board of Directors;

Whereas, the Committee Policy Resolution further provides that the Committee of 8 shall have no jurisdiction to discuss, consider or act upon matters concerning an allocation or distribution formula of the RESTORE Act's Spill Impact Component funds among the Consortium Members, except as may be authorized by the Board of Directors;

Whereas, the Committee Policy Resolution further provides that no action of the Committee of 8 shall be final except as authorized by the Board of Directors;

Whereas, the chair of the Committee of 8 has the authority to call meetings of the Committee and must report its actions and recommendation at the next scheduled meetings of the Executive Committee and Board of Directors, pursuant to the Committee Policy Resolution;

Whereas, Part VI of chapter 288, Florida Statutes, creates Triumph Gulf Coast, Inc., and provides that it may receive, hold, invest, and administer certain Recovery Funds including those

derived from 75 percent of all funds recovered by the Attorney General for economic damage to the state resulting from the Deepwater Horizon disaster;

Whereas, section 288.8014 (7), Florida Statutes, provides the chair of the Committee of 8 Disproportionally Affected Counties, or his or her designee, shall be available to consult with the board of directors of Triumph Gulf Coast, Inc., and may be requested to attend meetings of such board, but shall not be entitled to vote on any matter before the board;

Whereas, the chair of the Consortium's Committee of 8 desires the advice and consent of the Committee of 8 prior to consulting with the Triumph Gulf Coast, Inc., board of directors;

Whereas, the Directors of the Committee of 8 may find it beneficial to meet as a committee and collaborate on matters of mutual interest regarding the Direct Component (Pot 1) and

Whereas, it is the intent of this Board to authorize the Committee of 8 to meet and consider such matters as specified herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GULF CONSORTIUM:

SECTION 1. GENERAL PROVISIONS.

- A. The Recitals set for the above are hereby incorporated by reference in this Resolution and made a part hereof.
- B. The Committee of 8 shall remain subject to the committee meeting notice and other process provisions in sections 4 and 5 of the Committee Policy Resolution.

SECTION 2. COMMITTEE OF 8 JURISDICTION.

- A. The Committee of 8 shall have the authority to meet and discuss matters of mutual interest among the members of the Committee of 8 including, but not limited to, providing advice and consent to the Chair of the Committee of 8 in fulfilling his or her statutory duty as advisor to the Triumph Gulf Coast, Inc., board of directors and collaborating on matters of mutual interest regarding the Direct Component (Pot 1). Provided, however, the Committee of 8 shall have no jurisdiction to discuss, consider or act upon matters concerning an allocation or distribution formula of the RESTORE Act's Spill Impact Component funds among the Consortium Members, except as may be authorized by the Board of Directors.
- B. The Chair of the Committee of 8 shall report on the Committee's actions and recommendations at the next meetings of the Executive Committee and Board of Directors.

- C. The Committee of 8 shall have such other authority as may be further provided by the Consortium Executive Committee or Board of Directors.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

The foregoing Resolution was offered by _____ who moved its adoption. The motion was seconded by _____. The motion was adopted by a majority vote of the Board of Directors.

Duly passed and adopted this _____ day of _____, 2016.

Grover C. Robinson IV
Chairman

Attest: Warren Yeager
Secretary-Treasurer

Approved as to form:

Sarah M. Bleakley, Esq.
Nabors, Giblin & Nickerson, P.A.
General Counsel

**Gulf Consortium Executive Committee
April 13, 2016**

**Agenda Item 4.7
Committee of 15 Reauthorization**

Executive Summary:

This agenda item recommends the adoption of the attached resolution reauthorizing the chair of the Committee of 15 to convene meetings to discuss matters of mutual interest, including Triumph Gulf Coast, Inc., Pot 1 and other issues. Agenda item 4.6 proposes a similar resolution reauthorizing the Committee of 8.

Background:

On November 12, 2015, the Board of Directors adopted the Committee Policy Resolution that prohibits the Committee of 8 and the Committee of 15 from convening until reauthorized by the Board of Directors. The attached resolution reauthorizes the Committee of 15 to meet upon the call of the chair to discuss matters of mutual. However, the attached resolution continues the prohibition in the Committee Policy Resolution from the Committee of 15 meeting to discuss, consider or act upon matters concerning an allocation or distribution formula of the RESTORE Act's Spill Impact Component funds among the Consortium Members, except as may be authorized by the Board of Directors.

Analysis:

The resolution reauthorizing the Committee of 15 will allow a convenient mechanism for the Directors of the 15 Non-Disproportionately Affected Counties to meet in compliance with the Open Meetings Law and discuss matters of mutual interest. For example, the chair of the Committee of 15 has certain statutory duties to provide advice to the Gulf Coast Triumph, Inc., and the Chair prefers to consult with the Committee as a whole prior to providing advice to Triumph. The attached resolution also allows the Committee to matters of mutual interest regarding the Direct Component (Pot 1). The resolution also authorizes the Executive Committee and the Board of Directors to provide further authority to the Committee of 15 as necessary.

Options:

- (1) Approve the Resolution Reauthorizing the Committee of 15.
- (2) Provide other direction.

Fiscal Impact:

The fiscal impact is indeterminate because it depends on how often the committee decides to meet. It could be significant if the committee decides to meet frequently.

Recommendation:

Adopt a resolution approving the Resolution Reauthorizing the Committee of 15.

Attachment:

Proposed Resolution Reauthorizing the Committee of 15.

Prepared by:

Sarah M. Bleakley
Nabors, Giblin & Nickerson, P.A.
General Counsel
On: April 7, 2016

GULF CONSORTIUM RESOLUTION REGARDING THE COMMITTEE OF 15

A resolution of the Gulf Consortium reauthorizing the Committee of 15 in accordance with Resolution 2015-04, the Consortium's Committee Policy Resolution; authorizing the Committee of 15 to meet and discuss matters of mutual interest, as specified herein; prohibiting the Committee of 15 from discussing certain matters, except as may be further authorized by the Board of Directors; requiring the Committee of 15 to adhere to the meeting notice and records requirements as specified in the Consortium's Committee Policy Resolution; and providing an effective date.

RECITALS

Whereas, the Consortium adopted the Gulf Consortium Committee Policy Resolution 2015-04 on November 12, 2015 (the "Committee Policy Resolution");

Whereas, the Committee Policy Resolution establishes a policy for the creation and jurisdiction of Consortium Committees;

Whereas, the Committee Policy Resolution defines the Committee of 15 Counties as an advisory committee consisting of the Directors individually appointed by the following respective Consortium Members: Charlotte County, Citrus County, Collier County, Dixie County, Hernando County, Hillsborough County, Jefferson County, Lee County, Levy County, Manatee County, Monroe County, Pasco County, Pinellas County, Sarasota County, and Taylor County;

Whereas, the Committee Policy Resolution provides that the Committee of 15 Counties shall have advisory jurisdiction on matters as may be authorized by the Board of Directors;

Whereas, the Committee of 15 has no jurisdiction to meet without further reauthorization by the Consortium Board of Directors;

Whereas, the Committee Policy Resolution further provides that the Committee of 15 shall have no jurisdiction to discuss, consider or act upon matters concerning an allocation or distribution formula of the RESTORE Act's Spill Impact Component funds among the Consortium Members, except as may be authorized by the Board of Directors;

Whereas, the Committee Policy Resolution further provides that no action of the Committee of 15 shall be final except as authorized by the Board of Directors;

Whereas, the chair of the Committee of 15 has the authority to call meetings of the Committee and must report its actions and recommendation at the next scheduled meetings of the Executive Committee and Board of Directors, pursuant to the Committee Policy Resolution;

Whereas, the Directors of the Committee of 15 may find it beneficial to meet as a committee and collaborate on matters of mutual interest regarding the Direct Component (Pot 1) and

Whereas, it is the intent of this Board to authorize the Committee of 15 to meet and consider such matters as specified herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GULF CONSORTIUM:

SECTION 1. GENERAL PROVISIONS.

- A. The Recitals set for the above are hereby incorporated by reference in this Resolution and made a part hereof.
- B. The Committee of 15 shall remain subject to the committee meeting notice and other process provisions in sections 4 and 5 of the Committee Policy Resolution.

SECTION 2. COMMITTEE OF 15 JURISDICTION.

- A. The Committee of 15 shall have the authority to meet and discuss matters of mutual interest among the members of the Committee of 15 including, but not limited to, collaborating on matters of mutual interest regarding the Direct Component (Pot 1). Provided, however, the Committee of 15 shall have no jurisdiction to discuss, consider or act upon matters concerning an allocation or distribution formula of the RESTORE Act's Spill Impact Component funds among the Consortium Members, except as may be authorized by the Board of Directors.
- B. The Chair of the Committee of 15 shall report on the Committee's actions and recommendations at the next meetings of the Executive Committee and Board of Directors.
- C. The Committee of 15 shall have such other authority as may be further provided by the Consortium Executive Committee or Board of Directors.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

The foregoing Resolution was offered by _____ who moved its adoption. The motion was seconded by _____. The motion was adopted by a majority vote of the Board of Directors.

Duly passed and adopted this _____ day of _____, 2016.

Grover C. Robinson IV
Chairman

Attest: Warren Yeager
Secretary-Treasurer

Approved as to form:

Sarah M. Bleakley, Esq.
Nabors, Giblin & Nickerson, P.A.
General Counsel