



**Executive Committee Agenda
August 20, 2015, 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 and Roll Call
2. Public Comment
3. Approval of Minutes from June 11, 2015 Executive Committee Meeting
4. Overview of August 26, 2015 Board of Directors Meeting

Non-Action Items:

- 4.1 (a) Update on Other Deepwater Horizon Restoration Partners
(b) Update on BP Proposed Settlement
- 4.2 Project Management Briefing: Development of SEP—Overview of August 26 Workshop
Doug Robison
Environmental Science Associates

Tiffany L. Busby
Wildwood Consulting
- 4.3 Planning Grant Application Update
Lisa King
Langton Associates
- 4.4 Update on Permanent General Counsel Services Contract

Action Items:

- 4.5 Permanent Manager RFP Update and Direction
- 4.6 Recommend Approval of Consortium's 2016 Meeting Calendar
- 4.7 Recommend Approval of 2015/2016 Budget
- 4.8 Approval of Independent Auditor for FY 2014/2015
5. Report from Committee of the 8 Disproportionately Affected Counties and Authorization to Convene
6. New Business
7. Public Comment



8. Upcoming Board Meeting
August 26, 2015, 9:00 am – 10:00 am, ET
Hilton, St. Petersburg Bayfront
Pinellas County

August 26, 2015, 10:00 am – 5:00 pm, ET
Goal Setting Workshop
Hilton, St. Petersburg Bayfront
Pinellas County

November 18, 2015, 9:00 am – 11:00 pm, ET
Omni Amelia Island Plantation
Nassau County
9. Adjourn

Gulf Consortium Executive Committee Meeting
August 20, 2015 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	
Pinellas	Susan Latvala	
Walton	Commissioner Sara Comander	

Gulf Consortium Directors, Alternates and Governor's Appointees 2015

County	Director and Alternate
Bay	Comm Mike Thomas, Director; Comm George Gainer, Alternate
Charlotte	Comm Christopher Constance, Director; Comm Tricia Duffy, Alternate
Citrus	Comm Scott Adams, Director; Ken Cheek, Water Resources Director
Collier	Comm Tom Henning, Director; Comm Donna Fiala, Alternate; Director Gary McAlpin, 2nd Alternate
Dixie	Tim Alexander, Director of Emergency Management; Administrator Mike Cassidy, Alternate
Escambia	Comm Grover Robinson, Director; Comm Doug Underhill, Alternate
Franklin	Comm Cheryl Sanders, Director; County Administrator Alan Pierce, Alternate
Gulf	Warren Yeager, Director; County Administrator Donald Butler, Alternate
Hernando	Comm Wayne Dukes, Director; Administrator Len Sossamon, Alternate
Hillsborough	Comm Les Miller, Director; Comm Ken Hagan, Alternate
Jefferson	Comm Betsy Barfield, Director; County Coordinator Parrish Barwick, Alternate
Lee	Comm John Manning, Director; Comm Larry Kiker, Alternate; Kurt Harclerode, 2nd Alternate
Levy	Comm John Meeks, Director; County Coordinator Fred Moody, Alternate
Manatee	Comm Carol Whitmore, Director; Charlie Hunsicker, Natural Resources Dept., Alternate
Monroe	Commissioner George Neugent, Director; Comm David Rice, Alternate
Okaloosa	Comm Kelly Windes, Director; Comm Carolyn Ketchel, Alternate
Pasco	Comm Jack Mariano, Director; Comm Mike Wells, Alternate
Pinellas	Susan Latvala, Director; Coastal Manager Andy Squires, Alternate
Santa Rosa	Comm Lane Lynchard, Director; Comm Rob Williamson, Alternate
Sarasota	Comm Charles Hines, Director; Laird Wreford, Natural Resources Manager, Alternate
Taylor	Comm Jim Moody, Director; Dustin Hinkel, County Administrator, Alternate

**Gulf Consortium Directors, Alternates and Governor's Appointees
2015**

Wakulla	David Edwards, County Administrator, Director; Comm Ralph Thomas, Alternate
Walton	Comm Sara Comander, Director; Comm Cindy Meadows, Alternate
Governor's Appointees	Pam Anderson, Panama City; Peter Bos, Destin; Lino Maldonado, Niceville; Collier Merrill, Pensacola; Mike Sole, Tallahassee; Neal Wade, Panama City

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: August 20, 2015 at 4 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 Board of Directors preview meeting, consisting of recommending action on the General Counsel Services contract; the Consortium's 2016 meeting calendar; the 2015/2016 budget; and the independent auditor for FY2014/2015; 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
August 20, 2015**

**Agenda Item 3
Approval of June 11, 2015 Executive Committee Minutes**

Statement of Issue:

This agenda item proposes approval of the June 11, 2015 Executive Committee meeting minutes.

Options:

- (1) Approve the June 11, 2015 Executive Committee minutes, as presented; or
- (2) Amend and then approve the August 20, 2015 Executive Committee minutes.

Recommendation:

Motion to approve the June 11, 2015 Executive Committee meeting minutes, as presented.

Prepared by:

Ginger Delegal
Florida Association of Counties
Interim Manager
On: August 13, 2015

Attachment:

Draft 6/11/15 Minutes

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved____; Approved as amended____; Defeated_____.

**Gulf Consortium Executive Committee Meeting
June 11, 2015, 4:00 p.m. (Eastern)
Florida Association of Counties
Leon County, Tallahassee, Florida**

Officers in Attendance Telephonically: Commissioner Sara Comander (Walton), Susan Latvala (Pinellas), Commissioner George Neugent (Monroe), Commissioner Grover Robinson (Escambia) and Commissioner Warren Yeager (Gulf).

Others in Attendance Telephonically: Shelly Kelley (Leon County Purchasing Director), Lisa King (Langton & Associates), Doug Robison (Environmental Science Associates), Tiffany Busby (Wildwood Consulting), Raymond Sandrock (County Administrator, Charlotte County), Janet Bowman (Nature Conservancy).

Agenda Item #1 – Call to Order

Commissioner Grover Robinson (Escambia) called the meeting to order at 4:05 pm (ET).

Agenda Item #2 – Public Comment

There was no public comment.

Agenda Item #3 – Approval of Minutes from March 19, 2015 Executive Committee Meeting

Ms. Ginger Delegal, Interim Manager, presented the minutes from the March 19, 2015 Executive Committee meeting. A motion to approve the March 19, 2015 Executive Committee minutes was presented by Commissioner Warren Yeager (Gulf) and seconded by Ms. Susan Latvala (Pinellas).

ACTION: APPROVED

Agenda Item #4 – Overview of June 19 Board of Directors Meeting

Ms. Ginger Delegal, Interim Manager, briefed the Committee on recent activities of the Deepwater Horizon Partners which included the May 21, 2015 approval of Florida's Planning State Expenditure Plan by the Restoration Council. There were no questions or comments by the Committee and no action was required.

Ms. Delegal briefed the Committee on the progress under the ESA contract since the March Board meeting and the development of the State Expenditure Plan. Ms. Delegal introduced Doug Robison with Environmental Science Associates who briefed the Committee on his continued meetings with the individual Board members and the expectation of those being concluded by the end of July. Mr. Robison also introduced the draft of the Goals and Objectives agenda for the Goal Setting Workshop and the intent to distribute a questionnaire or survey to the Board to assist in compiling the final Goals and Objectives agenda for the Goal Setting Workshop in August. The Committee discussed the importance of goals for the workshop and of it presenting unifying ideas before the Board. Ms. Tiffany Busby with Wildwood Consulting briefed the Committee on the questionnaire/survey process and the timeline for distribution to the Board. No action was required.

Ms. Delegal briefed the Committee on the planning grant application progress and the proposed letter for the Gulf Consortium Board to approve and forward to the Restoration Council. Ms. Delegal then introduced Lisa King with Langton Associates who gave a detailed overview of the progress of the planning grant application as well as the need for a collaborative effort with the Restoration Council for submission of a successful planning grant application. There being no questions or comments by the Committee, a motion to recommend approval to the Board was made by Commissioner Warren Yeager (Gulf) and seconded by Ms. Susan Latvala (Pinellas).

ACTION: APPROVED

Ms. Delegal presented the next item for the Committee's consideration, the need to recommend a delegation of authority to the Executive Committee on the planning grant application submissions to the Restoration Council. Specifically, due to the timeline of future Board meetings and the need to expeditiously submit the planning grant application after its collaborative grant application process with the Restoration Council, a delegation of authority to the Executive Committee by the Board would be necessary to effectuate this process. The Executive Committee would provide regular reports of its actions to the Board of Directors at its regularly scheduled meetings. There being no questions or comments, a motion was made by Commissioner Sara Comander (Walton) and seconded by Ms. Susan Latvala (Pinellas) to recommend approval to the Board for delegation of authority to the Executive Committee for any and all submissions of the planning grant application to the Restoration Council.

ACTION: APPROVED

Ms. Delegal then presented the Evaluation Team Report for the Procurement of Legal Services for the Gulf Consortium to the Committee for consideration and recommendation to the Board for acceptance and approval. Ms. Delegal introduced Shelly Kelley, Leon County Purchasing Director and the Chairman of the Evaluation Committee, Raymond Sandrock, County Administrator for Charlotte County. The Chairman disclosed to the Committee that he has a personal relationship with one of the proposed firms, Clark, Partington, Hart, Larry, Bond & Stackhouse in that the firm has represented his family's estate. Ms. Kelley stated that she was available to answer questions by the Committee. Commissioner Sara Comander (Walton) questioned the rates of the firms and Ms. Kelley responded stating that the firms proposed hourly rates and not to exceed monthly amounts. There being no further questions or comments, a motion was made by Commissioner Warren Yeager (Gulf) and seconded by Ms. Susan Latvala (Pinellas) to accept and recommend approval of the Evaluation Team's report for the procurement of legal services to the Board.

ACTION: APPROVED

Ms. Sarah Bleakley, Interim General Counsel, presented to the Committee proposed Resolution 2015-02 relating to fiscal agent services and grant management services for recommendation to the Board for adoption. After a brief overview and no questions or comments by the Committee, a motion was made by Commissioner Sara Comander (Walton) and seconded by Ms. Susan Latvala (Pinellas), to recommend to approval of Resolution 2015-02 to the Board.

ACTION: APPROVED

Ms. Bleakley, then presented the proposed Interlocal Agreement with the Leon County Clerk of the Court for fiscal agent services to the Executive Committee for its recommendation of approval to the Board. There being no questions or comments by the Committee, a motion was made by Commissioner George Neugent (Monroe) and seconded by Commissioner Sara Comander (Walton) to recommend the proposed Interlocal Agreement with the Leon County Clerk of the Court for fiscal agent services for approval to the Board.

ACTION: APPROVED

Ms. Bleakley, then presented the proposed Second Amended Interlocal Agreement with the Leon County for grant management services to the Executive Committee for its recommendation of approval to the Board. There being no questions or comments by the Committee, a motion was made by Commissioner Sara Comander (Walton) and seconded by Commissioner Warren Yeager (Gulf) to recommend for approval to the Board the proposed Interlocal Agreement with Leon County for grant management services.

ACTION: APPROVED

Ms. Ginger Delegal, Interim Manager, presented the proposed Task Order 3 for recommendation to the Executive Committee for its recommendation of approval to the Board and referenced a typographical error on the agenda item under "Fiscal Impact" stating that the amount should be \$82,388 and not \$167,484. Ms. Delegal then introduced Mr. Robison and Ms. Busby to brief the Committee on the specifics of Task Order 3. There being no questions or comments by the Executive Committee, a motion was made by Commissioner Sara Comander (Walton) and seconded by George Neugent (Monroe) to recommend approval of the proposed Task Order # 3 to the Board.

ACTION: APPROVED

Ms. Sarah Bleakley, Interim General Counsel, presented to the Executive Committee the proposed Purchasing Policy for Management Services (Amended Resolution 2015-01) for recommendation of adoption by the Board. There were no questions or comments by the Committee and a motion was made to recommend the proposed amended Resolution 2015-01 for approval to the Board by Commissioner Sara Comander (Walton) and seconded by Commissioner Warren Yeager (Gulf).

ACTION: APPROVED

Ms. Bleakley next presented to the Executive Committee the proposed Request for Proposals for Management Services for recommendation of approval to the Board. Ms. Bleakley gave a brief overview including the RFP's intent and composition of the Evaluation Team which will be comprised of five (5) members including a representative from DEP, a county attorney from the 8 disproportionately impacted counties, a county attorney from the remaining 15 counties, a county manager from the 8 and a county manager from the 15 counties. There being no questions or comments by the Committee, a motion was made by Commissioner Warren Yeager (Gulf) and seconded by Commissioner Sara Comander (Walton) to recommend for approval to the Board the proposed Request for Proposals for Management Services including the composition of the Evaluation Team.

ACTION: APPROVED

Chairman Grover Robinson (Escambia) turned the meeting over to Ms. Susan Latvala (Pinellas) to present to the Executive Committee the proposed Resolution 2015-03 related to the Clean Water Act Fine Parity. A brief discussion ensued by the Board regarding possible negative impacts and questioned whether it would negatively impact the amount of dollars the Consortium could receive. Ms. Delegal responded that there would be no negative impacts for adopting the proposed Resolution. There being no questions or further comments, a motion was made by Commissioner Grover Robinson (Escambia) and seconded by Commissioner George Neugent (Monroe) to recommend adoption of Resolution 2015-03 to the Board.

ACTION: APPROVED

Agenda Item #5 –Update Gulf Consortium Bank Account Signature Cards

Ms. Ginger Delegal presented this agenda item to the Executive Committee for consideration and approval. Due to the current FAC Executive Director Chris Holley retirement in July, 2015, it is necessary to update the Consortium bank account signature cards to reflect the incoming Executive Director, R. Scott Shalley, as well as Virginia S. Delegal and Letreze Gooding (current signers). There being no questions or comments, a motion was made by Commissioner Warren Yeager (Gulf) and seconded by Ms. Susan Latvala (Pinellas) to approve and authorize FAC staff to complete all tasks necessary to update the Consortium bank accounts to reflect the following signers: R. Scott Shalley, Virginia S. Delegal and Letreze Gooding. The motion passed unanimously.

ACTION: APPROVED

Agenda Item # 6 – Public Comment

Commissioner Chris Constance (Charlotte)

Agenda Item #7 – Upcoming 2015 Meetings

The next meeting of the Consortium Board of Directors will be held on June 19, 2015 at 10:00 am ET at Sawgrass Marriott in St. Johns County and on August 26, 2015 at 9:00 a.m. at the Hilton, St. Petersburg Bayfront in Pinellas County. The Goal Setting Workshop will begin immediately following the adjournment of the Board meeting.

Agenda Item #8 – Adjournment

There being no further business, the Committee adjourned at 5:14 pm (ET).

Respectfully submitted,

Grover Robinson
Chairman

Gulf Consortium Executive Committee
August 20, 2015

Agenda Item 4.1(a)
Update on Deepwater Horizon Restoration Partners

Executive Summary:

This agenda item provides information about the Deepwater Horizon Restoration Partners activities since June, 2015.

Restoration Council

Consortium staff continues to meet and speak regularly with Council staff, with the latest substantive call being on Friday, August 7, 2015. A more detailed report is addressed in Agenda Item 4.3.

The Council released its draft Funded Priorities List report on August 13. This [link](#) is to that report and several other, pertinent documents related to the draft FPL. One of the workshops on the draft FPL will be held in Pinellas County on August 26, 2015 at 6:00 p.m.

State Partners:

Consortium staff continues to meet regularly with the Governor's Office and with DEP. Specifically, the Interim Manager and General Counsel met with the Governor's Office on Tuesday, August 11, 2015, and has had multiple conference calls and conversations with DEP staff since the June 2015 Board meeting.

Federal Partners:

FAC staff, on behalf of the Consortium, continue to communicate with Florida Congressional delegation members on the start-up progress of the Consortium as it actively pursues the development of Florida's State Expenditure Plan.

Options:

This agenda item is informational only. No action is required.

Fiscal Impact:

None.

Recommendation:

No action is required.

Attachments:

None.

Prepared by:

Ginger Delegal
Florida Association of Counties
Interim Manager
On: August 13, 2015

Gulf Consortium Executive Committee
August 20, 2015

Agenda Item 4.1(b)
Update on BP Proposed Settlement

Executive Summary:

Discuss the tentative BP proposed settlement.

Background:

On July 2, 2015 BP Exploration and Production, Inc. (BPXP) announced that it reached agreements in principle with the U.S. federal government and the five Gulf States to resolve numerous pending claims. In summary, the tentative \$18.7 billion agreement includes the following components:

- \$5.5 billion to the U.S. government to resolve Clean Water Act civil penalties – payable over 15 years;
- \$7.1 billion to the U.S. government and the five Gulf States to resolve Natural Resource Damages – payable over 15 years (this is in addition to the \$1 billion already paid for early restoration) – plus \$232 million to be provided at the end of the payment period to cover damages not known at the time of the settlement;
- \$4.9 billion to the five Gulf States to settle economic claims – payable over 18 years; and
- \$1 billion to resolve the economic loss claims of over 400 local government entities in the five Gulf States.

It should be noted that this is an agreement in principle only, with the terms and conditions becoming final and binding upon execution and court approval of a Consent Decree by all parties.

Analysis:

As part of this agreement in principle, Florida will receive at least a total of \$3.252 billion as follows:

- At least \$572 million from the RESTORE Act;
- At least \$680 million for Natural Resource Damages; and
- \$2 billion for economic damages.

Based on the best available information at this time, the RESTORE Act Spill Impact Component (Pot 3) portion of the settlements with the oil spill responsible parties available to Florida is \$286,000,000, broken down as follows:

- Transocean settlement = \$44,000,000
- BPXP settlement = \$242,000,000
- Total Pot 3 = \$286,000,000.

Under the agreement in principle, this amount would be payable over a period of 15 years, starting one year after the agreement is finalized.

Options:

This agenda item is informational only. No action is required.

Fiscal Impact:

None.

Attachments:

1. Deepwater Horizon Oil Spill Settlement Fact Sheet
2. Confidentiality Order, *In re: Oil Spill by the Oil Rig "Deepwater Horizon" in the Gulf*, U.S. Dist. Ct. E Dist. LA, MDL No. 2179 (July 2, 2015)
3. Environmental Law Institute Summary Graphic

Prepared by:

Ginger Delegal
Florida Association of Counties
Interim Manager
On: August 13, 2015



FACT SHEET: Deep Horizon Oil Spill Settlement

- On Thursday, July, 2, it was announced that BP agreed to settle the ongoing litigation with the five (5) Gulf states Florida, Alabama, Mississippi, Louisiana and Texas over BP's role in the Deepwater Horizon disaster. This announcement came just days after the US Supreme Court rejected BP's appeal of a ruling finding them "grossly negligent" for its part in the spill.
- The total settlement amount is **\$18.7 billion**, which includes all Clean Water Act penalties, the 5 states' natural resources damages claims and economic damages claim, as well as, the economic damages claims by over 400 local governments. This amount will be paid out over at least 15 years (starting one year after the consent decree is final).
- This settlement is only an agreement in principle and is still contingent on execution of a consent decree. The parties negotiating the final terms are operating under a strict Confidentiality Order. The only facts made public under the Order at this time are as follows:

Clean Water Act Penalties Under RESTORE

- Clean Water Act (CWA) penalties total \$5.5 billion, 20% of which will be deposited in the Oil Spill Liability Trust Fund, and the remaining 80% or \$4.4 billion, will be deposited in the Gulf Coast Restoration Trust Fund and distributed to the counties/parishes and states as provided in the RESTORE Act
- Under RESTORE, the Gulf Coast Restoration Council ("Council") is required to distribute the CWA monies through multiple "components" and also referred to as Pots 1-5.
- Pot 1: The largest component is the "**Direct Component**" where 35% or **\$1.54 billion** of the CWA penalties will be divided equally among the 5 states (counties in Florida; parishes in LA) for ecosystem restoration, economic development & tourism promotion. This amounts to **\$308 million for each state**.
- Pot 2: Another 30% or **\$1.32 billion** of CWA penalties will go to the "**Restoration Council Component**" for ecosystem restoration under the Council's Comprehensive Plan. The Plan establishes 5 broad restoration goals and details how the Council will select and fund projects.

- Pot 3: Another 30% or **\$1.32 billion** of CWA penalties will go the “**Spill Impact Component**” to be divided between the states based on the relative impact of the oil spill in each state. The Council is to develop a distribution formula based on criteria in the Act (i.e., shoreline impact, distance from rig, coastal population). The Council has not agreed upon a formula yet, so at this time the amount of monies going to each state under this component is not yet known.
- In Florida, the 23 county Gulf Consortium (GC) is the entity delegated with the authority to develop the State Expenditure Plan (SEP) that will govern how projects are selected and funded by monies from the Spill Impact Component. The GC has procured a consultant to help develop the SEP and the Planning SEP was recently approved by the Council. As its next step, GC will be submitting its Grant Application to the Council for the anticipated costs to develop the SEP over the next two years.
- Pot 4: 2.5% or **\$110 million** will establish the Gulf Coast Ecosystem Restoration Science, Observation, Monitoring & Technology program which will be administered by NOAA. The program will support marine research projects in the area.
- Pot 5: The last 2.5% or **\$110 million** will be disbursed to the 5 states (\$22 million per state) to establish Centers of Excellence to focus on science, technology and monitoring things like coastal fisheries, wildlife ecosystem in the region, etc. The Centers will be established through a competitive grant program.

The remaining settlement amounts will be divided as follows:

Natural Resource Damages

\$7.1 billion to be distributed to the states and United States as follows:

LA - \$5 billion
 FL - \$680 million
 MS - \$296 million
 AL - \$296 million
 TX - \$238 million
 Region wide projects - \$350 million
 Open Ocean projects - \$1.24 billion

An additional \$232 million will be paid for unknown natural resource damages the year after the \$7.1 billion is paid;
 and an additional \$350 million will be paid for costs associated with assessing the natural resource damage.

Economic Damages Claims

\$4.9 billion to be distributed as follows:

FL - \$2 billion
 LA - \$1 billion
 AL - \$1 billion
 MS - \$750 million
 TX - \$150 million

Local Government Economic Claims in all 5 states

Up to \$1 billion

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

In re: Oil Spill by the Oil Rig
“Deepwater Horizon” in the Gulf
of Mexico, on April 20, 2010

MDL NO. 2179

SECTION J

Applies to: *All Cases*

JUDGE BARBIER
MAGISTRATE JUDGE SHUSHAN

CONFIDENTIALITY ORDER

[Concerning Settlement Documents and Discussions]

Pursuant to the Court’s inherent jurisdiction and Federal Rule of Evidence 408, every recipient of this Order shall treat all drafts of all term sheets, release agreements, communications regarding resolution of Clean Water Act penalties, natural resource damages, economic claims, and/or any other claims asserted by federal, state, or local governmental entities in this case (including both the fact and substance of any discussions and any document prepared in connection therewith) as strictly confidential. Any person who has been shown any such documents and/or included in communications shall be bound to keep such information as private and disclosed to no one unless specifically permitted **in advance** by the undersigned. Documents related to settlement shall be deemed exempt under the Freedom of Information Act, 5 U.S.C. sec. 552, and any corresponding state open records acts absent good cause shown in this proceeding.

As of **Thursday, July 2, 2015, no earlier than 8:00 a.m. Central Daylight Time** (the “Release Time”), the following information (“Released Information”) may be made public:

- 1) The fact that ongoing discussions have yielded an agreement in principle to resolve claims asserted against BPXP:
 - a) By the United States under the Clean Water Act;
 - b) By the United States and the States of Texas, Louisiana, Mississippi, Alabama, and Florida (collectively, with the United States, “the Trustees”) for natural resource damages;
 - c) By the States of Texas, Louisiana, Mississippi, Alabama, and Florida (the “Gulf States”) for economic damages; and
 - d) By the vast majority of local governmental entities located in the States of Texas, Louisiana, Mississippi, Alabama, and Florida for economic damages.
- 2) The above enumerated claims will be resolved through payment by BPXP of approximately \$18.732 billion to be paid as follows:
 - a) \$5.5 billion to the United States to resolve Clean Water Act civil penalties with a certain portion of the penalties being directed to the Gulf States pursuant to the RESTORE Act (subject to final approval by the RESTORE Act Council) as follows:
 - Texas: \$430 million
 - Louisiana: \$787 million
 - Mississippi: \$582 million
 - Alabama: \$599 million
 - Florida: \$572 million
 - b) \$8.1 billion (including \$1 billion already paid by BPXP for early restoration projects) to the Gulf States to resolve natural resources damages approximately as follows:
 - Texas: \$238 million
 - Louisiana: \$5 billion
 - Mississippi: \$296 million
 - Alabama: \$296 million
 - Florida: \$680 million
 - Regionwide projects: \$350 million
 - Open Ocean projects: \$1.24 billion

BPXP will set aside an additional amount of \$232 million at the end of the payment period to cover any further natural resource damages that are unknown at this time.

- c) \$4.9 billion will be paid to resolve the Gulf States' economic claims as follows:
 - Texas: \$150 million
 - Louisiana: \$1 billion
 - Mississippi: \$750 million
 - Alabama: \$1 billion
 - Florida: \$2 billion
 - d) Up to \$1 billion paid to resolve economic claims of the vast majority of local governmental entities located in the States of Texas, Louisiana, Mississippi, Alabama, and Florida.
- 3) BPXP has also agreed to pay \$350 million to cover outstanding natural resource damage assessments and \$250 million to cover the full settlement of outstanding response costs, False Claims Act claims. And royalties owed for the Macondo well.
- 4) The parties to the agreement in principle may discuss payment terms.
- 5) The parties may discuss the procedure to formulate a consent decree for submission to the Court.

A document containing Released Information may be released to the public on or after the Release Time only if the non-released information in the document (i.e., information that remains confidential under this Order) is irretrievably redacted.

Nothing in this Order requires the release of any document or information still subject to an exception under any applicable open records or public information law, or protected by other privilege or by court order.

The U.S. Government, the Gulf States and Local Governments are directed to serve this order on all persons who have been included in settlement discussions before Friday, July 3, at 12:01 a.m.

The Local Governmental entities are directed to return the releases to the Court by no later than the close of business on Wednesday, July 15, 2015. They are not to discuss individual settlement amount until further order of the Court.

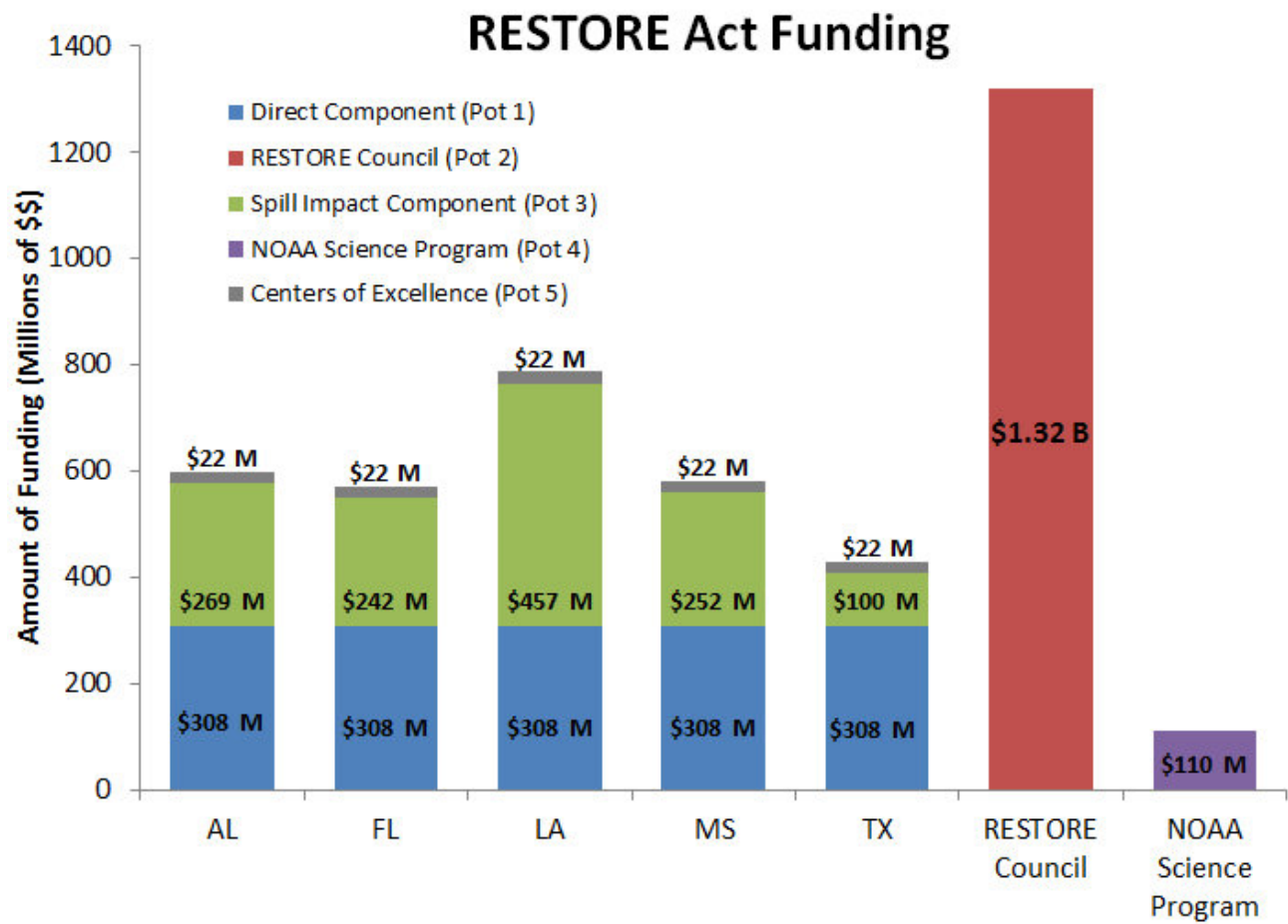
Any person found to be in violation of this order will be subject to imposition of sanctions.

New Orleans, Louisiana, this 2nd day of July, 2015.



SALLY SHUSHAN
United States Magistrate Judge

Environmental Law Institute Summary Graphic



Gulf Consortium Executive Committee
August 20, 2015

Agenda Item 4.2

Project Management Briefing: Development of SEP
Overview of August 26 Workshop and Consortium Member Interviews

Executive Summary:

Discuss and approve the objectives, format and draft agenda of the August 26, 2015 Goal Setting Workshop

Background:

Since the June 19, 2015 Gulf Consortium meeting the ESA Consultant Team has focused on preparing for the August 26 Goal Setting Workshop and communicating with the Consortium members.

As part of its Initial Comprehensive Plan, the Restoration Council has developed goals, objectives, and guiding principles to guide the selection of projects, programs and activities to be funded under the Council Funded Component (Pot #2) and Spill Impact Component (Pot #3) of the RESTORE Act. While the Florida State Expenditure Plan (FSEP) must be consistent with the Council's goals and objectives, there is flexibility to accommodate Florida-specific priorities. The anticipated outcome of this workshop will be a compilation of Florida-specific goals and objectives that represent the consensus of the Gulf Consortium. These goals and objectives will be used by the ESA Consultant Team as the framework for the development of the FSEP. In addition, these goals and objectives will be presented back to the Consortium Board, in a written form, for the Board's final review and approval at its November 18 meeting.

In developing Florida-specific goals and objectives it is important that the Consortium members openly discuss and debate two fundamental questions with regard to the priority distribution of Spill Impact Component funds: what should the money be spent on, and on where should it be spent? Addressing these questions early on will help set the stage for the development of both goals and objectives, as well as setting future criteria for sorting, evaluating and ranking eligible projects, programs and activities proposed for consideration.

Following the June 19, 2015 Gulf Consortium meeting, the ESA Consultant Team prepared and distributed a questionnaire and supporting informational materials to the Consortium members to express their individual thoughts and opinions on the two fundamental questions as well as other related matters. Following the distribution of the questionnaire, the consultant team conducted follow-up telephone interviews with each Consortium member to further discuss their responses and opinions. The questionnaire responses were compiled and analyzed, and the results will be presented at the workshop to set the stage for the day's discussion.

Responses to the questionnaire and follow-up interviews were excellent and productive. Only one questionnaire was returned incomplete, and one Board member was not available for a follow-up interview due to being out of the country on vacation. In addition to the questionnaire activity, the consultant team continued to schedule and conduct face to face meetings with Consortium members.

Analysis

None

Options:

Approve the draft workshop agenda or revise as appropriate

Fiscal Impact:

None

Recommendation:

Approve the draft workshop agenda.

Attachments:

Draft workshop agenda and handout materials

Prepared by:

Ginger Delegal
Florida Association of Counties
Interim Manager
On: August 13, 2015

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved____; Approved as amended____; Defeated_____.



AGENDA
FLORIDA GULF CONSORTIUM
GOAL SETTING WORKSHOP
WEDNESDAY, AUGUST 26, 2015

- | | |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9:00 AM – 10:00 AM | Business Meeting |
| 10:00 AM – 10:15 AM | Break |
| 10:15 AM – 10:30 AM | Review of Workshop Goals and Productivity Rules <ul style="list-style-type: none">• Discussion Format• Productivity Rules• Workshop Goals• Future Topics For Discussion (but not today) |
| 10:30 AM – 11:45 AM | Presentations (15 minute presentations/10 minutes for questions) |
| 10:30 AM – 10:55 AM | <ul style="list-style-type: none">• <i>Summary of Tentative Deepwater Horizon Oil Spill Settlement</i> – Doug Robison, Environmental Science Associates and Mike Langton, Langton Associates<ul style="list-style-type: none">○ RESTORE Act (Clean Water Act fines)<ul style="list-style-type: none">▪ Breakdown by RESTORE Act Pots▪ Breakdown by Gulf States▪ Payment Schedule○ Natural Resource Damages○ Economic Damages○ Local Claims○ Potential Leveraging Opportunities |
| 10:55 AM – 11:20 AM | <ul style="list-style-type: none">• <i>Summary of Other Ongoing Gulf Restoration Projects and Planning Activities in Florida</i>--Phil Coram, Florida Department of Environmental Protection and Kelly Samek, Florida Fish and Wildlife Conservation Commission<ul style="list-style-type: none">○ On-Going Restoration Projects to Date<ul style="list-style-type: none">▪ NRDA▪ NFWF▪ MOEX○ Restore Pot 2 – Council Draft Funded Priorities List (FPL)<ul style="list-style-type: none">▪ Review of proposed projects Gulf-wide▪ Review of Florida-specific projects▪ Schedule for final FPL○ NFWF – Florida Gulf Environmental Benefit Fund |

- Restoration Strategy
 - Mission and focus
 - Planning process
 - Schedule
- 11:20 AM – 11:45 AM**
 - *Review of State Expenditure Plan Requirements and Allowable Uses for Pot 3 Funds*—Doug Robison, Environmental Science Associates and Ann Redmond, Brown and Caldwell
 - Legal and Review Requirements of State Expenditure Plans
 - Council Goals and Objectives
 - Eligible Projects, Programs and Activities for Pot 3
 - Infrastructure Limitation
 - Summary of Projects Included in the DEP Project Portal
- 11:45 AM – 12:15 PM** **Break for Box Lunch Distribution**
- 12:15 PM -- 12:45 AM** **Summary of Questionnaire Results**
 - Outcomes
 - Gulf Council Goals & Objectives
 - Types of Projects
 - Geographic Distribution of Projects
- 12:45 PM – 1:30 PM** **Discussion on Florida Goals and Objectives**
 - BP Settlement Implications
 - Review Draft Florida Goals
 - Discuss Primary and Secondary Considerations
 - Discuss Any Additions Under Consideration
 - Document Any Consensus Reached
 - Review Draft Florida Objectives
 - Discuss Primary and Secondary Considerations
 - Discuss Any Additions Under Consideration
 - Document Any Consensus Reached
- 1:30 PM – 2:45 PM** **Geographic Distribution of Projects**
 - Reminder of Survey Responses
 - Facilitator's Summary/Suggestions
 - Consensus Discussion: Should geography be a primary consideration in Florida's plan?
 - Consensus Discussion: Should a portion of the funding be allocated to each county or coastal watershed?
 - Consensus Discussion: Should the disproportionate counties receive more of the funding?
 - Document Any Consensus Reached

2:45 PM – 3:00 PM	Break
3:00 PM – 4:15 PM	Economic and Environmental Projects <ul style="list-style-type: none"> • Reminder of Survey Responses • Facilitator’s Summary/Suggestions • Consensus Discussion: Do we need to define allocations for either economic development or environmental projects? • Consensus Discussion: Should some Pot 3 funding be designated to study the long term threat/impact of oil remaining in the Gulf and/or other rigs that may have similar structural issues? • Document any Consensus Reached
4:15 PM – 5:00 PM	Wrap Up <ul style="list-style-type: none"> • Facilitator’s Summary • Feedback • Chairman’s Comments
5:00 PM	Adjourn



#1
PRODUCTIVITY RULES

GULF CONSORTIUM
GOAL SETTING WORKSHOP
WEDNESDAY, AUGUST 26, 2015

Workshop Productivity Rules

- Please silence all electronic devices.
- Everyone participates; no one dominates.
- Be (very) concise.
- Listen.
- It's okay to disagree, but:
 - Respect each other & suspend personal judgment.
 - Use time effectively, stay on task, and honor time limits.
- Use your name tent to get in the cue to comment.
- Consensus measures:
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree
- Consensus is achieved when all members present can strongly agree, agree or are neutral on an item. If consensus is not achieved, the consensus measures in each category are documented and the reasons why some members did not support the item are also documented.



#2
Eligible Types of Projects, Programs and
Activities Authorized by the RESTORE
Act*

Gulf Consortium
Goal Setting Workshop
August 26, 2015

1. Restoration and protection of the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches and coastal wetlands of the Gulf Coast region.
2. Mitigation of damage to fish, wildlife, and natural resources.
3. Implementation of a federally-approved marine, coastal, or comprehensive conservation management plan, including fisheries monitoring.
4. Workforce development and job creation.
5. Improvements to or on State parks located in coastal areas affected by the Deepwater Horizon oil spill.
6. Infrastructure projects benefiting the economy or ecological resources, including port infrastructure.
7. Coastal flood protection and related infrastructure.
8. Planning assistance.
9. Administrative costs of complying with the Act.
10. Promotion of tourism in the Gulf Coast region, including recreational fishing.
11. Promotion of the consumption of seafood harvested from the Gulf Coast region.

* Applicable to the Direct Component (Pot 1) and the Spill Impact Component (Pot 3) only; the Comprehensive Plan Component (Pot 2) focuses primarily on the environment.



#3
STATE EXPENDITURE PLAN LEGAL
REQUIREMENTS

GULF CONSORTIUM
GOAL SETTING WORKSHOP
WEDNESDAY, AUGUST 26, 2015

The RESTORE Act, 33 U.S.C. § 1321(t)(3)(B), lists the requirements that each State Expenditure Plan must meet for the disbursement of Oil Spill Impact Allocation Funds, in accordance with the formula developed under § 1321(t)(3)(A). The Chairperson will review each State Expenditure Plan to ensure that it:

1. Meets one or more of the eligible activities under § 1321(t)(1)(B)(i) and/or (ii) and administrative costs limitations under § 1321 (t)(1)(B)(iii).
2. Contributes to the overall economic and ecological recovery of the Gulf Coast.
3. Takes into consideration the Comprehensive Plan and is consistent with the goals and objectives of the Comprehensive Plan.
4. Does not use more than 25% of the funds disbursed for eligible activities, unless the infrastructure limitation exception is met.

Infrastructure Limitation

Pursuant to the RESTORE Act, 33 U.S.C. § 1321(t)(3)(B)(ii), not more than 25 percent of the funds may be used by a State for infrastructure projects for eligible activities. States shall provide a statement that their eligible activities will meet the 25% infrastructure limitation or how they meet the exception described below. For the purposes of these guidelines, the term “infrastructure” has the same meaning as provided in 31 CFR § 34.2, as described below:

Infrastructure means the public facilities or systems needed to support commerce and economic development. These installations and facilities span a wide range, including highways, airports, roads, buildings, transit systems, port facilities, railways, telecommunications, water and sewer systems, public electric and gas utilities, levees, seawalls, breakwaters, major pumping stations, and flood gates. Infrastructure encompasses new construction, upgrades and repairs to existing facilities or systems, and associated land acquisition and planning.

Exception: A state may propose a State Expenditure Plan that uses more than 25% of its funds for infrastructure planning, if the State Expenditure Plan certifies that:

- Ecosystem restoration needs will be addressed by projects in the proposed State Expenditure Plan; and
- Additional investment in infrastructure is required to mitigate the impacts of the Deepwater Horizon Oil Spill to the ecosystem or economy.



#4
COUNCIL ADOPTED GOALS &
OBJECTIVES WITH EXAMPLE PROJECT
TYPES

GULF CONSORTIUM
GOAL SETTING WORKSHOP
WEDNESDAY, AUGUST 26, 2015

Council Goals

1. **Restore and Conserve Habitat** – Restore and conserve the health, diversity, and resilience of key coastal, estuarine, and marine habitats.
2. **Restore Water Quality** – Restore and protect water quality of the Gulf Coast region's fresh, estuarine, and marine waters.
3. **Replenish and Protect Living Coastal and Marine Resources** – Restore and protect healthy, diverse, and sustainable living coastal and marine resources.
4. **Enhance Community Resilience** – Build upon and sustain communities with capacity to adapt to short- and long-term changes.
5. **Restore and Revitalize the Gulf Economy** – Enhance the sustainability and resiliency of the Gulf economy.

Council Objectives

1. **Restore, Enhance, and Protect Habitats** – Restore, enhance, and protect the extent, functionality, resiliency, and sustainability of coastal, freshwater, estuarine, wildlife, and marine habitats. These include barrier islands, beaches, dunes, coastal wetlands, coastal forests, pine savannahs, coastal prairies, submerged aquatic vegetation, oyster reefs, and shallow and deep water corals.

Example project types

- Restoration, enhancement, creation, and protection of important coastal, freshwater, estuarine, and marine habitats;
- Removal of invasive species;
- Habitat protection and conservation projects implemented through:
 - Active management;
 - Acquisition, voluntary management agreements;
 - Protected area management;
 - Perpetual management;
 - Conservation easements,
 - Other conservation activities.

2. **Restore, Improve, and Protect Water Resources** – Restore, improve, and protect the Gulf Coast region’s fresh, estuarine, and marine water resources by reducing or treating nutrient and pollutant loading; and improving the management of freshwater flows, discharges to and withdrawals from critical systems.

Example project types

- Implementation of watershed best management practices;
 - Improved agricultural and silvicultural management practices;
 - Enhanced stormwater and/or wastewater management;
 - Improved quality and quantity of freshwater flows, discharges, and withdrawals;
 - Sediment runoff management;
 - Other foundational water quality concerns.
3. **Protect and Restore Living Coastal and Marine Resources** – Restore and protect healthy, diverse, and sustainable living coastal and marine resources including finfish, shellfish, birds, mammals, reptiles, coral, and deep benthic communities.

Example project types

- Recovery of threatened and endangered species;
 - Reduction of overfishing and bycatch;
 - Improved fisheries assessments;
 - Sustainable resource management of commercially and recreationally important activities (such as fishing, hunting, and wildlife watching);
 - Increased resource stocks;
 - Invasive and nuisance species management and removal;
 - Improved enforcement, and other protective measures.
4. **Restore and Enhance Natural Processes and Shorelines** – Restore and enhance ecosystem resilience, sustainability, and natural defenses through the restoration of natural coastal, estuarine, and riverine processes, and/or the restoration of natural shorelines.

Example project types

- Removal of barriers to improve freshwater inflow and fish passage;
- Improved sediment management (e.g., through increased beneficial use, dedicated dredging, and sediment capture structures);
- Restoration of coastal wetlands, restoration of eroded shorelines;
- River diversions (also known as river re-introduction projects) and other types of hydrologic restoration;
- Natural ridge restoration;
- Implementation of living shoreline techniques;
- Other restoration techniques that address natural processes and shorelines.

5. **Promote Community Resilience** – Build and sustain Gulf Coast communities’ capacity to adapt to short- and long-term natural and man-made hazards, particularly increased flood risks associated with sea-level rise and environmental stressors. Promote ecosystem restoration that enhances community resilience through the re-establishment of non-structural, natural buffers against storms and flooding.

Example project types

- Capacity for local governments, businesses, and community-based organizations to adapt;
- Infrastructure risk assessments;
- Advanced natural resource planning and natural resource recovery planning with locally-driven solutions;
- Long-term land use planning as it relates to the management and sustainability of coastal resources;
- Acquisition and/or preservation of undeveloped lands in coastal high-hazard areas (e.g., as buffers against storm surge and sea level rise); non-structural storm and surge protection;
- Design of incentive-based mitigation programs;
- Engagement with and among local communities and other measures that build community resiliency through ecosystem restoration.

Projects and programs that promote community resilience should be tied to ecosystem restoration or protection.

6. **Promote Natural Resource Stewardship and Environmental Education** – Promote and enhance natural resource stewardship efforts that include formal and informal educational opportunities, professional development and training, communication, and actions for all ages.

Example project types

- Environmental stewardship and education programs tied to Gulf Coast resources that encourage and coordinate the use of existing environmental education and outreach networks and institutions;
- Establishment of more effective relationships between research and education communities;
- Provision of meaningful hands-on ecosystem education that includes local, cultural, environmental and economic values with the belief that education will encourage action toward a healthier Gulf Coast.

Projects and programs which promote natural resource stewardship and environmental education should be tied to ecosystem restoration or protection.

7. **Improve Science-Based Decision-Making Processes** – Improve science-based decision-making processes used by the Council.

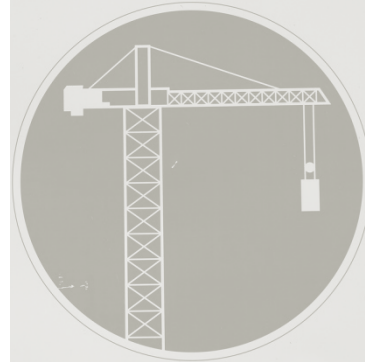
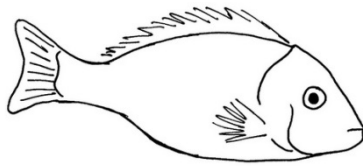
Example project types

- a. Science-based adaptive management and project-level and regional ecosystem monitoring, including the coordination and interoperability of ecosystem monitoring programs;
- b. Regional database and expert systems used to warehouse ecosystem data;
- c. Improved ecosystem restoration outcome and impact measurement and reporting;
- d. Development of local and regional ecosystem models to apply the monitoring information gained and address the critical uncertainties related to restoration to adaptively manage and inform Council decision-making processes related to ecosystem investments.



#5 Economic & Environmental Partitions

**Gulf Consortium
Goal Setting Workshop
August 26, 2015**



Your feedback indicates that, overall, a pre-set partition for either economic or environmental projects is not desirable.

Pros for Partitioning Some Funding for Certain Kinds of Projects

- Ensures that some projects of each type are funded.
- Some concern that economic projects will not receive the emphasis they deserve.

Cons for Partitioning Some Funding for Certain Kinds of Projects

- Many directors commented that they felt that projects with the most benefits—whether economic, environmental, or both—should be the ones selected and therefore a partition was unnecessary.
- Many directors commented that they were concerned that if funds were partitioned, that the best projects with multiple benefits would not be selected.

A few directors suggested that some funds should be set aside for future projects or impacts, scientific research, or both.



#6 Geographic Distribution

**Gulf Consortium
Goal Setting Workshop
August 26, 2015**

There are many possible ways to address geographic distribution in the Florida State Expenditure Plan. There are four approaches described below for discussion purposes.

1. **No Geography**--Don't establish a geographic formula. Projects will be selected based on their economic and environmental benefits. Note that some counties may not have any projects selected using this approach.
2. **Use the Pot 1 Approach**--Use the same formula as Pot 1—75% goes to the eight disproportionately affected counties and the remaining 25% goes to the remaining 15 counties. The projects themselves would be selected/prioritized based on their economic and environmental benefits.
3. **Even Steven**--Allocate all the money evenly geographically—4.43% (1/23) would fund some project(s) in each county. Counties could pool their funding for larger, regional projects if they wish. Projects in each geographic area would be selected based on their economic and environmental benefits.
4. **Hybrid of Geography and Project Benefits**--Allocate a portion of the money to be geographically distributed among the 23 counties and the remainder used to fund projects, not based on geography but on project environmental and economic benefits. The portion of the funding for each county would still be subject to project evaluation and prioritization for environmental and economic benefits.

Gulf Consortium Executive Committee
August 20, 2015

Agenda Item 4.3
Planning Grant Application Update

Executive Summary:

Discuss the progress in preparing the Planning Grant Application for submission to the Restoration Council.

Background:

The Planning State Expenditure Plan was submitted to the Restoration Council for approval by the Governor on April 2, 2015. The Council had a 60-day review period. On May 21, 2015, the Council formally approved Florida's Planning State Expenditure Plan.

Langton Associates, a part of the ESA Consultant Team has been working to prepare the planning grant application for the Consortium's review and approval. Currently, the total request for the grant is \$4,851,525.00, over a planning horizon that extends back from August 22, 2014 (pre-award costs), forward two (2) years, to September 30, 2017. A detailed breakdown of a proposed budget plan was included in the PSEP, approved by the Consortium Board and the Restoration Council. Currently, Langton is working with the Restoration Council staff on behalf of the Gulf Consortium in an iterative, progressive application process.

On July 1, 2015, the Consortium received correspondence from the Council waiving the 30-day deadline for submission of the planning grant application, agreeing to the collaborative process of reviewing documents and providing assistance so the planning grant application approval is achieved and noting the request for the process to be completed and approved by September 30, 2015.

Council staff provided an extensive list of documents to be reviewed and Consortium staff began uploading documents to a sharable drive, Google Drive. Once all documents requested were uploaded, a conference call was held on August 7, 2015 during which the Restoration Council staff provided helpful guidance for the next iteration.

In addition, Consortium staff has been working with Langton Associates to obtain the Consortium's registration on grants.gov. The first two steps are complete.

Once the application is approved, the Consortium and the Council will negotiate and enter into a grant agreement. The grant will be funded thereafter.

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:

Letter to the Restoration Council dated June 22, 2015.

Letter from the Restoration Council dated July 1, 2015.

Recommendation:

No action is required at this time.

Prepared by:

Ginger Delegal

Florida Association of Counties

Interim General Manager

On: August 13, 2015



Via Email

justin.ehrenwerth@restorethegulf.gov

June 22, 2015

Justin R. Ehrenwerth
Executive Director
Gulf Coast Ecosystem Restoration Council
c/o US Custom House
Suite 419
423 Canal Street
New Orleans, Louisiana 70130

Re: Gulf Consortium Planning Grant Application Process

Dear Mr. Ehrenwerth:

We appreciate the Council staff taking the time to review the Gulf Consortium's preliminary draft planning grant application during the week of June 1, 2015 and providing guidance on how best to proceed. Given the Council staff's direction and the number of questions raised on the draft Planning Grant Application, the Gulf Consortium intends to immediately embark upon the Council-offered iterative and collaborative process so that the Consortium can produce a final grant application that is approved.

In order to meet the expectations outlined, the work effort will extend beyond the 30 day grant application deadline following the Council's approval of the Planning State Expenditure Plan. Therefore, the Consortium respectfully requests a suspension of that deadline until the planning grant application is completed, with the understanding that the Consortium and the Council will work collaboratively and efficiently so that the final grant application submission is reviewed with diligent efficiency.

The Gulf Consortium fiscal year ends September 30, 2015 with no current funding past that day. The Consortium has no taxing authority and receives no state or federal appropriations. The Consortium is wholly funded by voluntary taxpayer based county contributions. For planning purposes, the Consortium requests a timeline for the planning grant application and approval process in time to provide funding for the ensuing 2015/2016 fiscal year. The Consortium commits to meet all requirements and deadlines outlined in such a schedule to ensure funding goals are met.

The RESTORE Act, the Restoration Council, and the Gulf Consortium are making history. The Consortium is committed to doing everything it can to ensure that all federal requirements and requests are met to ensure transparency and a deliberative path forward. The Consortium is appreciative of the time and effort Council staff is providing to ensure a through planning grant is submitted.

We look forward to your response. Please feel free to contact Ginger Delegal at the Florida Association of Counties (gdelegal@fl-counties.com; 850-922-4300) with any follow-up questions you may have.

Sincerely,



Grover C. Robinson, IV
Chair, Gulf Consortium

cc: Mary Pleffner, Gulf Coast Ecosystem Restoration Council
CFO/Director of Administration
Mark Bisgeier, Gulf Coast Ecosystem Restoration Council General Counsel
Mimi Drew, Designee of the Governor of Florida to the
Gulf Coast Restoration Council
Sarah M. Bleakley, Gulf Consortium Interim General Counsel
Christopher L. Holley, Florida Association of Counties, Interim Manager



The Gulf Coast Ecosystem Restoration Council
New Orleans, Louisiana

July 1, 2015

Grover C. Robinson, IV, Chair
Gulf Consortium
P.O. Box 1591
Pensacola, FL 32591

Dear Commissioner Robinson:

I received your letter dated June 22, 2015, and am pleased to inform you that your request to extend the deadline for submitting the Gulf Consortium's grant application for the Planning State Expenditure Plan is approved. We understand that the Consortium is a new organization and as such additional time is needed to gather all of the necessary documentation. We also recognize that the Consortium's fiscal year will end on September 30, 2015, and therefore approval of the grant prior to that date would be beneficial.

The Council staff is committed to working collaboratively to assist the Consortium in submitting a complete grant application. We are available to advise the Consortium as needed in the preparation of the grant application and will provide guidance and reviews as quickly as possible to assist in meeting your funding requirements. In order to achieve this, we recommend that the Consortium submit the requested supplemental materials for review as soon as possible. The Council staff is willing to review these and other materials on an iterative basis as they are received. Please note that a period of time will still be required for final grant approval once the completed application is submitted; however, we expect that this time will be significantly shortened by the advance reviews and consultations.

Sincerely,

Justin R. Ehrenwerth
Executive Director

Cc: Mimi Drew, Designee of the Governor of Florida to the Gulf Coast Ecosystem Restoration Council
Sarah M. Bleakley, Gulf Consortium Interim General Counsel
Christopher L. Holley, Association of Florida Counties, Interim General Manager
Mary Pleffner, GCERC CFO/Director of Administration
Mark Bisgeier, GCERC General Counsel

Gulf Consortium Executive Committee
August 20, 2015

Agenda Item 4.4
Update on General Counsel Services Contract

Executive Summary:

Report on progress in negotiating the permanent General Counsel Services Contract.

Background:

The Consortium hired the firm of Nabors, Giblin & Nickerson on October 22, 2012, to provide Interim General Counsel services to the Consortium. The original contract contained a one year term. That term was then extended in September 2013 until “the effective date of the Consortium’s hiring, engaging or retaining a permanent General Counsel, unless an earlier expiration date is mutually agreed to in writing.” In anticipation of planning grant funds, the Consortium went through the procurement process of hiring a permanent General Counsel.

On June 19, 2015, the Board voted unanimously, to accept the Evaluation Team’s recommendation and authorize the negotiation of a contract with Nabors, Giblin & Nickerson.

Analysis:

Since the June 19 Board meeting, Consortium staff, along with Sarah Bleakley, the Consortium Interim General Counsel, has been engaged in an iterative planning grant approval process with the Restoration Council. Much of this process is focused on determining which Gulf Consortium costs are allowed under and allocated to the planning grant. The answers to those inquiries are not yet final, making financial commitments by the Consortium for items like, general management and general legal services, as funded from the planning grant, imprudent at this time.

Fiscal Impact:

No fiscal impact at this time for permanent General Counsel services; the Interim General Counsel contract with Nabors, Giblin & Nickerson will continue, under its terms, at the \$250 per hour rate, not to exceed \$5,000 per month.

Recommendation:

No action required.

Attachments:

None.

Prepared by:

Ginger Delegal
Florida Association of Counties
Interim General Manager
On: August 13, 2015

Gulf Consortium Executive Committee
August 20, 2015

Agenda Item 4.5
Permanent Manager RFP Update and Direction

Executive Summary:

Based on the crystallization by Council's staff of the planning grant restrictions prohibiting the recoupment of costs associated with the Consortium's management services, this agenda item informs the Executive Committee that the management procurement was suspended prior to the due date of responses and seeks a recommendation of Board approval of that action.

Background:

On October 19, 2012, the Consortium hired the Florida Association of Counties (FAC) to provide Interim Management Services to the Consortium. The original contract contained a one-year term. That term was then extended in September 2013 until "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."

In anticipation of planning grant funds, the Consortium began the process of hiring a permanent Manager by approving the issuance of a Request for Proposals (RFP) utilizing the procurement services of Leon County Purchasing Department. The RFP was issued on June 23, 2015.

During the pendency of the RFP, Consortium staff began the iterative process of fine-tuning the planning grant application with the Gulf Restoration Council's CFO and grant staff. As the back and forth with the Council staff proceeded, it became apparent that no planning grant funds would be allowed for much of the costs of the day-to-day work performed by the Manager of the Consortium. Previously, Council staff had been reluctant to opine on this issue. However, with the iterative process in place and coordination between the Council and Consortium formally approved and underway by both staffs, the Council staff's opinion became clearer: Planning grant funds may be recouped only for the direct and indirect costs expended on the development of the State Expenditure Plan, and no recoupment would be allowed for costs associated with the more general functions of the Consortium as a governmental entity, such as meeting preparation, coordination with Restoration partners, and activities associated with Florida law compliance.

Based on the crystallization of the Council's advice, it became evident that the Consortium would not be reimbursed with federal funds for the overwhelming majority of costs associated with the Manager's functions. Consequently, the RFP process was suspended by Leon County Purchasing Division on July 15,

2015 at the direction of the interim General Counsel, who was charged with oversight of the procurement by the Board.

Every individual who expressed an interest in responding to the RFP was notified individually by the Purchasing Division and a formal notice was published on the website. The interim General Counsel notified every member of the Evaluation Team appointed to review the responses. Additionally, the members of the Executive Committee were notified.

Analysis:

The Consortium's management contract with FAC continues until the Consortium hires a permanent manager. That contract calls for the Consortium to pay a flat rate of \$60,000 annually. However, in developing the fiscal information required for the grant application, the true cost for FAC's services are more than triple the \$60,000 annually. Assuming that the RFP respondents would have proposed a more realistic amount than the current rate, it did not seem prudent to continue the procurement process given that no federal funds will be available to recoup the Consortium's costs for management services and the Consortium's only other potential source of revenue is an increased contribution by the member counties.

Fiscal Impact:

There are no costs directly associated with suspending the RFP. The overarching question is how management services necessary for the functioning of the Consortium will be provided and paid for now that the Council staff has indicated that no federal grant funds are available for that purpose. The Consortium's contract with FAC for those services will continue without further action of the Board until a permanent manager is hired or an earlier expiration date is mutually agreed to in writing. The contract calls for payment to FAC of \$60,000 annually.

Options:

- (1) Recommend to the Board approval of a motion confirming the suspension of the RFP for management services; and
- (2) Provide other direction.

Recommendation:

Recommend approval to the Board of a motion confirming the suspension of the RFP for management services.

Attachments:

None.

Prepared by:

Sarah M. Bleakley
Nabors, Giblin & Nickerson, P.A.
Interim General Counsel
On: August 12, 2015

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved____; Approved as amended____; Defeated_____.

**Gulf Consortium Executive Committee
August 20, 2015**

**Agenda Item 4.6
Discussion on Proposed 2016 Meeting Calendar**

Statement of Issue:

This agenda item proposes time periods for regularly-scheduled meetings for discussion and direction.

Background:

Under the Interlocal Agreement, the Chairman has the power to set the times and locations of the Consortium. The proposed time periods are as follows:

JANUARY/FEBRUARY

In conjunction with FAC Legislative Day. FAC Legislative Day will either be held on January 27, 2016 or February 3, 2016. Location of the meeting would be in Leon County.

MARCH

Open

APRIL

Mid-April stand-alone meeting: location and time to be determined

JULY

Friday, July 1, 2016, 10:00 am – 12:00 pm, ET
Hyatt Regency Orlando, Orange County
In conjunction with FAC Annual Conference

AUGUST/SEPTEMBER

In conjunction with FAC Policy Conference. FAC Policy Conference has not been scheduled for a date certain; however, in 2015, that conference is at the end of August.

OCTOBER

Open

NOVEMBER/DECEMBER

In conjunction with FAC Legislative Conference. FAC Legislative Conference has not been scheduled for a date certain; however, in 2015, that conference is scheduled for mid-November.

Analysis:

These proposed time periods for regularly-scheduled Board meetings are provided based on an assumption that the Consortium desires to keep travel expenses and impacts to a minimum by being able to attend multiple meetings at the same location and time period. In addition, during 2016, more meetings will likely be required as the Consortium begins to engage in the active development of Florida's State Expenditure Plan. Those dates are not yet known.

Options:

- (1) Approve the direction of the proposed 2016 Meeting Calendar; or
- (2) Other direction provided to staff.

Recommendation:

Motion to approve the direction of the proposed 2016 Meeting Calendar.

Attachments:

None.

Prepared by:

Ginger Delegal
Florida Association of Counties
Interim General Manager
On: August 13, 2015

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved____; Approved as amended____; Defeated_____.

Gulf Consortium Executive Committee
August 20, 2015

Agenda Item 4.7
Budget Overview for FY 2015/2016

Executive Summary:

Report on the proposed 2015/2016 Budget for the Gulf Consortium, which will go before the Board to be approved at the August 26, 2015 meeting.

Background:

The proposed budget for 2015/2016 will be a continuation of the transition budget that was adopted for 2014/15 by the Gulf Consortium. This budget is intended to provide the Interim Manager (Florida Association of Counties), the General Counsel (Nabors, Giblin & Nickerson, P.A.), and the Consortium Board with minimal resources to support the continued operation of the Gulf Consortium.

Analysis:

The planning grant application process for the Consortium's costs in developing the State Expenditure Plan is underway. However, preliminary indications are that many of the operational costs of the Gulf Consortium will not be eligible for funding through the grant. For the costs that are eligible, to the extent that they are "indirect" or "administrative" they are subject to a 3% cap, applied to the grant award (e.g., 3% of \$4.8 million is \$144,000). To the extent that costs, currently funded by the Consortium's budget are lawfully allocated as "direct" or "program" costs of the grant itself, they are reimbursable at significantly higher levels by the grant. The determination of these allocations, particularly as related to the General Counsel contract and the Interim Manager contract will be uncertain for a while.¹ Accordingly, for the Consortium to continue to operate, the county contributions will need to continue during 2015/16. Therefore, the Interim Manager is proposing a continuation of the transition budget from 2014/15, with minor changes.

- The county allocations will remain the same. That spreadsheet is attached hereto. The counties will be invoiced, in two equal installments in October 2015 and in March 2016.
- The \$7500 grants writer budget item from 2014/15 will roll over to 2015/16 and be added to an additional \$7500 for 2014/15, amounting to a full \$15,000 item for the grants writer to assist in obtaining planning grants for the Gulf Consortium's work in developing the State Expenditure Plan.
- A \$7500 expenditure item has been added to the Meeting and Travel Expenses Line Item. This \$7500 is added to the 2014/15 amount of \$8,550, for a total of \$16,050 in this item. This item will be used to fund meeting room rentals, AV

¹ The contract with the ESA Consultant Team for the development of the SEP appears at this point to be more favorably certain.

needs, and travel expenses of the General Counsel and Interim Manager for Consortium meetings.

- All other revenue and expenditure items remain the same as 2014/2015.

The Board should anticipate that when the process for obtaining planning grant funds is finalized that a budget amendment may be necessary during FY 2015/16.

Options:

- (1) Recommendation of approval of the 2015/2016 proposed budget and county allocation amounts;
- (2) Provide other direction.

Fiscal Impact:

As indicated in the county allocations and proposed budget that is attached for 2015/2016. The total proposed budget is \$155,050.

Attachments:

Proposed Annual Budget 2015/16.
Adopted Budget to Actual 2014/15.
Cash Flows Statement 2014/15.
Expense Register Detail 2014/15.
Gulf Consortium FY 2015/16 Allocations.

Recommendation:

Recommend to the full Board approval of the proposed 2015/2016 budget and county allocation amounts.

Submitted By:

Ginger Delegal
Florida Association of Counties
Interim General Manager
On: August 13, 2015

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved____; Approved as amended____; Defeated_____.

Gulf Consortium
Proposed Annual Budget
October 1, 2015 - September 30, 2016

	Proposed Budget FY2016	Adopted Budget FY2015	Projected Actuals FY2015
Revenues			
Interim County Funding	140,050	140,050	140,050
Cash Carryforward*	15,000	7,500	-
Total Revenues	155,050	147,550	140,050
Disbursements			
Consulting-Administration	60,000	60,000	60,000
Consulting-Legal & Expenses	60,000	60,000	60,000
Meeting and Travel Expenses*	16,050	8,550	8,550
Miscellaneous	1,000	1,000	1,000
Annual Audit	3,000	3,000	3,000
Grant Writer*	15,000	15,000	-
Total Disbursements	155,050	147,550	132,550
Revenues Over (under) Disbursements	-	-	7,500

Cash Carryforward:

Cash Carryforward amount of \$15,000 is comprised of unused funds from FY2014 and FY2015;

Funds split equally between GrantWriter and Meeting & Travel Expenses

Gulf Consortium
Adopted Budget to Actual
October 1, 2014 -July 31, 2015

	FY15 Budget	FY15 Year To Date Actual*
Revenues		
Interim County Funding	140,050.00	140,050.00
Cash Carryforward	7,500.00	
Interest Income	-	18.08
Total Revenues	147,550.00	140,068.08
Disbursements		
Consulting-Administration	60,000.00	30,000.00
Consulting-Legal	60,000.00	40,000.00
Meeting and Travel Expense	8,550.00	1,582.94
Miscellaneous	1,000.00	706.50
Audit Expense	3,000.00	3,000.00
Grant Writer Expense	15,000.00	-
Total Disbursements	147,550.00	75,289.44
Revenues Over (under) Disbursements	-	64,778.64

**Cash Basis of Accounting for Interim Reporting*

Gulf Consortium
Cash Flows Statement
October 1, 2014 -July 31, 2015

Beginning Cash Balance	10/1/2014	21,467.79
Deposits- FY15 County Funding	140,050.00	
Deposits- Interest	18.08	
Net Cash Provided		140,068.08
Expenses- FY 15 Expenses	(75,289.44)	
Expenses- FY 14 Expenses	(13,174.25)	
Net Cash Used		(88,463.69)
Ending Cash Balance	7/31/2015	73,072.18

Gulf Consortium
Expense Register Detail
October 1, 2014 to September 30, 2015

Check #	Payee	Date	Total Amount	FY2015 Expenses					FY2014 Expenses					Description
				Consult-Admin	Consult-Legal	Meeting & Travel	Misc	Audit	Consult-Admin	Consult-Legal	Meeting & Travel	Misc	Audit	
1057	FL Department of State	10/2/2014	39.20									39.20		Meeting Notice September 10, 2014
1058	FL Department of State	10/17/2014	35.00				35.00							Meeting Notice October 2, 2014
1059	Nabors Giblin Nickerson	10/17/2014	5,635.05							5,000.00	635.05			September 14 Consulting and Expenses
1060	FL Department of State	10/30/2014	38.92				38.92							Meeting Notice October 8, 2014
1061	FL Dept of Economic Opp	10/30/2014	175.00				175.00							2014-15 Annual Special District Fee
1062	FL Association of Counties	11/24/2014	12,500.00	5,000.00					7,500.00					Aug (1/2), Sept, Oct 14 Consulting
1063	FL Department of State	11/24/2014	36.68				36.68							Meeting Notice October 30, 2014
1064	FL Department of State	12/2/2014	75.04				75.04							Meeting Notice Nov 5 & Nov 12, 2014
1065	FL Association of Counties	12/16/2014	5,000.00	5,000.00										Nov 14 Consulting
Reversal FY13 NGN Accrual was 72.45 too high											(72.45)			
1066	FL Association of Counties	1/30/2015	5,000.00	\$ 5,000.00										Dec 14 Consulting
1067	FI Department of state	2/3/2015	72.66				\$ 72.66							Meeting Notices: Jan 9, 2015, Jan 14, 2015
1068	Nabors Giblin & Nickerson	2/10/2015	21,020.11		\$ 20,000.00	\$ 1,020.11								Legal: Jan 15 (5178.59); Dec 14 (5220.28); Nov 14 (5591.84); Oct 14 (5029.40)
	BANK FEES	3/19/2015	30.00				\$ 30.00							Bank Fees to be reimbursed
1069	Warren Averett, LLC	3/24/2015	\$ 3,000.00					\$ 3,000.00						Audit
1070	FI Department of State	3/24/2015	\$ 35.14				\$ 35.14							Meeting Notices: 3/12/15
1071	FL Association of Counties	3/30/2015	\$ 10,000.00	\$ 10,000.00										Jan, Feb 15 Consulting
1072	FI Department of state	4/21/2015	\$ 33.74				\$ 33.74							Meeting Notices: 3/18/15
	BANK FEES	4/28/2015	\$ 30.00				\$ (30.00)							Bank Fees Reimbursed
1073	Florida Association of Counties	5/5/2015	\$ 5,000.00	\$ 5,000.00										March 15 Consulting
1074	Nabors Giblin Nickerson	5/5/2015	\$ 10,562.83		\$ 10,000.00	\$ 562.83								Legal: Feb 15 (5088.57)and March 15 (5474.26)
1075	Nabors Giblin Nickerson	6/10/2015	\$ 10,126.20		\$ 10,000.00		\$ 126.20							Legal: April 15 (5042.20) and May 15 (5084)
1076	FL Department of State	7/14/2015	\$ 78.12				\$ 78.12							Meeting Notices: 6/5/15 and 6/23/15
				30,000.00	40,000.00	1,582.94	706.50	3,000.00	60,000.00	60,000.00	7,945.78	838.48	3,000.00	

**GULF CONSORTIUM
FY2015/16 ALLOCATIONS**

County	Total Amount	October 2015 Invoice 1	April 2016 Invoice 2
Bay	8,270	4,135	4,135
Charlotte	8,270	4,135	4,135
Citrus	8,270	4,135	4,135
Collier	8,270	4,135	4,135
Dixie	2,000	1,000	1,000
Escambia	8,270	4,135	4,135
Franklin	2,000	1,000	1,000
Gulf	2,000	1,000	1,000
Hernando	8,270	4,135	4,135
Hillsborough	8,270	4,135	4,135
Jefferson	2,000	1,000	1,000
Lee	8,270	4,135	4,135
Levy	2,000	1,000	1,000
Manatee	8,270	4,135	4,135
Monroe	8,270	4,135	4,135
Okaloosa	8,270	4,135	4,135
Pasco	8,270	4,135	4,135
Pinellas	8,270	4,135	4,135
Santa Rosa	8,270	4,135	4,135
Sarasota	8,270	4,135	4,135
Taylor	2,000	1,000	1,000
Wakulla	2,000	1,000	1,000
Walton	2,000	1,000	1,000
	140,050.00	70,025	70,025

Amounts to be invoiced in equal installments

Gulf Consortium Executive Committee
August 20, 2015

Agenda Item 4.8
Approval of Independent Auditor for FY 2014/2015

Executive Summary:

Approval of the Independent Auditor for FY2014/2015.

Background:

State law requires entities such as the Gulf Consortium to submit an annual audit to the Chief Financial Officer. Regarding hiring an auditor, section 218.319, Florida Statutes, requires a specific audit selection procedure be followed, including the establishment of an audit committee to develop evaluation factors, to provide for the public announcement of the request for proposals, and to evaluate and rank the proposals for the governing body's consideration.

The Consortium's audit for FY 2013/2014 was conducted by Warren Averett. It was competitively procured by the Consortium and a contract was entered into on December 1, 2014.

Analysis:

Resolution 2014-02 established a procurement policy for the competitive selection of an independent financial auditor to prepare the Consortium's audit for the 2013-14 fiscal year. Under Resolution 2014-02, renewals of the financial auditor may be approved by the Executive Committee. Renewals of the contract may be approved by the Executive Committee as well.

Options:

- (1) Recommend approval of the Independent Auditor by renewing the contract with Warren Averett to conduct the Consortium audit for FY2014/2015; or
- (2) Provide other direction.

Fiscal Impact:

The Consortium paid \$3,000 for the FY2013/2014 audit. The same contract amount is the proposed expenditure in the 2015/16 budget.

Attachment:

Contract with Warren Averett for the FY2014/15 independent audit.

Recommendation:

Approval of the Independent Auditor by renewing the contract with Warren Averett to conduct the Consortium audit for FY2014/2015.

Prepared by:

Ginger Delegal
Florida Association of Counties
Interim General Manager
On: August 13, 2015

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved____; Approved as amended____; Defeated_____.

December 1, 2014

The Gulf Consortium
100 South Monroe Street
Tallahassee, Florida 32301

I want to welcome you and the Gulf Consortium to Warren Averett, LLC (the Firm). I appreciate this opportunity to work with you and thank you for choosing the Firm as your professional accounting and consulting provider. I look forward to getting to know you and your organization better and serving you in this capacity.

In an ongoing effort to provide exceptional service to our clients, we focus on preventing any misunderstandings regarding professional services and client expectations. Enclosed is our Terms of Engagement which outlines the services you have engaged our Firm to provide. This standard Firm document must be signed by all clients prior to the initiation of work to help both the Firm and the client have a clear understanding of the services to be provided and the terms and objectives of the engagement. The document provides for proper client communication and complies with the American Institute of Certified Public Accountants Ethics Interpretations addressing documentation of accountants' engagements to perform services.

Although the Terms of Engagement may appear formal, it is intended to support the professional and personal relationship we have with your organization. You can be assured that the Firm and I will always keep your best interests in mind. If you have concerns or questions regarding this document you would like to discuss, please contact me in our office at (850) 244-5121. Otherwise, please sign and return the original to me and retain a copy for your files.

I sincerely appreciate the opportunity to work with you and look forward to a long and productive relationship with the Gulf Consortium.

Best regards,



Angela D. Balent, CPA

TERMS OF ENGAGEMENT

DECEMBER 1, 2014

1. **ENGAGEMENT:** Warren Averett, LLC is pleased to confirm our understanding of the services we are to provide for the Gulf Consortium (the "Client") and any of its affiliated entities. This agreement confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

2. **SERVICES PROVIDED:** We will audit the financial statements of the business-type activities which collectively comprise the basic financial statements of the Gulf Consortium as of and for the year ended September 30, 2014. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Gulf Consortium's 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. As part of our engagement, we will apply certain limited procedures to Gulf Consortium's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.

3. **AUDIT OBJECTIVES:** The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Gulf Consortium and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Gulf Consortium's financial statements. Our report will be addressed to the members of the Gulf Consortium. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of 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 on compliance, and (2) that the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The

paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Gulf Consortium is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

4. MANAGEMENT RESPONSIBILITIES: Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Gulf Consortium and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

5. AUDIT PROCEDURES – GENERAL: An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of law or governmental regulations that are attributable to the entity or to acts by management or

employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

6. **AUDIT PROCEDURES – INTERNAL CONTROL:** Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

7. **AUDIT PROCEDURES – COMPLIANCE:** As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Gulf Consortium's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

8. **ENGAGEMENT ADMINISTRATION AND OTHER:** We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the governing body of the Gulf Consortium; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Warren Averett, LLC and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the Florida Auditor General or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Warren Averett, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Florida Auditor General. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in December, 2014 and to issue our reports no later than March 31, 2015. Angela D. Balent, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2013 peer review report accompanies this letter. There were no letters of comment.

9. DETECTION: This engagement will not include any procedures designed to detect theft or illegal acts that are immaterial to the financial statements, and the Client agrees that we will have no responsibility to do so.

10. FEES: Our fees for these services will be \$3,000. Other requested services will generally be billed at agreed upon rates as provided in our response to the Request for Proposal.

11. BILLING: Invoices are due upon receipt. In the event that payment is not received within 45 days of the due date, the Client will be assessed interest charges of one percent per month on the unpaid balance. We reserve the right to suspend or terminate our work due to nonpayment. In the event that our work is suspended or terminated as a result of nonpayment, the Client agrees that we will not be responsible for the Client's failure to meet government and other filing deadlines, or for penalties or interest that may be assessed against the Client resulting from the Client's failure to meet such deadlines.

12. LEGAL FEES: In addition to the fees for services described in this agreement, the Client agrees to pay legal fees incurred in connection with any suit to recover fees due from you on this engagement, legal fees incurred by Warren Averett, LLC in responding to any third-party request for production and/or subpoenas related to your records and our work done for you in connection with an engagement thereon.

13. LIABILITY: Warren Averett, LLC's maximum liability to the Client for any reason shall be limited to the fees paid by the Client for the services or work product giving rise to the liability except and to the extent finally determined to have resulted from our willful misconduct. Without limiting the foregoing, Warren Averett, LLC's liability under this agreement is limited to the actual and direct damages incurred by the Client arising out of or related to Warren Averett, LLC's performance hereunder. In no event shall Warren Averett, LLC be liable for any incidental, consequential, special, indirect, punitive or third-party damages or claims, including, without limitation, lost profits or revenue, lost savings, lost productivity, loss of data, loss of use of equipment and loss from interruption of business, regardless of whether the form of action is based upon breach of warranty, breach of contract, negligence, strict liability in tort or any other legal theory even if Warren Averett, LLC has been advised about the possibility of such damages.

14. INDEMNITY: The Client agrees to release, defend, indemnify and hold Warren Averett, LLC and its members, managers, officers and employees and the respective heirs, executors, personal representatives, successors, and assigns of each of them harmless from any and all claims which arise from knowing misrepresentations to Warren Averett, LLC by the Client, or intentional withholding or concealment of information from Warren Averett, LLC by the Client.

15. DISPUTE RESOLUTION: By signing this agreement, you agree that any controversies, issues, disputes or claims ("Disputes") asserted or brought by or on behalf of you shall be

RESOLVED EXCLUSIVELY BY BINDING ARBITRATION administered by the American Arbitration Association (the "AAA") in accordance with the Commercial Arbitration Rules of the AAA then in effect; provided, that, by written notice delivered to you prior to or after the initiation of any arbitration claim, Warren Averett, LLC as the defendant in a Dispute may elect (a) that the Dispute shall be resolved pursuant to litigation in an Agreed Court (as defined below) and/or (b) submitted to nonbinding mediation prior to the commencement or continuation of an arbitration claim or lawsuit. If any Dispute is not arbitrated for any reason, (i) any litigation, proceedings or other legal actions related to a Dispute shall be instituted in the courts in the state of Florida or Northern District of Florida (the "Agreed Courts") and (ii) the parties, for themselves and their successors and assigns, hereby WAIVE TRIAL BY JURY OF ANY DISPUTE. Each party to this Agreement irrevocably submits to the exclusive jurisdiction of the Agreed Courts in connection with any such litigation, action or proceeding. Each party to this Agreement irrevocably waives, to the fullest extent permitted by applicable law, any defense or objection it may now or hereafter have to the laying of venue of any proceeding brought in Agreed Courts, and any claim that any proceeding brought in any such court has been brought in an inconvenient forum. If you recover less than that which may be offered by Warren Averett, LLC or its representatives prior to, or during the course of, any such arbitration, litigation, mediation or other settlement negotiation, then you agree to reimburse Warren Averett, LLC for any legal fees or costs incurred in the defense by Warren Averett, LLC relating to the resolution of the Dispute, discontinuance, and/or abandonment of the Dispute presented by you within 90 days subsequent to the issuance of any arbitration award or final judgment, the effective date of any mediation/settlement agreement, or the date of abandonment of the Dispute by you as perceived by Warren Averett, LLC. The parties acknowledge that (x) they have read and understood the provisions of this agreement regarding arbitration and (y) performance of this agreement will be in interstate commerce as that term is used in the Federal Arbitration Act, 9 U.S.C. § 1 et seq., and the parties contemplate substantial interstate activity in the performance of this Agreement including, without limitation, interstate travel, the use of interstate phone lines, the use of the U.S. mail services and other interstate courier services.

16. **INVALIDATION:** In the event that any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this agreement.

17. **DISCLOSURE:** From time to time, we may disclose your information to a service bureau that assists us in providing data processing services. We have secured agreements with these service bureaus to maintain the confidentiality of your information. Warren Averett, LLC will remain responsible for the work provided by any of these service bureaus.

18. **TERM:** This agreement shall survive the termination of the Client's engagement of Warren Averett, LLC.

19. **AMENDMENT:** The terms and conditions of this agreement (i) apply exclusively to the services specifically set forth in the "Services Provided" section herein (the "Current Specified Services") and do not apply to any other services specifically addressed in a separate Terms of Engagement entered into between Warren Averett, LLC and the Client. This agreement replaces and amends all previous Terms of Engagement entered into between Warren Averett, LLC and the Client for the services specifically set forth in the "Services Provided" section herein (the "Current Specified Services"). This agreement does not impose upon Warren Averett, LLC any additional obligations or responsibilities with respect to any other Terms of Engagement entered into between Warren Averett, LLC and the Client.

WARREN AVERETT, LLC

Angela D. Balint

CPA

December 1, 2014
Date

CLIENT SIGNATURE: If the foregoing is in accordance with the Client's understanding, please sign the copy of this letter in the space provided and return it to us.

GULF CONSORTIUM

By: _____

Date: _____

SECRETARY/TREASURER:

By: _____

Date: _____

Approved as to Form:
Gulf Consortium Attorney

BY: _____

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

Gulf Consortium Executive Committee
August 20, 2015

Agenda Item 5
Report from Committee of the Eight Disproportionately
Affected Counties and Authorization to Convene

Executive Summary:

The Chair of the Committee of the Eight Disproportionately Affected Counties will report on the Committee's recent meeting regarding the Committee's statutory duties to Triumph Gulf Coast, Inc. Additionally, the Executive Committee is asked to authorize that meeting of the Committee for that purpose.

Background:

The Interlocal Agreement creating the Gulf Consortium provides the Board with the power to establish committees. See, § 4.01(A)(18), *ILA*. In November, 2012, the Board approved the establishment of the Committee of Eight Disproportionately Affected Counties, consisting of the Director (or Alternate) of each of the following counties: Bay, Escambia, Franklin, Gulf, Okaloosa, Santa Rosa, Wakulla and Walton. The Committee met and recommended an allocation formula among themselves for the Pot 1 distributions under the RESTORE Act. At the Board meeting which approved the Committee's formula, the Board approved a motion allowing the Committee to continue its existence, subject to Executive Committee approval of its meetings.

The Legislature created Triumph Gulf Coast, Inc. in the 2013 Regular Session. Regarding the Committee of the Eight, that law provides: "the chair of the Committee of 8 Disproportionally Affected Counties, or his or her designee, shall be available to consult with the [Triumph] board of directors and may be requested to attend meetings of the board of directors . . . [but] shall not be permitted to vote on any matter before the board." § 288.8014(8), *Fla. Stat.*

Following the release of information about the settlement with B.P., the Triumph Board scheduled a meeting on August 18, 2015. The chair of the Committee of the Eight has been requested to be present at that meeting. To allow the members of the Committee of the Eight to provide advice and suggestions to the Chair, a meeting of the Committee has been scheduled and properly noticed for August 17, 2015 via conference call.

Because of the timing of the Triumph Board Meeting, the Executive Committee has not had an opportunity to consider whether to authorize the Committee of the Eight to meet, as required under the procedure adopted by the Board of Directors.

Analysis:

The Executive Committee is authorized to determine whether the Committee of the Eight can meet. This agenda item seeks to sanction the Committee of Eight meeting scheduled for August 17, 2015, which will have occurred prior to the Executive Committee meeting. In essence, this agenda item seeks the Executive Committee approval of the Committee's meeting after the meeting has occurred. There is no legal impediment to Board approval after the fact and a motion to authorize the Committee's meeting will cure any procedural defect.

Options:

- (1) Approve a motion to authorize the meeting of the Committee of the Eight held on August 17, 2015.
- (2) Provide other direction.

Fiscal Impact:

There is a minor direct cost associated with the Committee of the Eight meeting, mainly related to the costs of the conference call and publication of the meeting notice in the Florida Administrative Register.

Recommendation:

Approve a motion to authorize the meeting of the Committee of the Eight held on August 17, 2015.

Attachments:

None.

Prepared by:

Sarah M. Bleakley
Nabors, Giblin & Nickerson, P.A.
Interim General Counsel
On: August 13, 2015

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved____; Approved as amended____; Defeated_____.