



**GOVERNING BOARD MEETING
TUESDAY, JANUARY 23, 2024 – 9:00 AM
7601 US 301 NORTH, TAMPA, FL 33637
(813) 985-7481**

MINUTES

Board Members Present

Ed Armstrong, Chair*
Michelle Williamson, Vice Chair (Acting Chair)
John Mitten, Secretary
Joel Schleicher, Member
Kelly Rice, Member
John Hall, Member
James Holton, Member
Dustin Rowland, Member
Robert Stern, Member
Nancy H. Watkins, Member*

*Attended via electronic media

Board Members Absent

Jack Bispham, Treasurer
Ashley Bell Barnett, Member

Staff Members

Brian J. Armstrong, Executive Director
Amanda Rice, Assistant Executive Director
Chris Tumminia, General Counsel
Brian Werthmiller, Inspector General
Jennette Seachrist, Division Director
Michelle Hopkins, Division Director
Brian Starford, Division Director
Brandon Baldwin, Division Director
Michelle Weaver, Division Director

Board Administrative Support

Virginia Singer, Manager
Lori Manuel, Lead Administrative Coordinator

Convene Public Hearing

The Governing Board of the Southwest Florida Water Management District (District) met for its regular meeting at 9:00 a.m., January 23, 2024, at the Tampa Office, 7601 U.S. Highway 301 North, Tampa, Florida 33637. This meeting was available for live viewing through Internet streaming. An attendance roster is archived in the District's permanent records. Approved minutes from meetings can be found on the District's website at WaterMatters.org.

1.1 Call to Order

Vice Chair Michelle Williamson called the meeting to order. She noted that the Board meeting was being recorded for broadcast on government access channels, and public input would be provided in person. Vice Chair Williamson stated that anyone wishing to address the Governing Board concerning any item listed on the agenda or any item that does not appear on the agenda should complete and submit a "Request to Speak" card. Vice Chair Williamson stated that comments would be limited to three minutes per speaker, and when appropriate, exceptions to the three-minute limit may be granted by the Acting Chair. She also requested that several individuals wishing to speak on the same topic designate a spokesperson. Vice Chair Williamson introduced each member of the Governing Board and staff present at the dais (this served as roll call). A quorum was confirmed.

1.2 Invocation and Pledge of Allegiance

Board Member James Holton offered the invocation and the Pledge of Allegiance.

1.3 Employee Recognition

Vice Chair Williamson recognized Bob Dasta for 25 years of service.

1.4 Additions/Deletions to Agenda

Mr. Brian Armstrong, Executive Director, stated there were no additions or deletions to the agenda.

1.5 Public Input for Issues Not Listed on the Published Agenda

Mr. David Ballard Geddis spoke regarding the use of reclaimed water.

Consent Agenda

Finance, Outreach and Planning Committee

2.1 Office of Inspector General Calendar Year 2024 Audit Plan

Staff recommended the Board approve the Office of Inspector General Calendar Year 2024 Audit Plan.

2.2 Extension of Annual Review of Governing Board Policy, Investments

Staff recommended the Board approve an additional extension of the review and approval period for Governing Board Policy, Investments from 115 days to 183 days.

Operations, Lands, and Resource Monitoring Committee

2.3 Declaration and Conveyance of Surplus Lands to the Florida Department of Transportation for Limited Access Right-of-Way, SWF Parcel No. 13-004-322S

Staff recommended the Board:

- Determine the property identified is no longer required for District purposes;
- Approve the Purchase Agreement and authorize the Executive Director to sign on the behalf of the District;
- Authorize the Chairman and Secretary of the Governing Board to execute the Quit Claim Deed; and
- Authorize staff to execute any other documents necessary to complete the transaction in accordance with the approved terms.

General Counsel's Report

2.4 Interagency Agreement Between SJRWMD and SWFWMD - Designation of Regulatory Responsibility to SJRWMD for an Environmental Resource Permit - Interstate-75 Interchange - Marion County

Staff recommended the Board approve the Interagency Agreement between the St. Johns River Water Management District and the Southwest Florida Water Management District for the designation of regulatory responsibility for an ERP for the Florida Department of Transportation for the above-described Project.

2.5 Partial Release of Conservation Easement – ERP Application No. 880467 – 44th Avenue Phase 2 West of I-75 to Lakewood Ranch Boulevard Zone 3 - Manatee County

Staff recommended the Board approve, accept, and execute the attached Partial Release of Conservation Easement and Quit Claim Deed for the Braden River Mitigation Bank.

Executive Director's Report

2.6 Approve Governing Board Minutes – December 12, 2023

Staff recommended the Board approve the minutes as presented.

A motion was made and seconded to approve the Consent Agenda. The motion carried unanimously. (Audio –00:11:13)

Finance/Outreach and Planning Committee

Vice Chair Michelle Williamson called the committee to order.

3.1 Consent Item(s) Moved to Discussion - None

3.2 Investment Strategy Quarterly Update

Mr. Mark Creger, Public Trust Advisors, presented an overview of the current economic forecast, this included the Federal Open Market Committee Dot Plot, Gross Domestic Product, inflation/consumer price index, jobs/unemployment rates, and interest rates. Mr. Creger responded to questions.

Mr. John Grady presented an overview of the District's portfolio strategy for the last quarter (October 1, 2023 through December 31, 2023). He also provided a 12-month review of investment strategy and performance information. Messrs. Grady and Creger responded to questions.

Staff recommended the Board accept and place on file the District's Quarterly Investment Reports for the quarter ended December 31, 2023.

A motion was made and seconded to approve staff's recommendation. The motion passed unanimously. (Audio – 01:12:52)

3.3 Knowledge Management: Annual Review of Governing Board Policy, Investments

Mr. Brandon Baldwin, Business, and IT Services Division Director, presented an overview of the District's current investment program. He outlined the proposed recommended edits to the policy.

Mr. Creger outlined recommended investment strategies. This included the addition of a three-to-five-year fixed income portfolio. He presented a projected annual return index comparison for various types of investments and outlined the associated risks and rewards. Mr. Creger displayed different investment scenarios for a three-to-five-year portfolio structure. Mr. Creger responded to questions.

Mr. Baldwin presented investment strategy and risk tolerance related to various asset classes. He also provided projected budget information for Fiscal Year (FY) 2025 through FY2034, specifically addressing large-scale projects. Mr. Baldwin provided a preliminary timeline from FY24 through FY31, indicating the proposed five percent amount available for an equity portfolio. He informed the Board that because Public Trust Advisors does not handle equity investing the services would have to be competitively bid and this process could take up to a year.

Mr. Baldwin presented use cases in which state, local or public institutions within Florida incorporate equities in investment policies and portfolios, which included information from the Florida State Board of Administration, information from a public university, and information from a county. Mr. Baldwin compared and contrasted similarities and differences between the use cases and the District's circumstances, then provided a list of associated risks and mitigations for Board discussion and consideration.

Board Member James Holton asked about the District's liability associated with any potential breach of fiduciary obligations. Mr. Chris Tumminia, General Counsel, stated his opinion that there is no legal liability associated with market losses. However, if the Board decides to

diversify funds in equity investments, outside counsel with that expertise will be required to provide opinions.

Secretary John Mitten asked about the relationship between investment maturity in the 3-5-year portfolio and the declining 5 percent limit in the following fiscal year budget. Mr. Baldwin explained spend down of reserves each year in support of large-scale projects will likely cause 5 percent of investable funds to decrease. Conceptually, the District plans to spend down reserve balances beginning with nearest maturity date and working outward toward longer durations. However, the timing between reimbursement to cooperators, alignment with maturities, and 5 percent of funds available for investment in a higher-risk 3-5-year portfolio will be better understood once the detailed cashflow analysis and plan has been completed. Board Member John Hall asked if ad valorem funds could be invested separately. Mr. Baldwin responded the majority of the District's funding sources are taxpayer based and the remaining amount is of nominal significance and may be allocated for specific purposes. Discussion ensued.

This item was for information only. No action was required.

3.4 Status of the 2024 Consolidated Annual Report

Mr. Patrick Doty, Senior Planner, presented an overview and status update regarding the 2024 Consolidated Annual Report (CAR). He explained that water management districts are statutorily mandated to provide this report. Mr. Doty summarized the ten reporting documents that are comprised within the CAR. He outlined highlights and summarized any updates to the 2024-2028 Strategic Plan, and provided a timeline associated with finalizing the report.

This item was for information only. No action was required.

3.5 Budget Transfer Report

This item was for information only. No action was required.

3.6 Office of Inspector General October 1, 2023 to December 31, 2023 Quarterly Update

This item was for information only. No action was required.

Resource Management Committee

Vice Chair Williamson called the committee to order.

4.1 Consent Item(s) Moved to Discussion - None

4.2 Peace River Manasota Regional Water Supply Authority – Regional Integrated Loop System Phase 2B Project – Third-Party Review (Q355)

Mr. Jay Hoecker, Water Resources Bureau Chief, presented information regarding the Third-Party (TPR) review related to project Q355. He stated this is a prioritized Alternative Water Supply (AWS) project in the District's long-term funding plan. Mr. Hoecker provided a description of the project, current cost estimate, budget funding sources, and conclusions from the TPR. He responded to questions.

Staff recommended the Board authorize final design, permitting, and construction of the project and approve modification of the Cooperative Funding Agreement with the Peace River Manasota Regional Water Supply Authority to include a total project cost of \$87,440,545 with District share of \$36,150,000, which is 50 percent of the initial Board-approved project amount, for the Regional Integrated Loop System Phase 2B project (Q355).

A motion was made and seconded to approve staff's recommendation. The motion passed unanimously. (Audio – 02:37:10)

4.3 Draft Springs Surface Water Improvement and Management (SWIM) Plan Refinements

Dr. Madison Trowbridge, Ph.D., Springs Scientist, provided a presentation that included an overview of the initiation and purpose of the SWIM Act. She explained that the Act required the water management districts to maintain and update a priority list of water bodies of regional or statewide significance within their boundaries and develop plans and programs for the improvement of those water bodies. Dr. Trowbridge provided historical information on the development of the SWIM plans for the five first-magnitude springs within the District. She explained that each plan included long-term goals used to develop and prioritize management actions, resource allocations and funding of projects. Dr. Trowbridge outlined quantifiable objectives, refinements and benefits associated for each of the plans. She provided a timeline regarding the approval of these refinements.

Staff recommended the Board authorize staff to submit the draft SWIM Plan Refinements for the five first-magnitude spring systems to the agencies and appropriate local governments in accordance with Section 373.453, F.S.

A motion was made and seconded to approve staff's recommendation. The motion passed unanimously. (Audio – 02:52:21)

4.4 Five-Year Water Resource Development Work Program

This item was for information only. No action was required.

Operations, Lands and Resource Monitoring Committee

Board Member John Hall called the committee to order.

5.1 Consent Item(s) Moved to Discussion - None

5.2 Offer for Surplus Lands – Annutteliga Hammock (AH-2), SWF Parcel No. 15-228-1355S

Items 5.2 and 5.3 were presented together but required individual motions.

Mr. Mike Singer, Real Estate Manager, provided a presentation that included a history of the sale of surplus lands. He presented information regarding the properties which included, appraised values and offer amount for each property.

Staff recommended the Board:

- Accept the offer and authorize the Executive Director to sign the Contract for Sale and Purchase; and
- Authorize the Chairman and Secretary of the Governing Board to execute the Quit Claim Deed; and
- Authorize the conveyance of the District's interest in all phosphate, minerals, metals, and petroleum in or on or under the land upon request of the buyer; and
- Authorize staff to execute any other documents necessary to complete the transaction in accordance with the approved terms.

A motion was made and seconded to approve staff's recommendation. The motion passed unanimously. (Audio – 02:58:50)

5.3 Offer for Surplus Lands – Annutteliga Hammock (AH-2), SWF Parcel No. 15-228-1358S

Items 5.2 and 5.3 were presented together but required individual motions.

Staff recommended the Board:

- Accept the offer and authorize the Executive Director to sign the Contract for Sale and Purchase; and

- Authorize the Chairman and Secretary of the Governing Board to execute the Quit Claim Deed; and
- Authorize the conveyance of the District's interest in all phosphate, minerals, metals and petroleum in or on or under the land upon request of the buyer; and
- Authorize staff to execute any other documents necessary to complete the transaction in accordance with the approved terms.

A motion was made and seconded to approve staff's recommendation. The motion passed unanimously. (Audio – 02:59:11)

Regulation Committee

Board Member Dustin Rowland called the committee to order.

6.1 Consent Item(s) Moved to Discussion - None

6.2 Denials Referred to the Governing Board

None were presented.

General Counsel's Report

7.1 Consent Item(s) Moved to Discussion - None

7.2 Affirm Governing Board Committee Actions

Staff recommended the Board affirm the actions taken by the Governing Board Committees.

A motion was made and seconded to approve staff's recommendation. The motion passed unanimously. (Audio – 03:00:20)

Committees/Liaison Report

8.1 Agricultural and Green Industry Advisory Committee

A written summary of the December 5, 2023 meeting was provided.

Executive Director's Report

9.1 Executive Director's Report

Mr. Brian Armstrong, Executive Director, welcomed Ms. Michelle Weaver as the new Employee Outreach & General Services Director.

Chair's Report

10.1 Chair's Report

Vice Chair Williamson stated the next meeting is scheduled for Tuesday, February 27 at 9:00 a.m., in the Tampa office.

10.2 Employee Milestones

A written summary was provided.

Adjournment

The meeting was adjourned at 12:03 p.m.