

Governing Board Meeting

Agenda and Meeting Information

January 23, 2024

9:00 a.m.

7601 US-301 • Tampa, Florida
(813) 985-7481 • 1-800-423-1476

Southwest Florida
Water Management District

WATERMATTERS.ORG • 1-800-423-1476



2379 Broad Street, Brooksville, Florida 34604
(352) 796-7211 or 1-800-423-1476 (FL only)
WaterMatters.org

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The Southwest Florida Water Management District (District) does not discriminate on the basis of disability. This nondiscrimination policy involves every aspect of the District's functions, including access to and participation in the District's programs, services and activities. Anyone requiring reasonable accommodation, or who would like information as to the existence and location of accessible services, activities, and facilities, as provided for in the Americans with Disabilities Act, should contact the Human Resources Office Chief, at 2379 Broad St., Brooksville, FL 34604-6899; telephone (352) 796-7211 or 1-800-423-1476 (FL only); or email ADACoordinator@WaterMatters.org. 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 requested, appropriate auxiliary aids and services will be provided at any public meeting, forum, or event of the District. In the event of a complaint, please follow the grievance procedure located at WaterMatters.org/ADA.

Final Agenda GOVERNING BOARD MEETING

**JANUARY 23, 2024
9:00 AM**

**7601 US 301 North, Tampa, FL 33637
(813) 985-7481**

All meetings are open to the public

- › Viewing of the Board meeting will be available through the District's website at WaterMatters.org.
- › Public input will be taken only at the meeting location.
- › Public input for issues not listed on the published agenda will be heard shortly after the meeting begins.

Pursuant to Section 373.079(7), Florida Statutes, all or part of this meeting may be conducted by means of communications media technology in order to permit maximum participation of Governing Board members.

The Governing Board may take official action at this meeting on any item appearing on this agenda and on any item that is added to this agenda as a result of a change to the agenda approved by the presiding officer of the meeting pursuant to Section 120.525, Florida Statutes.

The order of items appearing on the agenda is subject to change during the meeting and is at the discretion of the presiding officer.

Public Comment will be taken after each presentation and before any Governing Board action(s) except for Governing Board hearings that involve the issuance of final orders based on recommended Orders received from the Florida Division of Administrative Hearings.

Unless specifically stated, scheduled items will not be heard at a time certain.

The current Governing Board agenda and minutes of previous meetings are available at WaterMatters.org.

Bartow Office
170 Century Boulevard
Bartow, Florida 33830
(863) 534-1448 or 1-800-492-7862 (FL only)

Sarasota Office
78 Sarasota Center Boulevard
Sarasota, Florida 34240
(941) 377-3722 or 1-800-320-3503 (FL only)

Tampa Office
7601 Hwy 301 N
Tampa, Florida 33637
(813) 985-7481 or 1-800-836-0797 (FL only)

MEETING NOTICE

1. CONVENE PUBLIC MEETING

- 1.1 Call to Order
- 1.2 Invocation and Pledge of Allegiance
- 1.3 Employee Recognition
- 1.4 Additions/Deletions to Agenda
- 1.5 Public Input for Issues Not Listed on the Published Agenda

2. CONSENT AGENDA

- 2.1 **Finance/Outreach and Planning Committee:** Office of Inspector General Calendar Year 2024 Audit Plan
- 2.2 **Finance/Outreach and Planning Committee:** Extension of Annual Review of Governing Board Policy, Investments
- 2.3 **Operations, Lands and Resource Monitoring Committee:** Declaration and Conveyance of Surplus Lands to the Florida Department of Transportation for Limited Access Right-of-Way, SWF Parcel No. 13-004-322S
- 2.4 **General Counsel's Report:** Interagency Agreement Between SJRWMD and SWFWMD - Designation of Regulatory Responsibility to SJRWMD for an Environmental Resource Permit - Interstate-75 Interchange - Marion County
- 2.5 **General Counsel's Report:** Partial Release of Conservation Easement – ERP Application No. 880467 – 44th Avenue East Phase 2 West of I-75 to Lakewood Ranch Boulevard Zone 3 - Manatee County
- 2.6 **Executive Director's Report:** Approve Governing Board Minutes – December 12, 2023

3. FINANCE/OUTREACH AND PLANNING COMMITTEE

- 3.1 **Discussion:** Information Item: Consent Item(s) Moved to Discussion
- 3.2 **Discussion:** Action Item: Investment Strategy Quarterly Update
- 3.3 **Discussion:** Information Item: Knowledge Management: Annual Review of Governing Board Policy, Investments
- 3.4 **Discussion:** Information Item: Status of the 2024 Consolidated Annual Report
- 3.5 **Submit & File:** Information Item: Budget Transfer Report
- 3.6 **Submit & File:** Information Item: Office of Inspector General October 1, 2023 to December 31, 2023 Quarterly Update

4. RESOURCE MANAGEMENT COMMITTEE

- 4.1 **Discussion:** Information Item: Consent Item(s) Moved to Discussion
- 4.2 **Discussion:** Action Item: Peace River Manasota Regional Water Supply Authority – Regional Integrated Loop System Phase 2B Project – Third-Party Review (Q355)

4.3 **Discussion:** Action Item: Draft Springs Surface Water Improvement and Management (SWIM) Plan Refinements

4.4 **Submit & File:** Information Item: Five-Year Water Resource Development Work Program

5. OPERATIONS, LANDS, AND RESOURCE MONITORING COMMITTEE

5.1 **Discussion:** Information Item: Consent Item(s) Moved to Discussion

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

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

6. REGULATION COMMITTEE

6.1 **Discussion:** Information Item: Consent Item(s) Moved to Discussion

6.2 **Discussion:** Action Item: Denials Referred to the Governing Board

7. GENERAL COUNSEL'S REPORT

7.1 **Discussion:** Information Item: Consent Item(s) Moved to Discussion

7.2 **Discussion:** Action Item: Affirm Governing Board Committee Actions

8. COMMITTEE/LIAISON REPORTS

8.1 **Discussion:** Information Item: Agricultural and Green Industry Advisory Committee

9. EXECUTIVE DIRECTOR'S REPORT

9.1 **Discussion:** Information Item: Executive Director's Report

10. CHAIR'S REPORT

10.1 **Discussion:** Information Item: Chair's Report

10.2 **Discussion:** Information Item: Employee Milestones

ADJOURNMENT



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(352) 796-7211 or 1-800-423-1476 (FL only)

WaterMatters.org

Bartow Office

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Bartow, Florida 33830-7700
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1-800-492-7862 (FL only)

Sarasota Office

78 Sarasota Center Boulevard
Sarasota, Florida 34240-9770
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1-800-320-3503 (FL only)

Tampa Office

7601 U.S. 301 North
Tampa, Florida 33637-6759
(813) 985-7481 or
1-800-836-0797 (FL only)

Ed Armstrong

Chair, Pinellas

Michelle Williamson

Vice Chair, Hillsborough

John Mitten

Secretary, Hernando, Marion

Jack Bispham

Treasurer, Manatee

Kelly S. Rice

Former Chair, Citrus, Lake,
Levy, Sumter

Joel Schleicher

Former Chair, Charlotte,
Sarasota

Ashley Bell Barnett

Polk

John Hall

Polk

James Holton

Pinellas

Dustin Rowland

Pasco

Robert Stern

Hillsborough

Nancy Watkins

Hillsborough, Pinellas

Brian J. Armstrong, P.G.

Executive Director

GOVERNING BOARD OFFICERS, COMMITTEES AND LIAISONS

Approved January 11, 2024

OFFICERS

Chair	Ed Armstrong
Vice Chair	Michelle Williamson
Secretary	John Mitten
Treasurer	Jack Bispham

OPERATIONS, LANDS AND RESOURCE MONITORING COMMITTEE

Chair John Hall

RESOURCE MANAGEMENT COMMITTEE

Chair Ashley Bell Barnett

REGULATION COMMITTEE

Chair Dustin Rowland

FINANCE/OUTREACH AND PLANNING COMMITTEE

Chair Jack Bispham*

All Governing Board members are a member of each committee.

** Board policy requires the Governing Board Treasurer to chair the Finance/Outreach and Planning Committee.*

STANDING COMMITTEE LIAISONS

Agricultural and Green Industry Advisory Committee	Dustin Rowland
Environmental Advisory Committee	John Mitten
Industrial Advisory Committee	James Holton
Public Supply Advisory Committee	Robert Stern

OTHER LIAISONS

Central Florida Water Initiative	Ashley Bell Barnett
Springs Coast Steering Committee	Kelly Rice
Coastal & Heartland National Estuary Partnership Policy Committee	John Hall
Sarasota Bay Estuary Program Policy Board	Joel Schleicher
Tampa Bay Estuary Program Policy Board	James Holton
Tampa Bay Regional Planning Council	Vacant

Southwest Florida Water Management District Schedule of Meetings Fiscal Year 2024

Governing Board Meeting

October 24, 2023 – 9:00 a.m., Tampa Office
November 14, 2023 – 9:00 a.m., Tampa Office
December 12, 2023 – 9:00 a.m., Tampa Office
January 23, 2024 – 9:00 a.m., Tampa Office
February 27, 2024 – 9:00 a.m., Tampa Office
March 26, 2024 – 9:00 a.m., Tampa Office
April 23, 2024 – 9:00 a.m., Tampa Office
May 21, 2024 – 9:00 a.m., Tampa Office
June 25, 2024 – 9:00 a.m., Brooksville Office
July 23, 2024 – 9:00 a.m., Tampa Office
August 27, 2024 – 9:00 a.m., Brooksville Office
September 24, 2024 – 3:00 p.m., Tampa Office

Governing Board Workshop

November 14, 2023 – 9:30 a.m., Tampa Office

Governing Board Budget Hearing – 5:01 p.m., Tampa Office

2024 – September 10 & 24

Agricultural & Green Industry Advisory Committee – 10:00 a.m.

2023 – December 5

2024 – March 12, June 11, September 10

Environmental Advisory Committee – 10:00 a.m.

2023 – October 10

2024 – January 9, April 9, July 9

Industrial Advisory Committee – 10:00 a.m.

2023 – November 7

2024 – February 13, May 7, August 6

Public Supply Advisory Committee – 1:00 p.m.

2023 – November 7

2024 – February 13, May 7, August 6

Springs Coast Management Committee – 1:30 p.m.

2023 – October 25, December 6

2024 – January 10 (meeting replaced with field trip), February 21, May 22, July 10

Springs Coast Steering Committee – 2:00 p.m.

2023 – November 8

2024 – January 24, March 6, July 24

Meeting Locations

Brooksville Office – 2379 Broad St., Brooksville, FL 34604

Tampa Office – 7601 US Highway 301 North, Tampa, FL 33637

Governing Board Meeting
January 23, 2024

1. CONVENE PUBLIC MEETING

1.1 Call to Order.....4

1.2 Invocation and Pledge of Allegiance.....5

1.3 Employee Recognition6

1.4 Additions and Deletions to Agenda.....7

1.5 Public Input for Issues Not Listed on the Agenda8

CONVENE PUBLIC MEETING

January 23, 2024

Call to Order

The Board Chair calls the meeting to order. The Board Secretary confirms that a quorum is present. The Board Chair then opens the public meeting. 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 fill out and submit a speaker's card. Comments will be limited to three minutes per speaker, and, when appropriate, exceptions to the three-minute limit may be granted by the Chair. Several individuals wishing to speak on the same issue/topic should designate a spokesperson.

Presenter:

Ed Armstrong, Chair

CONVENE PUBLIC MEETING

January 23, 2024

Invocation and Pledge of Allegiance

An invocation is offered. The Board Chair conducts the Pledge of Allegiance to the Flag of the United States of America.

Presenter:

Ed Armstrong, Chair

CONVENE PUBLIC MEETING

January 23, 2024

Employee Recognition

Staff that have reached 20 or more years of service at the District will be recognized.

Presenter:

Ed Armstrong, Chair

CONVENE PUBLIC MEETING

January 23, 2024

Additions/Deletions to Agenda

According to Section 120.525(2), Florida Statutes, additions to the published agenda will only be made for "good cause" as determined by the "person designated to preside." Based upon that authority, the Chair has determined that good cause exists to make certain changes to the agenda. These changes are being made in order to permit the Governing Board to efficiently accomplish necessary public business at this meeting and to reflect the items on the agenda that have been requested or suggested to be deleted, revised, supplemented or postponed.

ADDITIONS: The items that have been added to the agenda were received by the District after publication of the regular agenda. The Board was provided with the information filed and the District staff's analyses of these matters. Staff has determined that action must be taken on these items prior to the next Board meeting. Therefore, it is the District staff's recommendation that good cause has been demonstrated and should be considered during the Governing Board's meeting.

Staff Recommendation:

Approve the recommended additions and deletions to the published agenda if necessary.

Presenter:

Brian J. Armstrong, P.G., Executive Director

CONVENE PUBLIC MEETING

January 23, 2024

Public Input for Issues Not Listed on the Published Agenda

At this time, the Board will hear public input for issues not listed on the published agenda.

Presenter:

Ed Armstrong, Chair

Governing Board Meeting
January 24, 2024

2. CONSENT AGENDA

All matters listed under the Consent Agenda are considered routine and action will be taken by one motion, second of the motion and approval by the Board. If discussion is requested by a Board member, that item(s) will be deleted from the Consent Agenda and moved to the appropriate Committee or Report for consideration.

2.1 **Finance/Outreach and Planning Committee:** Office of Inspector General Calendar Year 2024 Audit Plan9

2.2 **Finance/Outreach and Planning Committee:** Extension of Annual Review of Governing Board Policy, Investments..... 19

2.3 **Operations, Lands and Resource Monitoring Committee:** Declaration and Conveyance of Surplus Lands to the Florida Department of Transportation for Limited Access Right-of-Way, SWF Parcel No. 13-004-322S.....21

2.4 **General Counsel's Report:** Interagency Agreement Between SJRWMD and SWFWMD - Designation of Regulatory Responsibility to SJRWMD for an Environmental Resource Permit - Interstate-75 Interchange - Marion County.....34

2.5 **General Counsel's Report:** Partial Release of Conservation Easement – ERP Application No. 880467 – 44th Avenue East Phase 2 West of I-75 to Lakewood Ranch Boulevard Zone 3 – Manatee County.....38

2.6 **Executive Director's Report:** Approve Governing Board Minutes – December 12, 202351

CONSENT AGENDA

January 23, 2024

Finance/Outreach and Planning Committee: Office of Inspector General Calendar Year 2024 Audit Plan

Background and Purpose

In accordance with the Office of Inspector General Charter Governing Board Policy and Section 20.055(6)(i), Florida Statutes, the inspector general shall submit an audit plan to the District Governing Board that shows the individual audits and related resources to be devoted to the respective audits during the year. In addition, the audit plan shall also include a long-term projection. This plan, which is for audits only, is submitted to the Governing Board for approval on an annual basis and a copy of the approved plan will be submitted to the Auditor General.

The audit plan is the result of a District-wide risk assessment and reflects individual audits planned to begin over the next 12 months and also long-term. Findings from other audits and meetings with Board members, District management, and District staff were also included as part of the risk assessment for input into the development of the audit plan. The categorization of these audits into short-term and long-term is based on resources that will be allocated to auditing activities. The audit plan ensures that resources are available for additional functions of the inspector general such as special request, investigative, other accountability, and administrative activities.

Per the Office of Inspector General Charter Governing Board Policy and Section 20.055, Florida Statutes, the Governing Board may at any time request the inspector general to perform an audit of a special program, function, or organizational unit.

Staff Recommendation:

To approve the Office of Inspector General Calendar Year 2024 Audit Plan.

Presenter:

Brian Werthmiller, Inspector General, Office of Inspector General

OFFICE OF
INSPECTOR
GENERAL

Audit Plan

Short-Term and Long-Term



Governing Board
January 23, 2024

TABLE OF CONTENTS

	Page <u>No.</u>
INTRODUCTION	1
AUDITS	2
CONTACT INFORMATION	7

INTRODUCTION

In accordance with the Office of Inspector General Charter Governing Board Policy, and Section 20.055(6)(i), Florida Statutes, the inspector general shall submit an audit plan to the District Governing Board that shows the individual audits and related resources to be devoted to the respective audits during the year. In addition, the audit plan shall also include a long-term projection. This plan is submitted to the Governing Board for approval and a copy of the approved plan will be submitted to the Auditor General.

The audit plan is the result of a District-wide risk assessment and reflects individual audits planned to begin over the next 12 months and long-term. A risk assessment takes into consideration factors that might influence the operational success of a component or activity within an organization. To ensure the audit plan included the priorities of the Governing Board and the District, meetings with Governing Board members are also included as part of the risk assessment to solicit their views on risk facing the District. In addition, District strategies, objectives and priorities, prior audits, budgets, audited financial statements, a survey of information technology, associated risks, and other procedures were considered as part of the risk assessment process. The audit plan ensures that resources are available for additional functions of the inspector general such as special request, investigative, review, other accountability, and administrative activities.

The audit plan is subject to revision based upon the ongoing assessment of risk impacting District operations and management concerns. The ongoing risk assessment includes meetings with District staff, attendance at governing board meetings, and disposition of complaints. Per the Office of Inspector General Charter Governing Board Policy and 20.055(6), Florida Statutes, the Governing Board may at any time request the inspector general to perform an audit of a special program, function, or organizational unit.

AUDITS

Table 1
Estimated Allocation of Resources for 2024

Resources by Function	Hours
Audits	850
Complaints	350
Reviews	150
Other Reporting to the Board	150
Administration	200
Training/Holidays/Leave	380

Table 2
Estimated Resources Devoted to Audit Topics by Year

Calendar Year	Number of	
	Staff	Hours
2024	1	850
2025	1	850
2026	1	850
2027	1	850
2028	1	850
2029	1	850

Table 3
Tabulation of Short-Term and Long-Term Audit Topics

Audit Topics	12 Months	Long-Term
Audit Plan and Risk Assessment	✓	
Employee Reimbursements	✓	
Insurance	✓	
Ad Valorem Collections		✓
Budget		✓
Contract Management		✓
Cost Share Programs		✓
Cybersecurity		✓
Expenditures		✓
Employee Awards		✓
Fund Balances		✓
Investments		✓
Land		✓
Other Revenues		✓
Overtime – Payroll		✓
Performance Measures (District)		✓
Permits		✓
Procurement		✓
Property		✓
Purchasing Cards		✓
Receivables		✓
Remote Work		✓
Restricted Federal and State Expenditures		✓
Safety Programs		✓
Structures		✓
System Access Controls		✓
Vehicle Usage		✓

As part of all audits, an understanding of the policies, procedures, and internal controls will be gained for the specific topic. A brief summary of the planned audit work includes, but is not limited to:

- **Ad Valorem Collections** – Review the District’s processes and procedures over receiving ad valorem dollars remitted by the counties including the return of excess funds to the District pursuant to FAC 12D-11.008. Determine if certified values from the county property appraisers used in determining the roll back rate was reasonable to what was collected.
- **Budget** – Review the District’s procedure for monitoring the budget including whether budget transfers are in accordance with policies and procedures. Review expenditures to ensure they were recorded to the correct budget line item. In addition, review the long-term funding plan’s calculation including any assumptions and support.
- **Contract Management** – For selected contracts, determine whether deliverables are in accordance with contract terms, determine whether the District was monitoring and documenting performance, determine whether payments on the contract were appropriately authorized, supported, reviewed, and made after the receipt of deliverables, determine whether work was completed prior to the contract expiring, review the amount of time it took from the scope of work determination to when a final contract is completed, review change orders and amendments.
- **Cost Share Programs** – For selected cost share projects, ensure the application selection process, contracts, reimbursements, third party reviews, monitoring and any associated cooperator refunds/overpayments due back to the District are in accordance with the agreement, policies, and procedures. Cost share programs include the Cooperative Funding Initiative (CFI), Water Incentives Supporting Efficiency (WISE), Facilitating Agricultural Resource Management Systems (FARMS), Quality of Water Improvement Program (QWIP), etc. Determine if the District is monitoring the progress of the cooperator projects. Review significant projects that are delayed and significant projects that are cancelled by the cooperator.
- **Cybersecurity** – For selected cybersecurity continuous monitoring policies, procedures, activities, and processes, evaluate the adequacy of these controls. For example, determine if the District monitors user access roles. In addition, determine whether the District has backup procedures to recover data.
- **Expenditures** – For selected general expenditures such as District initiated projects, professional services, general services, reimbursements such as for tuition and training, wellness incentives, etc., obtain documentation to determine the expenditure is for the correct amount, adequately documented, determine whether the expenditure was made in accordance with applicable laws, rules, and contract terms, and was properly authorized and approved.
- **Employee Awards** – For employee awards such as wellness, safety programs, milestones, awards of excellence, etc., obtain documentation to determine the expenditure was properly authorized and in accordance with applicable laws, rules, contract terms, and governing documents.

- **Employee Reimbursements** – For selected employee reimbursements for travel, education, trainings, testing, conferences, licenses, phone stipends, safety shoes, etc., obtain documentation to determine if the reimbursement is for the correct amount, adequately documented, made in accordance with applicable governing documents, laws, rules, and contract terms, and properly authorized and approved. Determine if there were any expenditures made by the District that should have been paid by the employee first and whether the reimbursements tested were reported as fringe benefits if applicable.
- **Fund Balances** – For non-spendable, restricted, committed, assigned, and unassigned fund balances, test classifications for propriety including encumbrances from ongoing projects.
- **Insurance** – For selected employees, retirees, and dependents, obtain documentation to ensure coverage is provided to only eligible individuals (medical, dental, vision, etc.) and was properly elected. For selected transactions, determine whether correct premiums were charged and collected, pharmacy rebates were calculated correctly and properly remitted to the District, and tracking of claims before stop-gap insurance is initiated is accurate. Include a summary of the costs to offer insurance from the most recent audited fiscal year and include costs from other government entities for comparison.
- **Investments** – Determine whether investments were reconciled and if investments are in accordance with State law and District governing documents such as the credit rating, duration, and composition by type. Test the accuracy of selected investment income received and accounted for.
- **Land** – For selected transactions, review dispositions and acquisitions to determine compliance with state law and District governing documents. Review the monitoring of conservation easements and lease terms. Include a summary of the costs to operate and maintain land from the most recent audited fiscal year and include costs from other government entities for comparison.
- **Other Revenues** – Other revenues include sales from timber, hog hunts, alligator eggs, cattle and apiary leases, etc. For selected transactions, ensure proper accountability. Compare rates charged to other government entities and the private sector.
- **Overtime - Payroll** – For selected overtime transactions, determine if the overtime was documented, supported by the approved pay rate, reviewed, and approved by the appropriate supervisor, and in compliance with District policies and procedures.
- **Performance Measures (District)** – Select one of the following District performance measures to evaluate the District's effectiveness in reporting reliable and valid data as reported in the Comprehensive Annual Report (CAR) over the District's areas of responsibilities in water supply (reclaimed water), flood protection (capital improvement plan), water quality (5 first magnitude spring BMAP's), or natural systems (Upper Peace River minimum flows).
- **Permits** – Review the controls over the issuance and authorization of well construction, water use, and environmental use permits including mitigation banks. Review whether required documentation such as surveys are maintained. Review the collection of fees and determine if the fees collected are correct. Review the monitoring of permit compliance. Determine

compliance with rules when permits are authorized. Include a summary of the amount of time that elapsed for permits from application to issuance. The audit will also include larger projects.

- **Procurement** – Determine if the District complied with its procurement guidelines, there were any trends in vendor preference, long-standing contracts that have not been bid, or there were multiple contracts/purchases under competitive requirements. Obtain documentation to determine if a certificate of insurance was obtained, was appropriate and consistent with similar projects, and is up to date when applicable.
- **Property** – Review subsidiary records of tangible personal property, including non-capitalized items under \$5,000 such as IT equipment, and for selected property from the field and property from the subsidiary record, determine if the item exists and is included in District records. Review the procedures in place for purchase and sale of assets, use of District property, and protection of high-risk assets or inventory like aquatic chemicals, tools, electronics.
- **Purchasing Cards** – Review the issuance, assignment, and credit limits of purchasing cards including cards used to purchase fuel. For selected p-card transactions, determine if the transaction was documented, reviewed and approved, and for a public-purpose.
- **Receivables** – For selected transactions, test the completeness of the receivable and subsequent collection.
- **Remote Work** – Determine if the District complied with applicable Governing Documents.
- **Restricted Federal and State Expenditures** – Examine District records supporting disbursements to determine whether District controls were adequate to separately account for and properly expend restricted Federal and State resources.
- **Safety Program** – For areas involving safety such as driving District vehicles, first aid administration, and operation of equipment, test whether trainings were completed and documented in accordance with policies and procedures. For selected site visits, determine if District requirements for safety are being followed. Determine District processes over monitoring of staff for when trainings are required.
- **Structures** – For selected water control structures, determine the District's process for ongoing monitoring, operation, maintenance, and capital projects. For selected structures the District maintains, determine whether the District has ownership.
- **System Access Controls** – Determine if access privileges to assigned users are within the assigned job duties as they relate to the financial, banking, and HR applications. Review the monitoring of access privileges. Review controls over the banking system such as if there are restrictions on amounts disbursed, the validation of funds, and the validation of vendor tables.

- ◆ **Vehicle Usage** – Determine if use of District vehicles is in accordance with Governing Documents. Include a summary of the costs to operate and maintain vehicles from the most recently audited fiscal year and include costs from other government entities for comparison.

Respectfully Submitted By: Brian Werthmiller Date: January 23, 2024

CONTACT INFORMATION

Brian Werthmiller, CPA, CFE, CIG
Inspector General

2379 Broad Street Brooksville, Florida 34604-6899

◆ Fraud and Compliance Hotline (352) 754-3482

CONSENT AGENDA**January 23, 2024****Finance/Outreach and Planning Committee: Extension of Annual Review of Governing Board Policy, Investments***Purpose*

Request additional extension for the review and approval period of *Governing Board Policy, Investments*.

Background

In accordance with *Governing Board Policy, Investments*, the Division Director and the Committee shall review this Policy within 60 days following the end of each fiscal year, and the Governing Board shall approve any modification made thereto.

At the September 26, 2023, Board meeting, the review and approval period for *Governing Board Policy, Investments* was extended from 60 days to 115 days. The Governing Board discussed the Investment Policy with management and the District's investment advisors at the annual workshop held on November 14, 2023. To maximize Board Member participation, the Investment Discussion item was pulled from the December agenda and rescheduled for the January 23, 2024, Governing Board meeting. Accordingly, staff request a further extension of the review and approval period through March 31, 2024, extending the approval period from 115 days to 183 days. The additional time will allow staff to complete any follow-up actions following discussion or incorporate modifications to the policy through the District's Knowledge Management process.

October 1, 2023 (beginning of new fiscal year), through March 31, 2024, is outlined in the following timeline:

Governing Board Workshop (Discussion of revisions to the policy and strategy)	November 14, 2023
December Governing Board Meeting (Investment Discussion item pulled from agenda)	December 12, 2023
January Governing Board Meeting (Staff presents revised policy as a discussion item)	January 23, 2024
February/March Governing Board Meeting (Governing Board approves the revised policy through the consent agenda)	No Later Than March 26, 2024

Benefits

Extending the number of days for review and approval has allowed the Governing Board to review and discuss the District's policy and investment strategies. In addition, this extension will provide sufficient time for staff to incorporate any modifications to the policy through the District's Knowledge Management process for approval by the Governing Board

Staff Recommendation:

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

Presenter:

Brandon Baldwin, Division Director, Business and IT Services Division

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CONSENT AGENDA**January 23, 2024****Operations, Lands and Resource Monitoring Committee: Declaration and Conveyance of Surplus Lands to the Florida Department of Transportation for Limited Access Right-of-Way, SWF Parcel No. 13-004-322S***Purpose*

Recommend the Governing Board declare SWF Parcel No. 13-004-322S as surplus and convey the fee simple interest to the Florida Department of Transportation (FDOT) in response to FDOT's offer to purchase a parcel of land located on the Tampa Bypass Canal (TBC Sale Property) for a limited access right of way. The FDOT's offer set forth in the Statement of Offer attached hereto as Exhibit 1 is based on the full appraised value of the TBC Sale Property and is being made in lieu of exercising its right to proceed with eminent domain to obtain the TBC Sale Property. The Purchase Agreement, a general location map, and a site map are attached as Exhibits 2, 3, and 4 respectively.

Background

In 1972, the District became the local sponsor for the TBC which was constructed by the United States Army Corps of Engineers. The TBC is used to route excess water around the cities of Temple Terrace and Tampa to help prevent flooding.

In 1979, the FDOT began the process of constructing two (2) 828' bridges over the TBC in conjunction with two miles of I-75 in Hillsborough County, and in April 1985, the FDOT completed eminent domain proceedings against the District for the piers required for said bridges.

FDOT currently has plans to widen the two (2) existing bridges to create an additional traffic lane on each bridge and required additional land to place the piers for the additional traffic lanes, consisting of 33 piers over 13,720 square feet, or 0.315 acres. FDOT purchased the additional land from the District and the sale and closing took place in February 2023.

FDOT has notified the District that it now requires additional land to relocate an existing drainage feature necessary for the road project and intends to acquire the TBC Sale Property for which it has provided an appraisal to the District. Management of the TBC will not be impacted by the relocation. FDOT has agreed to pay the full appraised price for the TBC Sale Property. The cover page from the Certificate of Value (appraisal) is attached as Exhibit 5.

Summary of Value and Offer

After review and input by District staff, FDOT made an offer to purchase the TBC Sale Property in lieu of eminent domain proceedings. As part of this review and input process, FDOT submitted an appraisal prepared by Kent Evans, MAI, CCIM that has been reviewed by District staff who determined it to be acceptable. Based on the foregoing, the appraisal submitted by FDOT has been deemed factually sound, meets District and industry standards, and the assumptions used to make the value determination are reasonable. Section 373.056, Florida Statutes, (F.S.) authorizes the District to convey property not required for its purposes to other agencies based on terms and conditions acceptable to the Governing Board.

The recent appraisal received from FDOT is dated October 12, 2023. The appraisal and subsequent offer to purchase is based on approximately 4,269 square feet or 0.098 acres with the estimated value and offer for the TBC Sale Property to be \$15,600.

Benefits/Costs

The sale of this property is in lieu of FDOT exercising their power of eminent domain. Pursuant to Section 373.139, F.S., revenue derived from this sale may only be used for the purchase of other lands meeting the criteria specified in this Section or payment of debt on revenue bonds or notes issued under Section 373.584, F.S.

Staff Recommendation:

- 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.

Presenter:

Ellen Morrison, Bureau Chief, Land Resources Bureau

STATEMENT OF OFFER

October 23, 2023

Southwest Florida Water Management District
Attn: Ellen Morgan Morrison
2379 Broad Street
Brooksville, FL 34604-6899

ITEM/SEGMENT NO.: 4453172
DISTRICT: Seven
FEDERAL PROJECT NO.: N/A
STATE ROAD NO.: SR 93A (I-75)
COUNTY: Hillsborough
PARCEL NO.: 108

Dear Property Owner,

As you are probably aware, the State of Florida Department of Transportation is in the process of acquiring the needed right of way for the above referenced facility. A determination has been made that either a part or all of your property will be needed. A search of the Public Records of the County in which this property is situated has been made and it was determined that property is owned by you.

The interest being acquired in your property is: Fee Simple

In addition, the following list will identify the buildings, structures, fixtures, and other improvements which are considered to be a part of the real property acquired, or personal property being acquired, if any: N/A

The following items were excluded: N/A

You are further advised that the Department's offer of just compensation for the property required for the construction of this facility is based on the Fair Market Value of the property and that the Department's offer to you is not less than the approved appraised value of the property.

The following represents a summary of the Department's offer to you and the basis therefore:

Land	\$ 15,600.00
Improvements	\$ 0.00
Real Estate Damages	\$ 0.00
Total	\$ 15,600.00

This Statement of Offer is not a contract; if you agree to accept this offer, you will be required to sign a purchase agreement. Any additional information you may require can be obtained through the Department's Representative that contacted you. If that representative is not readily available, please contact:

Lonnie Wittmeyer

at lonnie.wittmeyer@dot.state.fl.us or by phone at 813-975-6716

Sincerely,



Aurelie Anthony

District Right of Way Manager

By: Mary Marsh, Right of Way Agent- Acquisition

Mary Marsh

Type or Print Name

Delivered By



Receipt Acknowledged By

Ellen Morrison

Type or Print Name

Date

11.29.23

Date

PARCEL 108

LIMITED ACCESS RIGHT OF WAY

A portion of Lots 8 and 9 of CLEWIS MUCK FARMS according to the Plat thereof, as recorded in Plat Book 25, Page 11 of the Public Records of Hillsborough County, Florida, being more particularly described as follows:

COMMENCE at the Southeast corner of Section 19, Township 28 South, Range 20 East and run thence North 89°06'55" West, along the South line of said Section, a distance of 932.88 feet to the intersection with the Survey line for State Road 93A (I-75) per FDOT R/W map Section 10075-2416; thence North 40°27'41" West along said Survey line of said State Road 93A, a distance of 1481.22 feet to a point on the Easterly line of the existing Florida Department of Transportation Limited Access Right of Way line as per said R/W map Section 10075-2416; thence North 00°02'00" East along said Limited Access Right of Way line, for 153.99 feet to a point on the Northeasterly Limited Access Air Space Corridor and also being a point on the Southwesterly line of the Free Access Air Space Corridor as dedicated per Official Record Book 4547, Page 1178 of the Public Records of Hillsborough Florida; thence continue North 00°02'00" East along said Limited Access Right of Way line and Northeasterly Limited Access Air Space Corridor, a distance of 13.96 feet to an intersection with the existing Florida Department of Transportation Limited Access Right of Way line as per said R/W map Section 10075-2416, and the POINT OF BEGINNING; thence continue North 00°02'00" East along said Limited Access Right of Way line and Northeasterly Limited Access Air Space Corridor, a distance of 23.00 feet; thence continue North 00°02'00" East departing said Limited Access Right of Way line along said Northeasterly Limited Access Air Space Corridor, a distance of 77.00 feet to the Northeast corner of said Northeasterly Limited Access Air Space Corridor; thence South 40°27'41" East departing said Northeasterly Limited Access Air Space Corridor, a distance of 131.50 feet to a point on the aforementioned existing Florida Department of Transportation Limited Access Right of Way line as per said R/W map Section 10075-2416; thence North 89°58'00" West along said Limited Access Right of Way line, a distance of 85.39 feet to the POINT OF BEGINNING.

TOGETHER WITH all rights of ingress, egress, light, air and view between the above described property and the Grantor's remaining property as dedicated in Official Records Book 4547, Page 1178 of the Public Records of Hillsborough County, Florida.

Containing 4269 square feet, more or less.

PURCHASE AGREEMENT

ITEM SEGMENT NO.: 4453172
DISTRICT: 7
FEDERAL PROJECT NO.: _____
STATE ROAD NO.: 93A (I-75)
COUNTY: Hillsborough
PARCEL NO.: 108

Seller: Southwest Florida Water Management District

Buyer: State of Florida, Department of Transportation

Buyer and Seller hereby agree that Seller shall sell and Buyer shall buy the following described property pursuant to the following terms and conditions:

I. Description of Property:

(a) **Estate Being Purchased:** ☒ Fee Simple ☐ Permanent Easement ☐ Temporary Easement ☐ Leasehold

(b) **Real Property Described As:** A portion of Lots 8 and 9 of Clewis Muck Farms according to the Plat thereof, as recorded in Plat Book 25, Page 11 of the Public Records of Hillsborough County, FL (see attached Legal)

(c) **Personal Property:** n/a

(d) **Outdoor Advertising Structure(s) Permit Number(s):** n/a

Buildings, Structures, Fixtures and Other Improvements Owned By Others: n/a

These items are **NOT** included in this agreement. A separate offer is being, or has been, made for these items.

II. PURCHASE PRICE

(a) **Real Property**

Land	1. \$	<u>15,600.00</u>
Improvements	2. \$	_____
Real Estate Damages	3. \$	_____
(Severance/Cost-to-Cure)		

Total Real Property 4. \$ 15,600.00

(b) **Total Personal Property** 5. \$ _____

(c) **Fees and Costs**

Attorney Fees	6. \$	_____
Appraiser Fees	7. \$	_____

_____ Fee(s)

Total Fees and Costs 9. \$ 0.00

(d) **Total Business Damages** 10. \$ _____

(e) **Total of Other Costs** 11. \$ _____

List: _____

Total Purchase Price (Add Lines 4, 5, 9, 10 and 11) \$ 15,600.00

Total Global Settlement Amount

(f) Portion of Total Purchase Price or Global Settlement Amount to be paid to Seller by Buyer at Closing \$ _____

(g) Portion of Total Purchase Price or Global Settlement Amount to be paid to Seller by Buyer upon surrender of possession or _____

III. Conditions and Limitations

- (a) Seller is responsible for all taxes due on the property up to, but not including, the day of closing.
- (b) Seller is responsible for delivering marketable title to Buyer. Marketable title shall be determined according to applicable title standards adopted by the Florida Bar in accordance with Florida Law subject only to those exceptions that are acceptable to Buyer. Seller shall be liable for any encumbrances not disclosed in the public records or arising after closing as a result of actions of the Seller.
- (c) Seller shall maintain the property described in **Section I** of this agreement until the day of closing. The property shall be maintained in the same condition existing on the date of this agreement, except for reasonable wear and tear.
- (d) Any occupancy of the property described in **Section I** of this agreement by Seller extending beyond the day of closing must be pursuant to a lease from Buyer to Seller.
- (e) The property described in **Section I** of this agreement is being acquired by Buyer for transportation purposes under threat of condemnation pursuant to **Section 337.25 Florida Statutes**.
- (f) Pursuant to **Rule 14-10.004, Florida Administrative Code**, Seller shall deliver completed **Outdoor Advertising Permit Cancellation Form(s), Form Number 575-070-12**, executed by the outdoor advertising permit holder(s) for any outdoor advertising structure(s) described in **Section I** of this agreement and shall surrender, or account for, the outdoor advertising permit tag(s) at closing.
- (g) Seller agrees that the real property described in **Section I** of this agreement shall be conveyed to Buyer by conveyance instrument(s) acceptable to Buyer.
- (h) Seller and buyer agree that this agreement represents the full and final agreement for the herein described sale and purchase and no other agreements or representations, unless incorporated into this agreement, shall be binding on the parties.
- (i) Other: Buyer and Seller agree there are no fees, costs, or business damage claims associated with this agreement.

- (j) Seller and Buyer agree that a real estate closing pursuant to the terms of this agreement shall be contingent on delivery by Seller of an executed Public Disclosure Affidavit in accordance with **Section 286.23, Florida Statutes**.

IV. Closing Date

The closing will occur no later than 60 days after Final Agency Acceptance.

V. Typewritten or Handwritten Provisions

Any typewritten or handwritten provisions inserted into or attached to this agreement as addenda must be initialed by both Seller and Buyer.

- ☒ There is an addendum to this agreement. Page _____ is made a part of this agreement.
☐ There is not an addendum to this agreement.

VI. Seller and Buyer hereby acknowledge and agree that their signatures as Seller and Buyer below constitute their acceptance of this agreement as a binding real estate contract.

It is mutually acknowledged that this Purchase Agreement is subject to Final Agency Acceptance by Buyer pursuant to **Section 119.0711, Florida Statutes**. A closing shall not be conducted prior to 30 days from the date this agreement is signed by Seller and Buyer to allow public review of the transaction. Final Agency Acceptance shall not be withheld by Buyer absent evidence of fraud, coercion, or undue influence involving this agreement. Final Agency Acceptance shall be evidenced by the signature of Buyer in **Section VII** of this agreement.

Seller(s)

Signature Date

Type or Print Name

Signature Date

Type or Print Name

Buyer

State of Florida Department of Transportation

BY: _____
Signature Date

Type or Print Name and Title

VII. FINAL AGENCY ACCEPTANCE

The Buyer has granted Final Agency Acceptance this ____ day of _____, ____.

BY: _____
Signature Type or Print Name and Title

Legal Review: _____
Date

Type or Print Name and Title

ADDITIONAL SIGNATURES

SELLER(S):

Signature Date

Type or Print Name

Signature Date

Type or Print Name

Signature Date

Type or Print Name

Signature Date

Type or Print Name

Signature Date

Type or Print Name

Signature Date

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PARCEL 108

LIMITED ACCESS RIGHT OF WAY

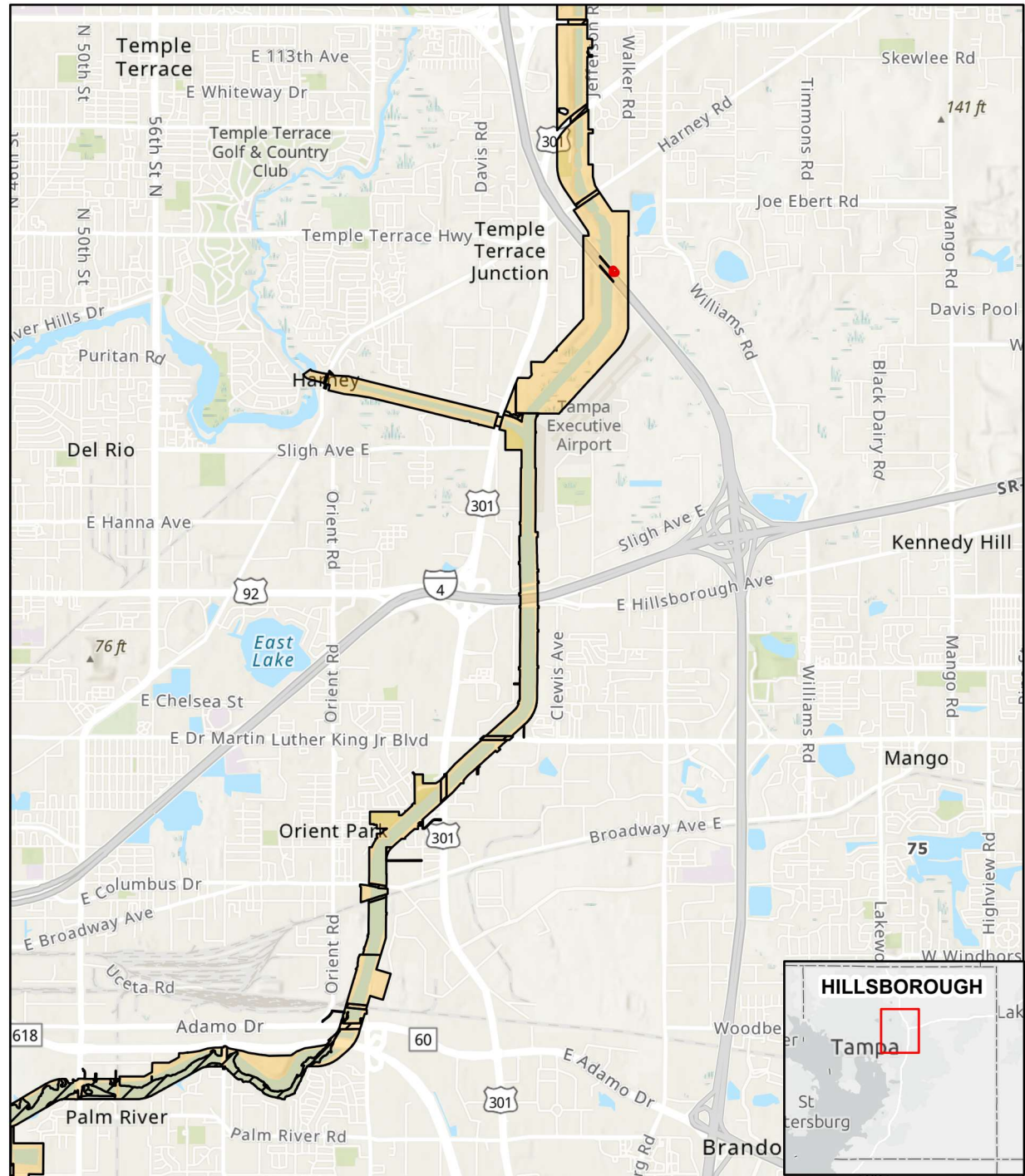
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TOGETHER WITH all rights of ingress, egress, light, air and view between the above described property and the Grantor's remaining property as dedicated in Official Records Book 4547, Page 1178 of the Public Records of Hillsborough County, Florida.

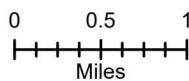
Containing 4269 square feet, more or less.

Exhibit 3 - General Location Map SWF Parcel No. 13-004-322S



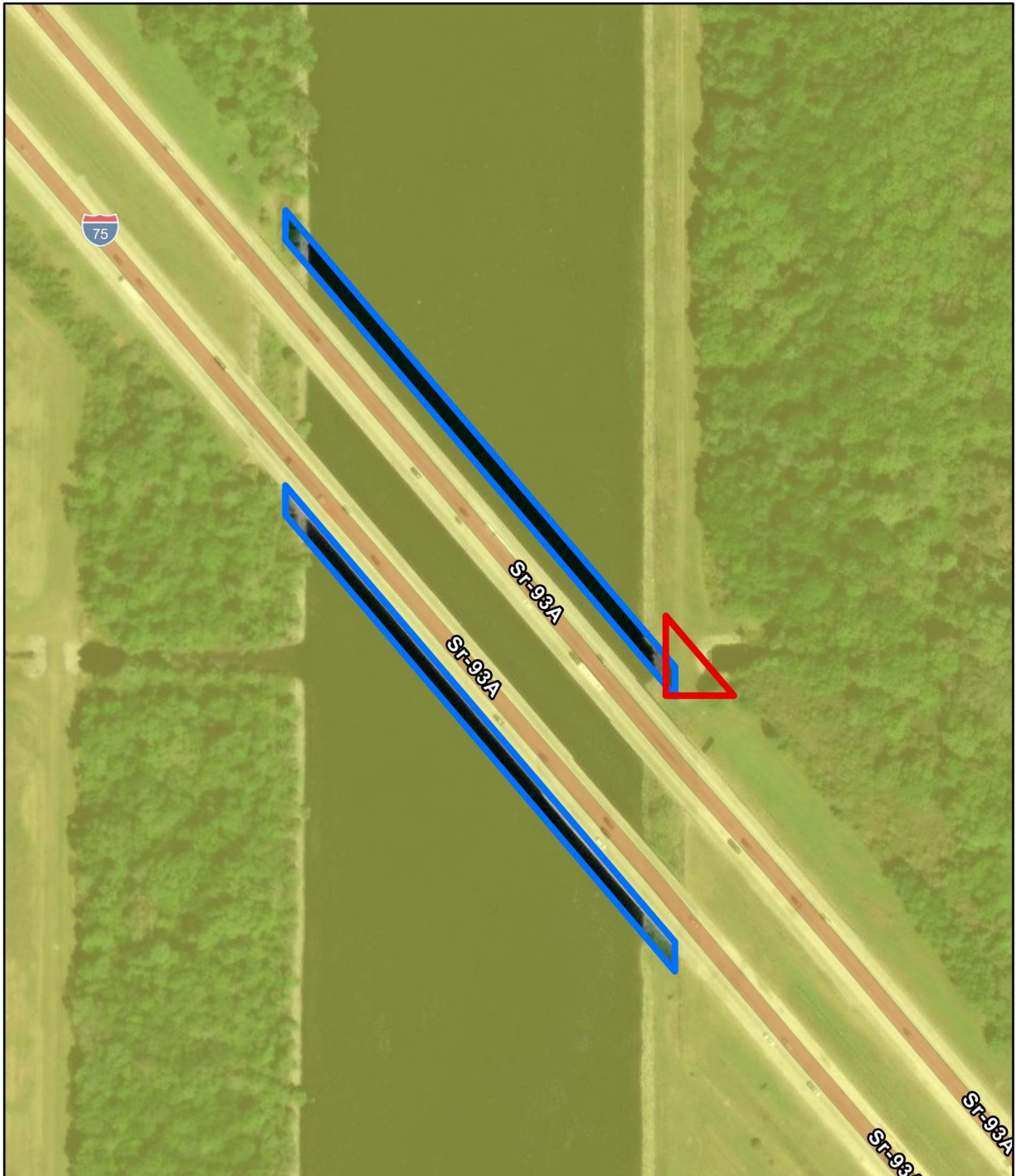
Esri, NASA, NGA, USGS, FEMA, University of South Florida, City of Tampa, FDEP, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPS, University of South Florida, City of Tampa, FDEP, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA

- SWF Parcel No. 13-004-322S
- District Owned Lands Fee Simple
- District Owned Lands Less-than-fee Simple



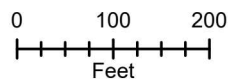
Southwest Florida
Water Management District

Exhibit 4 - Site Map SWF Parcel No. 13-004-322S



Esri Community Maps Contributors, University of South Florida, City of Tampa, FDEP, © OpenStreetMap, Microsoft, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, State of Florida, Maxar, Microsoft

- SWF Parcel No. 13-004-322S
- SWF Parcel No. 13-004-321S
- District Owned Lands Fee Simple



Southwest Florida
Water Management District

CERTIFICATE OF VALUE

Project ID: FM 4453172
 State Road: SR 93A (I-75)
 County: Hillsborough
 Parcel No.: 108

I certify to the best of my knowledge and belief, that:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, unbiased, professional analyses, opinion, and conclusions.
3. I have no present or prospective interest in the property or bias with respect to the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of the of this appraisal assignment, within the three (3) year period immediately preceding acceptance of this assignment.
5. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This report is communicated in an Appraisal Report format. My analyses, opinions, or conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, and the provisions of Chapter 475, Part II, Florida Statutes.
7. I have made a personal inspection of the property that is the subject of this report and I have afforded the property owner the opportunity to accompany me at the time of the inspection. I have also made a personal field inspection of the comparable sales relied upon in making this appraisal. The subject and the comparable sales relied upon in making this appraisal were as represented by the photographs contained in this appraisal.
8. No persons other than those named herein (see Addendum to Certificate of Value) provided significant real property appraisal assistance to the person signing this certification.
9. I understand that this appraisal is to be used in connection with the acquisition of right-of-way for a transportation facility to be constructed by FDOT with the assistance of Federal-aid highway funds, or other Federal or State funds.
10. This appraisal has been made in conformity with the appropriate State laws, regulations, policies and procedures applicable to appraisal of right-of-way for highway purposes; and, to the best of my knowledge, no portion of the property value entered on this certificate consists of items which are non-compensable under the established law of the State of Florida.
11. I have not revealed the findings or results of this appraisal to anyone other than the proper officials of the FDOT and I will not do so until so authorized by State officials, or until I am required by due process of law, or until I am released from this obligation by having publicly testified as to such findings.
12. Regardless of any stated limiting condition or assumption, I acknowledge that this appraisal report and all maps, data, summaries, charts and other exhibits collected or prepared under this agreement shall become the property of FDOT without restriction or limitation on their use.
13. Statements supplemental to this certification required by membership or candidacy in a professional appraisal organization, are described on an addendum to this certificate and, by reference, are made a part hereof.

Based on my independent appraisal and the exercise of my professional judgment, my opinion of the market value for the part taken, including damages, if any, of the property appraised as of October 10, 2023 is: \$15,600

Market value should be allocated as follows:

Land	\$ <u>15,600</u>	Land Area (Ac/SF)	<u>4,269 SF</u>
Improvements	\$ <u>0</u>	Land Use (HABU as vacant)	<u>Flood Bypass</u>
Severance Damages/ Cost to Cure	\$ <u>0</u>		
Total	\$ <u>15,600</u>		

October 12, 2023

DATE

Kent Evans, MAI, CCIM
Cert Gen RZ1596

ADDENDUM TO CERTIFICATE OF VALUE

Project ID	FM 4453172
Parcel Nos.	108
County Road	State Road 93A (I-75)
County	Hillsborough

I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I certify that I have the knowledge and/or experience to complete the assignment, as required under the Competency Provision of the Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Standards Board of The Appraisal Foundation.

In accordance with USPAP Standard 2-2, the report is presented as an **Appraisal Report**.

The undersigned has not received professional appraisal assistance.

As of the date of this report, Kent Evans, MAI, CCIM, has completed the requirements of the continuing education program of the Appraisal Institute. Mr. Evans is a State-certified General Real Estate Appraiser, RZ 1596, expiration November 2024.



Kent Evans, MAI, CCIM
Cert Gen RZ1596

October 12, 2023
Date

CONSENT AGENDA

January 23, 2024

**General Counsel's Report: Interagency Agreement Between SJRWMD and SWFWMD -
Designation of Regulatory Responsibility to SJRWMD for an Environmental Resource Permit -
Interstate-75 Interchange - Marion County**

Florida Department of Transportation seeks an environmental resource permit (ERP) for the future construction of road improvements and associated stormwater facilities along a 1.75-mile stretch of Interstate-75 (I-75) at NW 49th Street from the end of NW 49th Street to the end of NW 35th Street (Project). The majority of the Project is located within the jurisdictional boundaries of the St. Johns River Water Management District (SJRWMD), and a smaller portion of the project site is located within the jurisdictional boundaries of the Southwest Florida Water Management District (SWFWMD). Additionally, the SJRWMD District has permitting history in the Project area, while the SWFWMD has no permitting history in the project area.

Section 373.046(6), Florida Statutes, authorizes water management districts to enter into interagency agreements to designate regulatory responsibility to another water management district for a project that crosses the jurisdictional boundaries of both districts. Water management districts typically consider regulatory efficiency and prior permitting history in determining which water management district is most appropriate to permit such projects. The interagency agreement designates the responsibility to receive, process, and take final agency action on all permit applications, and to take any compliance and enforcement action regarding a designated permit. An interagency agreement approved by the SWFWMD governing board and the SJRWMD executive director is necessary to authorize SJRWMD to issue an ERP to the applicant for the entire Project.

Both Districts agree that regulatory responsibility over the project area should be designated to SJRWMD. The SJRWMD has previously processed multiple permits in the surrounding geographic area and designating SJRWMD with regulatory responsibility for the Project would allow for more efficient processing of the Florida Department of Transportation's permit application.

Staff Recommendation:

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.

Presenter:

Destin J. Dawsy, Attorney, Office of General Counsel

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 ENVIRONMENTAL RESOURCE PERMIT FOR THE
INTERSTATE-75 INTERCHANGE PROJECT IN MARION COUNTY, FLORIDA

THIS INTERAGENCY AGREEMENT (Agreement) is made and entered into by and between the ST. JOHNS RIVER WATER MANAGEMENT DISTRICT (SJRWMD) and the SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT (SWFWMD).

WITNESSETH:

WHEREAS, the Florida Department of Transportation (FDOT) submitted a request for the SJRWMD to process an environmental resource permit (ERP) for the future construction of road improvements and associated stormwater facilities along a 1.75 mile stretch of Interstate-75 (I-75) at NW 49th Street from End of NW 49th Street to End of NW 35th Street, as depicted on the map attached hereto as Exhibit A (the Project); and

WHEREAS, the geographic area of the Project will include portions of Marion County that are located within the jurisdictional boundaries of SJRWMD and SWFWMD; and

WHEREAS, the majority of the Project will be located within the jurisdictional boundaries of the SJRWMD, and the remainder of the project site will be located within the jurisdictional boundaries of the SWFWMD (see Exhibit A attached); and

WHEREAS, the SWFWMD has no permitting history with this section of I-75 and the SJRWMD does have permitting history with this section of I-75; and

WHEREAS, subsection 373.046(6) of the Florida Statutes authorizes a water management district to designate, via an interagency agreement, regulatory responsibility to another water management district when the geographic area of the project or local government crosses the jurisdictional boundaries of another water management district; and

WHEREAS, the designation of the SJRWMD as the water management district with Part IV, Chapter 373, Fla. Stat., regulatory responsibility for the Project would allow for more efficient processing of the ERP application as the majority of the Project is located within the jurisdictional boundaries of the SJRWMD; and

WHEREAS, the SJRWMD and the SWFWMD desire to designate the SJRWMD as the water management district with Part IV, Chapter 373, Fla. Stat., regulatory responsibility for the Project pursuant to Part IV, Chapter 373, Fla. Stat.

NOW THEREFORE, the SJRWMD and the SWFWMD, under the authority of subsection 373.046(6), Fla. Stat., hereby agree as follows:

1. The SJRWMD is designated as the water management district that will have all regulatory responsibilities under Part IV of Chapter 373, Fla. Stat., for those activities known as the Project, as shown on Exhibit A, which is incorporated by reference herein. Such regulatory responsibilities shall include receiving, processing, and taking final agency action on all ERP applications, or modifications thereof, located in the area on Exhibit A and taking any compliance and enforcement action with regard to such ERP(s).
2. This Agreement will commence upon execution by all parties and will remain in effect until either party terminates such Agreement for its convenience upon ninety (90) days written notice to the other party.

IN WITNESS WHEREOF, each party, or its lawful representative, has executed this Agreement on the date set forth next to their signature below.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

By: _____
E.D. Armstrong, III Chair

Attest: _____
John Mitten, Secretary

Date: _____

(Seal)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT

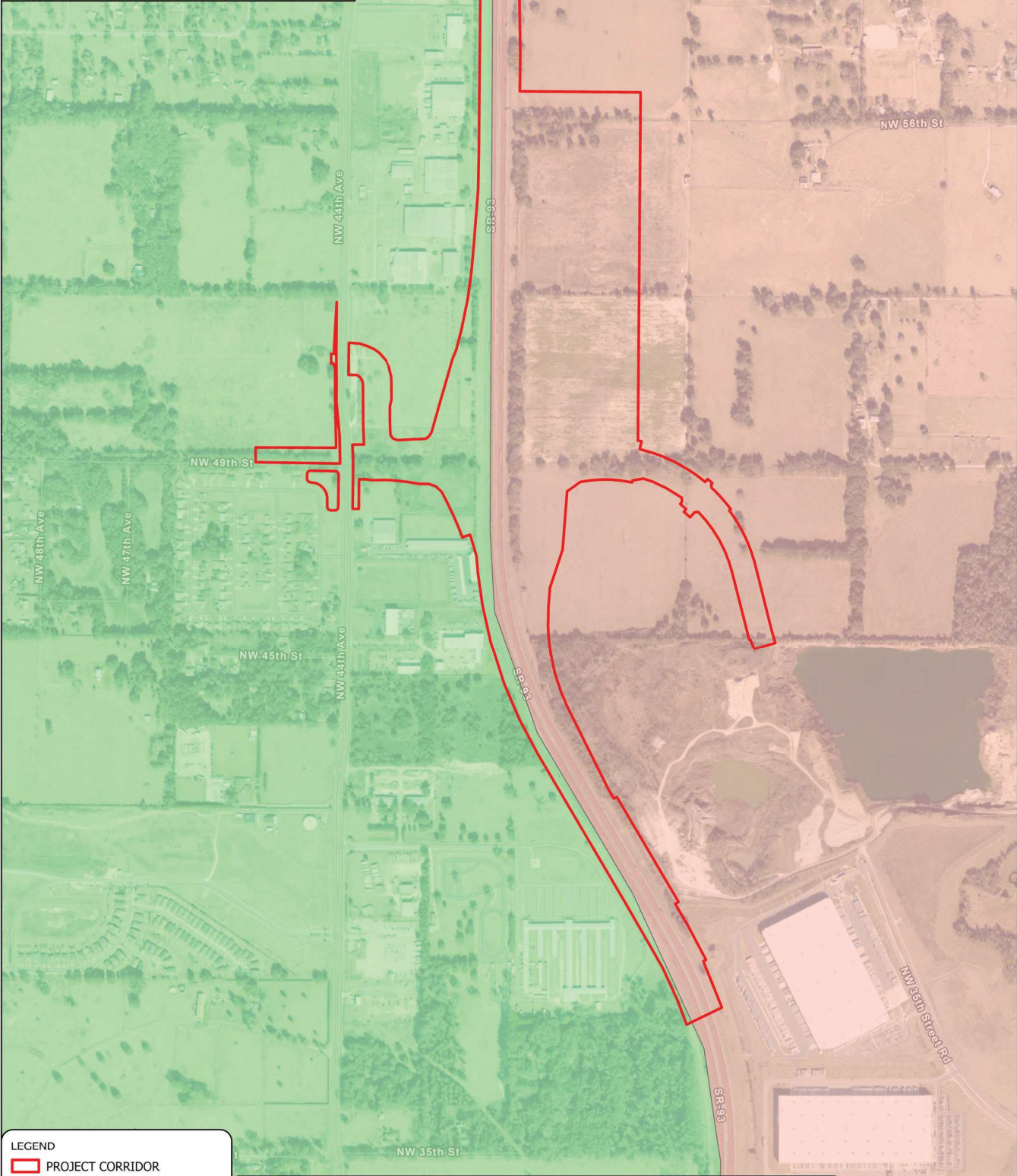
By: _____
Michael A. Register, P.E.
Executive Director

Attest: _____
Erin Preston
General Counsel

Date: _____

(Seal)

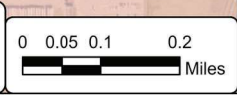
EXHIBIT A



LEGEND

- PROJECT CORRIDOR
- Water Management District Boundaries
- SJRWMD
- SWFWMD

I-75 at NW 49th St From End of NW 49th St to End of NW 35th St
FPID No. 435209-1-32-01
PROJECT LOCATION MAP



CONSENT AGENDA

January 23, 2024

General Counsel's Report: Partial Release of Conservation Easement – ERP Application No. 880467 – 44th Avenue East Phase 2 West of I-75 to Lakewood Ranch Boulevard Zone 3 - Manatee County

On October 6, 2023, Manatee County (Manatee) submitted Environmental Resource Permit (ERP) Application No. 880467 (Application) to the District requesting authorization to construct stormwater management facilities for a new 0.6-mile, four-lane, divided segment of 44th Avenue East from I-75 eastward to the Manatee reclaimed water pond (South Lake 2) bridge, including the Lena Road roundabout and a 0.3-mile connection south to Lena Road (Project). A portion of the Project, approximately 7.232 acres (Parcel), is subject to a Conservation Easement (CE) conveyed to the District as mitigation for impacts authorized by ERP No. 43017210.000. For the District to be able to approve the Application and issue the ERP, the District must release the portion of the CE that covers the Parcel. When the CE is released over the Parcel, the Applicant will then have the requisite ownership and control over the Project area to be able to construct the proposed activities.

The pending Application addresses the environmental value of the area to be released as Manatee has proposed to purchase credits from the Manatee Mitigation Bank. These credits represent the value of the mitigation lost with the removal of the Parcel from the CE. To address the economic value of the interest to be released, Manatee is proposing compensation in the amount of \$20,655.00 payable to the District for the release of the Parcel from the CE. District staff have reviewed the proposal and determined that the compensation is reasonable and appropriately addresses the economic value of the interest to be released.

The release of the portion of the CE over the Parcel will be effectuated via a Partial Release of Conservation Easement and Quit Claim Deed, which is provided for the Governing Board's review as an exhibit to this recap. After the Partial Release of Conservation Easement and Quit Claim Deed is executed and recorded, and Manatee pays the agreed-upon compensation to the District for the economic value of the interest to be released, then the Application can move forward as Manatee has demonstrated sufficient ownership and control over the Project area to construct the proposed activities.

Staff Recommendation:

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

Presenter:

Adrienne E. Vining, Assistant General Counsel, Office of General Counsel

This Document Prepared by:
W. Campbell McLean, Esq.
GrayRobinson, P.A.
101 East Kennedy Blvd.
Suite 4000
Tampa, Florida 33602

And to be Returned to:
Charles Meador, Property Acquisition Division Manager
Manatee County Property Management Division
1112 Manatee Avenue West, Suite 800
Bradenton, FL 34205

PARTIAL RELEASE OF CONSERVATION EASEMENT AND QUIT CLAIM DEED

THIS PARTIAL RELEASE OF CONSERVATION EASEMENT AND QUIT CLAIM DEED (the "Release") is made and entered into this ____ day of _____, 2024, by the SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT, a Florida public corporation ("SWFWMD"), whose address is 2379 Broad Street, Brooksville, Florida 34604-6899, in favor of MANATEE COUNTY, FLORIDA, a political subdivision of the State of Florida ("Manatee"), whose address is 1112 Manatee Avenue West, Bradenton, FL 34205, FLORIDA POWER & LIGHT COMPANY, a Florida corporation, whose address is 700 Universe Blvd., Juno Beach, FL 33408, and CREEKWOOD EAST CORPORATE PARK, LLC, a Florida limited liability company, whose address is 1247 Sea Plume Way, Sarasota, FL 34242.

WITNESSETH:

WHEREAS, on December 27, 1973, Creekwood Investors. LTD., a limited partnership ("Creekwood"), took title to all of Section 12, Township 35 South, Range 18 East lying in Manatee County, Florida ("Section 12") via a warranty deed from First National Bank in Palm Beach, as Trustee, which was recorded in Official Records Book 649, Page 664 of the Public Records of Manatee County, Florida;

WHEREAS, on April 26, 1993, Creekwood conveyed fee simple title to 3.85 acres, more or less, of Section 12 to Florida Power & Light Company, a Florida corporation via a warranty deed recorded in Official Records Book 1404, Page 5966 of the Public Records of Manatee County, Florida (the "Florida Power Parcel");

WHEREAS, on February 8, 2001, Creekwood granted to SWFWMD a conservation easement recorded in Official Records Book 1667, Page 706 of the Public Records of Manatee County, Florida (the "Conservation Easement");

WHEREAS, the Conservation Easement encumbers 38.43 acres of real property located in Section 12 as described in **Exhibit A**;

WHEREAS, on March 6, 2001, Creekwood conveyed a portion of Section 12 to Creekwood East Corporate Park, LLC, a Florida limited liability company, via special warranty deed recorded in Official Records Book 1669, Page 6559 of the Public Records of Manatee County, Florida (the “Creekwood Corporate Park Parcel”);

WHEREAS, on December 1, 2008, Creekwood conveyed a 30.742 acre area of Section 12 to Manatee via warranty deed recorded in Official Records Book 2285, Page 1210 of the Public Records of Manatee County, Florida (the “Manatee Parcel”).

WHEREAS, the entirety of the Manatee Parcel and the Florida Power Parcel are encumbered by the Conservation Easement;

WHEREAS, a portion of the Creekwood Corporate Park Parcel is encumbered by the Conservation Easement;

WHEREAS, Manatee is in the process of designing and permitting public roadway improvements for the construction of the 44th Avenue extension and the Lena Road extension in Section 12 (the “Project”);

WHEREAS, Manatee requires a release and quit claim of certain portions of the Conservation Easement by SWFWMD to construct the Project;

WHEREAS, Manatee holds the power of eminent domain to acquire any necessary areas for the Project which are not presently owned by Manatee;

WHEREAS, Manatee has agreed to provide SWFWMD with appropriate consideration for this Release;

WHEREAS, SWFWMD may release all or part of the Conservation Easement pursuant to Section 704.06(4), Florida Statutes;

WHEREAS, SWFWMD agrees to provide this Release from the Conservation Easement as to the entirety of the Florida Power Parcel which is legally described in **Exhibit B**;

WHEREAS, SWFWMD agrees to provide this Release from the Conservation Easement as to the portion of the Manatee Parcel which is legally described as Parcel 102 in **Exhibit C**;

WHEREAS, SWFWMD agrees to provide this Release from the Conservation Easement as to the portion of the Creekwood Corporate Park Parcel which is legally described as Parcel 103CE in **Exhibit D**; and

WHEREAS, the balance of the Conservation Easement shall remain in full force and effect after this Release;

NOW, THEREFORE, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, SWFWMD voluntarily releases the areas legally described in

Exhibits B, C and D from the Conservation Easement area described in **Exhibit A**, and remises, releases, and quitclaims all the right, title, interest, claim and demand conveyed to SWFWMD by the Conservation Easement as to the areas legally described in **Exhibits B, C and D**.

IN WITNESS WHEREOF, Southwest Florida Water Management District has caused this Partial Release of Conservation Easement and Quit Claim Deed to be executed in its name by its Governing Board on the day and year first above written.

GRANTOR: Southwest Florida Water Management District,
a public corporation of the state of Florida

By:_____

Printed Name:_____

As Its:_____

ATTESTED:

By:_____

Printed Name:_____

As Its:_____

EXHIBIT A

Exhibit "A", Page 1 of 2



201 5th Avenue Drive East
Post Office Box 9448
Bradenton, Florida 34206

(941) 748-8080
Fax (941) 748-3316
Survey Fax (941) 748-3747
E-mail: zns@manatee-cc.com
Web Page: www.manatee-cc.com/zns/

February 5, 2001

BK 1667 PG 710 5 of 6

**CREEKWOOD EAST
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT CONSERVATION EASEMENT**

DESCRIPTION:

A Southwest Florida Water Management District conservation easement located in Section 12, Township 35 South, Range 18 East, Manatee County, Florida, described as follows:

Begin at the Northwest corner of the East 1/2 of said Section 12, also being a point on the Westerly line of a 330 foot wide Florida Power & Light Company easement described in Official Records Book 612, Page 508 and Official Records Book 1006, Page 2513 of the Public Records of Manatee County, Florida; thence South 00°35'24" East, along said Westerly line of a 330 foot wide easement and the West line of aforesaid East 1/2 of Section 12, a distance of 1,170.00 feet; thence South 77°08'00" West, a distance of 1,316.81 feet to the East Right-of-Way line of Interstate 75 (State Road 93), Florida Department of Transportation Section 13075-2402; thence North 00°47'23" East, along said East Right-of-Way line of Interstate 75 (State Road 93), a distance of 1,472.74 feet to the North line of aforesaid Section 12; thence South 89°34'05" East, along said North line of Section 12, a distance of 1,251.43 feet to aforesaid Northwest corner of the East 1/2 of Section 12 and the Point of Beginning. Lying and being in Section 12, Township 35 South, Range 18 East, Manatee County, Florida.

Subject to pertinent easements, Rights-of-Way and restrictions of record.

Containing 38.43 Acres.

02-05-01 99 22480 T:\CREEKWOOD\EAST\WRECORDS DES 08

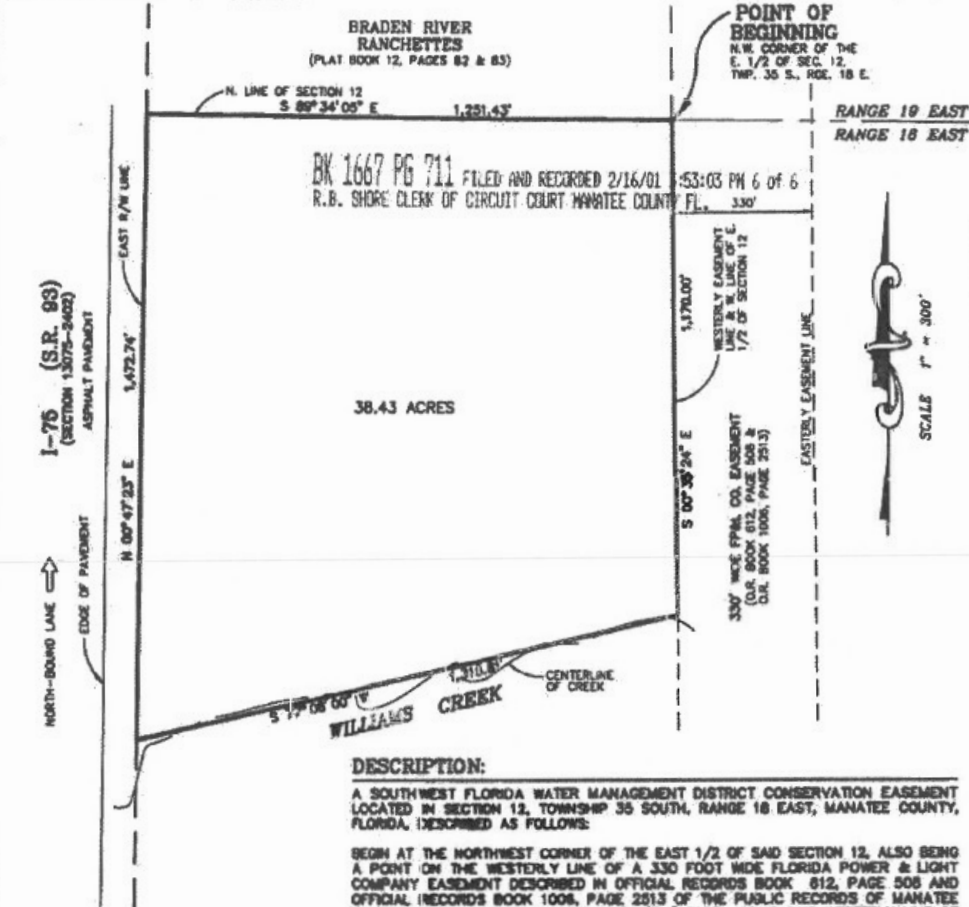
ENGINEERS **PLANNERS** **SURVEYORS** **LANDSCAPE ARCHITECTS** **ENVIRONMENTAL CONSULTANTS**
ES 0002230 LB 0006982 LC 0000385

Zoller, Naffar, & Shroyer, L.C.

ENGINEERS, PLANNERS, SURVEYORS, LANDSCAPE ARCHITECTS & ENVIRONMENTAL CONSULTANTS
201 5th AVENUE DRIVE EAST, BRADENTON, FLORIDA 34206. (941)746-8080. FAX: (941)746-3747
CERTIFICATE OF AUTHORIZATION No. LB 8982

ZNS PROJ. No. 00-22480
02-05-01 QB

Exhibit "A", Page 2 of 2



DESCRIPTION:

A SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT CONSERVATION EASEMENT LOCATED IN SECTION 12, TOWNSHIP 35 SOUTH, RANGE 18 EAST, MANATEE COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

BEGIN AT THE NORTHWEST CORNER OF THE EAST 1/2 OF SAID SECTION 12, ALSO BEING A POINT ON THE WESTERLY LINE OF A 330 FOOT WIDE FLORIDA POWER & LIGHT COMPANY EASEMENT DESCRIBED IN OFFICIAL RECORDS BOOK 812, PAGE 508 AND OFFICIAL RECORDS BOOK 1008, PAGE 2513 OF THE PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA; THENCE SOUTH 00°35'24" EAST, ALONG SAID WESTERLY LINE OF A 330 FOOT WIDE EASEMENT AND THE WEST LINE OF AFORESAID EAST 1/2 OF SECTION 12, A DISTANCE OF 1,170.00 FEET; THENCE SOUTH 77°08'00" WEST, A DISTANCE OF 1,386.81 FEET TO THE EAST RIGHT-OF-WAY LINE OF INTERSTATE 75 (STATE ROAD 83), FLORIDA DEPARTMENT OF TRANSPORTATION SECTION 13075-2402; THENCE NORTH 00°47'23" EAST, ALONG SAID EAST RIGHT-OF-WAY LINE OF INTERSTATE 75 (STATE ROAD 83), A DISTANCE OF 1,472.74 FEET TO THE NORTH LINE OF AFORESAID SECTION 12; THENCE SOUTH 89°34'05" EAST, ALONG SAID NORTH LINE OF SECTION 12, A DISTANCE OF 1,251.43 FEET TO AFORESAID NORTHWEST CORNER OF THE EAST 1/2 OF SECTION 12 AND THE POINT OF BEGINNING, LYING AND BEING IN SECTION 12, TOWNSHIP 35 SOUTH, RANGE 18 EAST, MANATEE COUNTY, FLORIDA.

SUBJECT TO PERTINENT EASEMENTS, RIGHTS-OF-WAY AND RESTRICTIONS OF RECORD.
CONTAINING 38.43 ACRES.

NOT A BOUNDARY SURVEY

LEGEND

R/W RIGHT-OF-WAY
S.R. STATE ROAD
O.R. OFFICIAL RECORDS
SEC. SECTION
TWP. TOWNSHIP
RGE. RANGE

NOTES:

1. BEARINGS ARE BASED ON THE WEST LINE OF THE EAST 1/2 OF SECTION 12, TOWNSHIP 35 SOUTH, RANGE 17 EAST, MANATEE COUNTY, FLORIDA, BEING S 00°35'24" E.
2. THIS DRAWING IS A SKETCH ONLY AND DOES NOT REPRESENT A BOUNDARY SURVEY. CORNERS HAVE NOT BEEN FIELD LOCATED OR SET.

© COPYRIGHT 2001 BY ZOLLER, NAFFAR AND SHROYER, L.C. THIS DRAWING IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY UNLESS SIGNED AND SEALED BY A REGISTERED PROFESSIONAL ENGINEER OR SURVEYOR REPRESENTING ZOLLER, NAFFAR & SHROYER, L.C.

DESCRIPTION SKETCH

OF A

S.W.F.W.M.D. CONSERVATION EASEMENT

LOCATED IN

SECTION 12, TOWNSHIP 35 S., RANGE 18 E.

MANATEE COUNTY, FLORIDA

NOTE: THIS DESCRIPTION SKETCH IS NOT VALID WITHOUT THE SIGNATURE AND ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.

I HEREBY CERTIFY THAT THIS SKETCH AND DESCRIPTION HAVE BEEN PREPARED UNDER MY DIRECT SUPERVISION, THAT THEY ARE A TRUE REPRESENTATION OF THE LAND AS SHOWN AND DESCRIBED HEREON, THAT THEY ARE CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT THEY MEET THE "MINIMUM TECHNICAL STANDARDS FOR LAND SURVEYING IN THE STATE OF FLORIDA," CHAPTER 61012, FLORIDA ADMINISTRATIVE CODE.

BY: JAMES D. GREER, P.S.M.

FLORIDA CERTIFICATE No. LS 5189
DATE OF CERTIFICATION: 2/5/01

02-05-01 00-22480 T:\ORDERBOOK\LAST\CHRECORDS.DWG

EXHIBIT B

Florida Power Parcel

DESCRIPTION: F.P. & L. CO. (CREEKWOOD EAST)

A 134.0 FT. WIDE STRIP OF LAND LYING IN SECTION 12, TOWNSHIP 35 S., RANGE 18, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT A CONCRETE MONUMENT FOUND MARKING THE NORTHWEST CORNER OF SECTION 12, TOWNSHIP 35 S., RANGE 18 E.; THENCE S 89°26'05" E, ALONG THE NORTH LINE OF SAID SECTION 12, A DISTANCE OF 1432.09 FT. TO THE INTERSECTION WITH THE EASTERLY LIMITED ACCESS RIGHT-OF-WAY OF STATE ROAD NO. 93 (INTERSTATE 75), AS SHOWN ON F.D.O.T. RIGHT-OF-WAY MAP SECTION 13075-2402, FOR A POINT OF BEGINNING; THENCE CONTINUE S 89°26'05" E, ALONG THE NORTH LINE OF SAID SECTION 12, A DISTANCE OF 1251.28 FT. TO A CONCRETE MONUMENT FOUND MARKING THE NORTHWEST CORNER OF THE EAST 1/2 OF SAID SECTION 12, SAME BEING THE INTERSECTION WITH THE WEST LINE OF A 330.0 FT. WIDE F.P. & L. CO. EASEMENT, AS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 612, PAGE 508, PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA; THENCE S 00°25'44" E, ALONG SAID WEST LINE, SAME BEING THE WEST LINE OF SAID EAST 1/2 OF SECTION 12, 134.02 FT.; THENCE N 89°26'05" W, PARALLEL WITH THE NORTH LINE OF SAID SECTION 12 AND 134.0 FT. SOUTHERLY THEREFROM, A DISTANCE OF 1254.44 FT. TO THE INTERSECTION WITH THE EASTERLY LIMITED ACCESS RIGHT-OF-WAY OF SAID STATE ROAD NO. 93 (INTERSTATE 75); THENCE N 00°55'22" E, ALONG SAID EASTERLY LIMITED ACCESS RIGHT-OF-WAY, A DISTANCE OF 134.00 FT. TO THE POINT OF BEGINNING, BEING AND LYING IN SECTION 12, TOWNSHIP 35 S. RANGE 18 E, MANATEE COUNTY, FLORIDA.

CONTAINING 3.85 ACRES MORE OR LESS.

EXHIBIT C

LEGAL DESCRIPTION AND SKETCH

Parcel 102

RIGHT OF WAY

A parcel of land lying in Section 12, Township 35 South, Range 18 East, Manatee County Florida being a portion of those lands described in Official Record Book 2285, Page 1210, Public Records of Manatee County, Florida.

Being more particularly described as follows:

COMMENCE at the northeast corner of the northwest quarter of said Section 12; thence along the east line of said northwest quarter also being the east line of lands described in Official Record Book 1404, Page 5966, Public Records of Manatee County, Florida, S 00°26'52" E a distance of 134.02 feet to the northeast corner of lands described in said Official Record Book 2285, Page 1210, said point being the POINT OF BEGINNING; thence along the east line of said lands described in Official Record Book 2285, Page 1210, S 00°26'52" E a distance of 905.80 feet to the northeast corner of Tract CA1 of CREEKWOOD EAST CORPORATE PARK as per Plat Book 50, Page 79, Public Records of Manatee County, Florida; thence departing said east line and along the north line of said Tract CA1, S 77°15'31" W a distance of 149.76 feet to a point on a curve concave to the northwest having a radius of 741.00 feet, a delta angle of 15°19'09", a chord bearing of N 07°12'43" E, a chord distance of 197.53 feet; thence departing said north line and along said curve 198.12 feet to the end of said curve; thence N 00°26'52" W a distance of 507.14 feet; thence N 22°27'55" W a distance of 96.15 feet; thence N 89°36'08" W a distance of 374.62 feet; thence N 00°23'52" E a distance of 30.00 feet; thence N 89°36'08" W a distance of 727.26 feet to the west line of said lands described in Official Record Book 2285, Page 1210, also being the easterly Limited Access Right of Way Line per Florida Department of Transportation Right of Way Map Section 13075-2402; thence along said west line, N 00°55'46" E a distance of 121.70 feet to a point on the north line of lands described in said Official Record Book 2285, Page 1210; thence departing said west line and along said north line, S 89°25'50" E a distance of 1254.63 feet to the POINT OF BEGINNING.

Containing 6.020 acres, more or less.

This legal description and sketch prepared by:

Joel C McGee

Digitally signed by Joel C McGee
DN: cn=Joel C McGee,
ou=Quattro-A01410C0000156A84D572A000A9CB,
o=QUATRO AND CREED, c=US
Reason: I am approving this document
Contact info: www.McGeeandCreed.com
Date: 2023.06.16 14:38:10-04'00'

JOEL C. MCGEE



DATE:

PROFESSIONAL SURVEYOR AND MAPPER

STATE OF FLORIDA

LICENSE NUMBER LS 6430

Note: Not valid without the original signature and
seal of a Florida licensed surveyor and mapper.

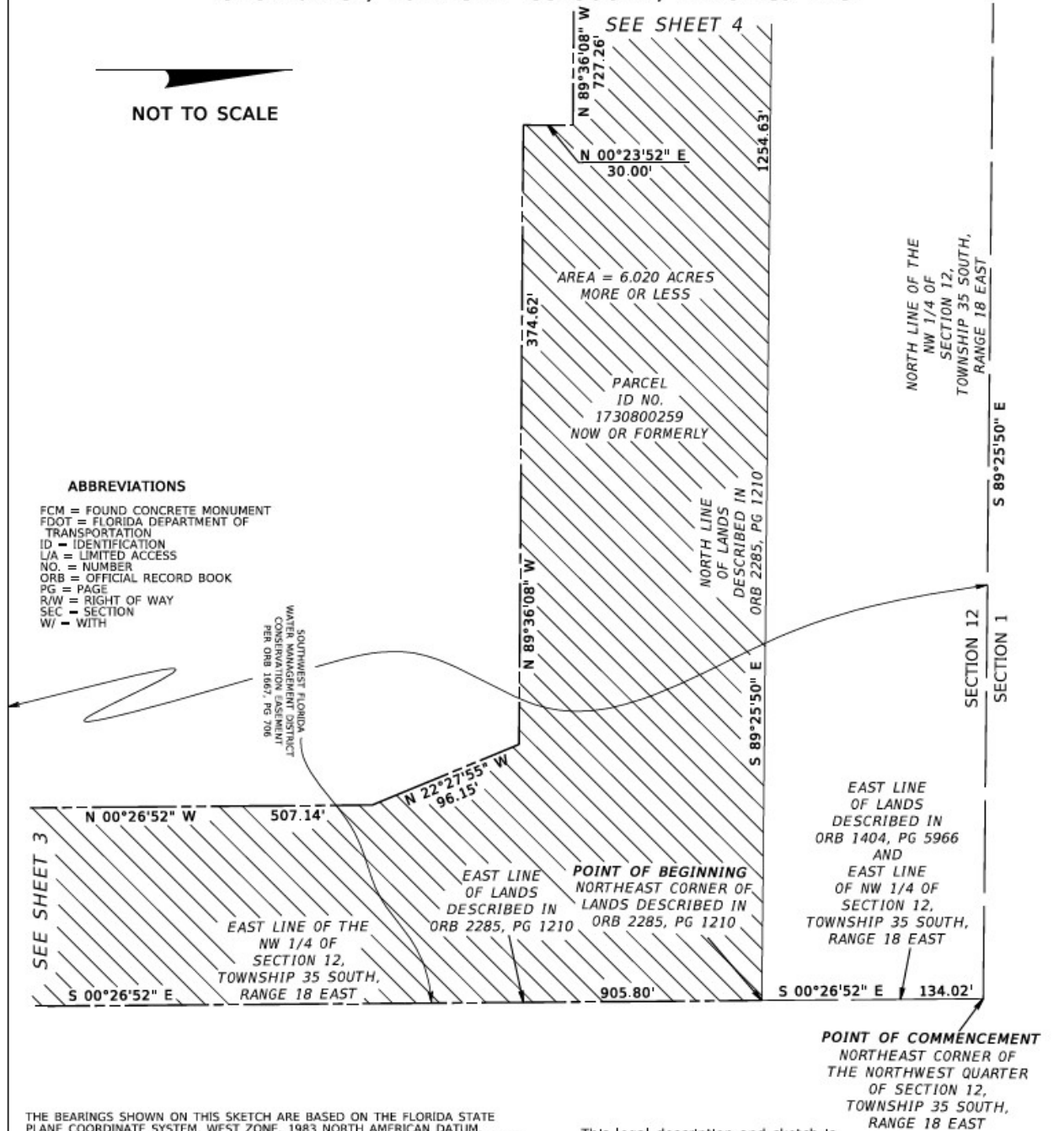
			 MANATEE COUNTY PUBLIC WORKS		PREPARED BY:  McKIM & CREED 551 N. CATTLEMEN ROAD, SUITE 106 SARASOTA, FL 34232 941-379-3404 LB 7917			
			PARCEL SKETCH - THIS IS NOT A SURVEY				MANATEE COUNTY	
			BY		DATE		PURPOSE - PUBLIC RIGHT OF WAY	
			DRAWN G. JONES		4/11/22			
			CHECKED D. RUTKOSKY		4/11/22		PARCEL NO. 102	
							44TH AVENUE EAST PROJECT NO. - 6045662	
REVISION			BY		DATE		SHEET 1 OF 4	

SECTION 12, TOWNSHIP 35 SOUTH, RANGE 18 EAST



ABBREVIATIONS

FCM = FOUND CONCRETE MONUMENT
 FDOT = FLORIDA DEPARTMENT OF
 TRANSPORTATION
 ID = IDENTIFICATION
 LJA = LIMITED ACCESS
 NO. = NUMBER
 ORB = OFFICIAL RECORD BOOK
 PG = PAGE
 R/W = RIGHT OF WAY
 SEC = SECTION
 W/ = WITH



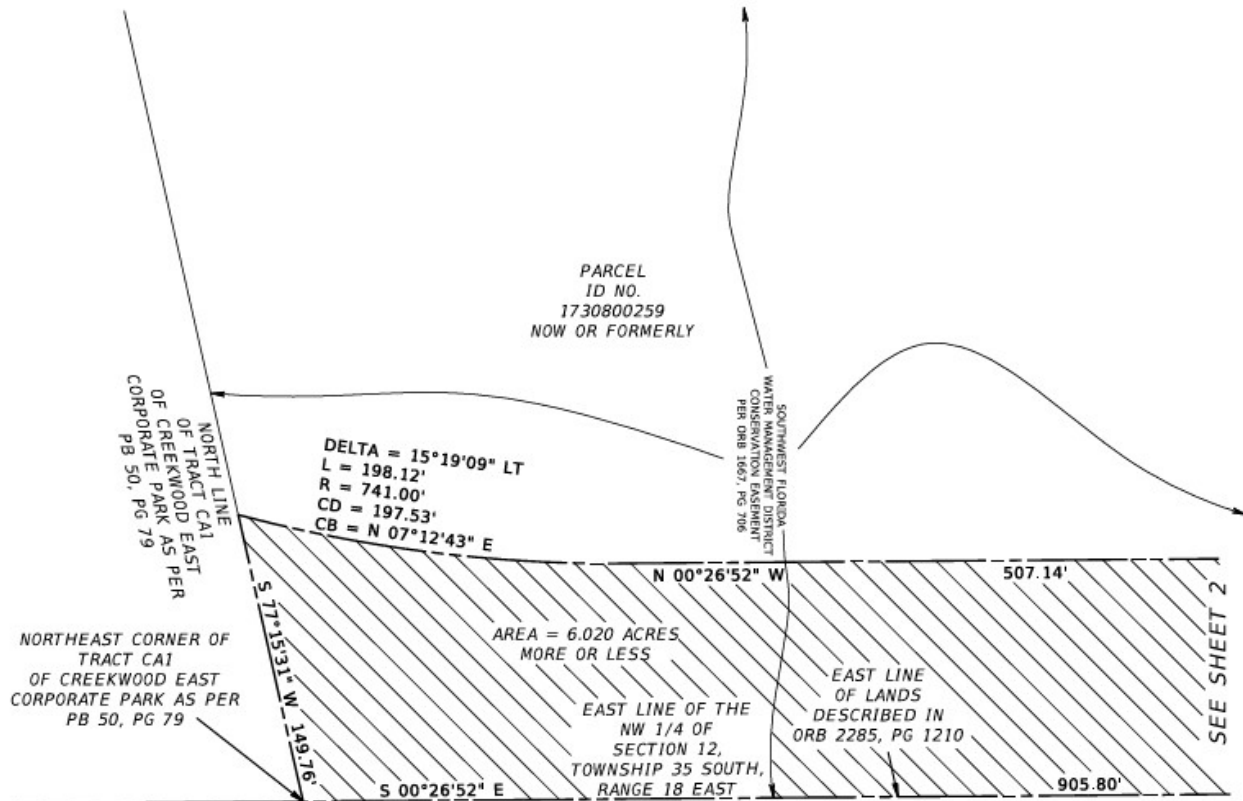
THE BEARINGS SHOWN ON THIS SKETCH ARE BASED ON THE FLORIDA STATE PLANE COORDINATE SYSTEM, WEST ZONE, 1983 NORTH AMERICAN DATUM, 1999 ADJUSTMENT, AS ESTABLISHED FROM THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 35 SOUTH, RANGE 18 EAST DERIVING A BEARING OF S 89°25'50" E.

This legal description and sketch is incomplete without the signed and sealed legal description.

			MANATEE COUNTY PUBLIC WORKS		PREPARED BY: McKIM & CREED 551 N. CATTLEMEN ROAD, SUITE 106 SARASOTA, FL 34232 941-379-3404 LB 7917			
			PARCEL SKETCH - THIS IS NOT A SURVEY				MANATEE COUNTY	
			BY G. JONES		DATE 4/11/22		PURPOSE - PUBLIC RIGHT OF WAY	
			DRAWN G. JONES		DATE 4/11/22		PARCEL NO. 102	
			CHECKED D. RUTKOSKY		DATE 4/11/22		44TH AVENUE EAST PROJECT NO. - 6045662	
REVISION BY DATE							SHEET 2 OF 4	

SECTION 12, TOWNSHIP 35 SOUTH, RANGE 18 EAST

NOT TO SCALE



ABBREVIATIONS

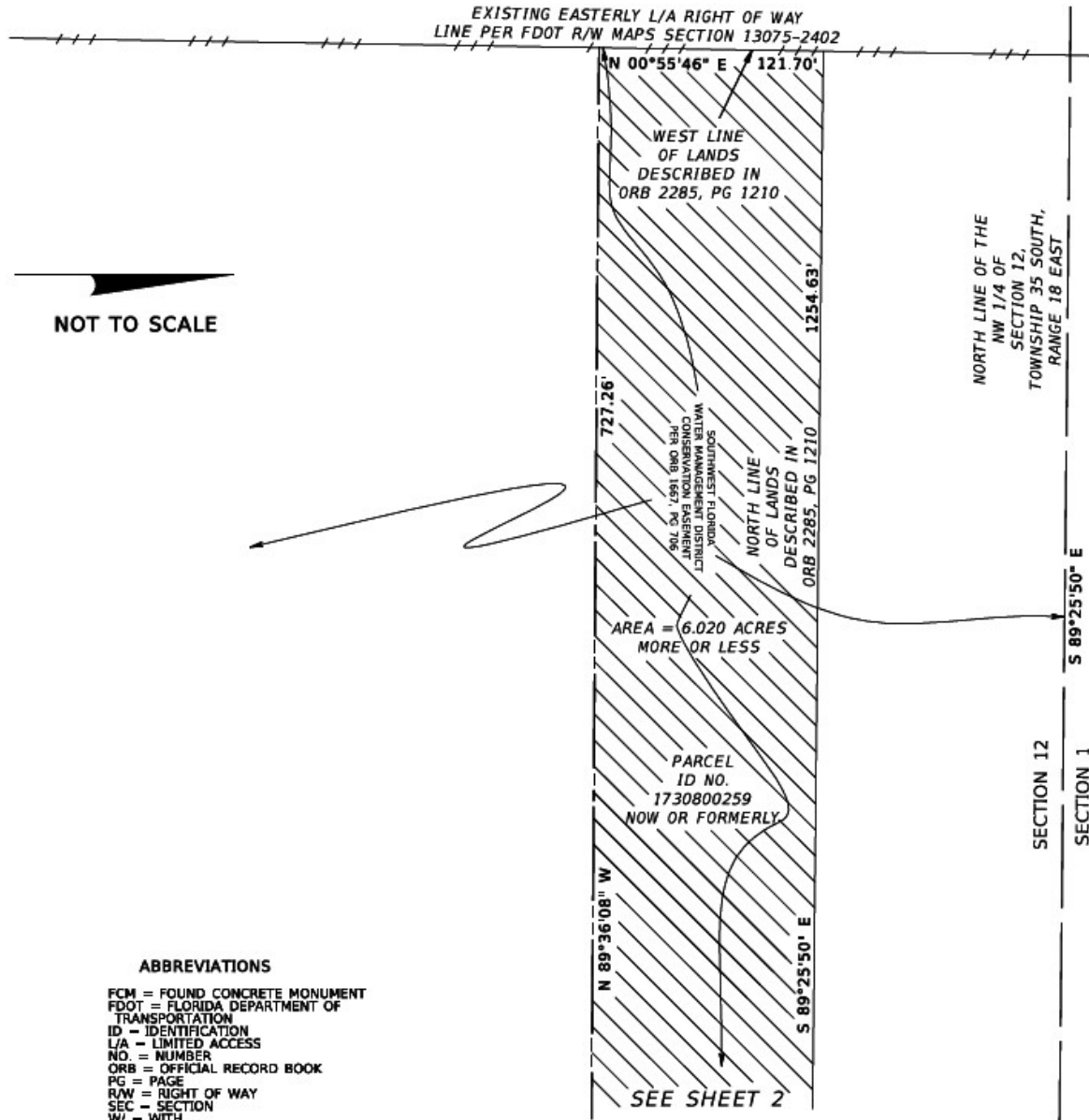
CB = CHORD BEARING
 CD = CHORD DISTANCE
 FCM = FOUND CONCRETE MONUMENT
 FDOT = FLORIDA DEPARTMENT OF TRANSPORTATION
 ID = IDENTIFICATION
 L/A = LIMITED ACCESS
 L = LENGTH
 LT = LEFT
 NO. = NUMBER
 ORB = OFFICIAL RECORD BOOK
 PB = PLAT BOOK
 PG = PAGE
 R/W = RIGHT OF WAY
 SEC = SECTION
 W/ = WITH

This legal description and sketch is incomplete without the signed and sealed legal description.

THE BEARINGS SHOWN ON THIS SKETCH ARE BASED ON THE FLORIDA STATE PLANE COORDINATE SYSTEM, WEST ZONE, 1983 NORTH AMERICAN DATUM, 1999 ADJUSTMENT, AS ESTABLISHED FROM THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 35 SOUTH, RANGE 18 EAST DERIVING A BEARING OF S 89°25'50\" E.

			MANATEE COUNTY PUBLIC WORKS		PREPARED BY: MKIM & CREED 551 N. CATTLEMEN ROAD, SUITE 106 SARASOTA, FL 34232 941-379-3404 LB 7917	
			PARCEL SKETCH - THIS IS NOT A SURVEY			MANATEE COUNTY
			BY G. JONES	DATE 4/11/22	PURPOSE - PUBLIC RIGHT OF WAY	
			DRAWN G. JONES	DATE 4/11/22	PARCEL NO. 102	44TH AVENUE EAST PROJECT NO. - 6045662
REVISION	BY	DATE	CHECKED D. RUTKOSKY	DATE 4/11/22	PARCEL NO. 102	SHEET 3 OF 4

SECTION 12, TOWNSHIP 35 SOUTH, RANGE 18 EAST



ABBREVIATIONS

FCM = FOUND CONCRETE MONUMENT
FDOT = FLORIDA DEPARTMENT OF
TRANSPORTATION
ID = IDENTIFICATION
L/A = LIMITED ACCESS
NO. = NUMBER
ORB = OFFICIAL RECORD BOOK
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R/W = RIGHT OF WAY
SEC = SECTION
W/ = WITH

This legal description and sketch is incomplete without the signed and sealed legal description.

THE BEARINGS SHOWN ON THIS SKETCH ARE BASED ON THE FLORIDA STATE PLANE COORDINATE SYSTEM, WEST ZONE, 1983 NORTH AMERICAN DATUM, 1999 ADJUSTMENT, AS ESTABLISHED FROM THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 35 SOUTH, RANGE 18 EAST DERIVING A BEARING OF S 89°25'50" E.

			MANATEE COUNTY PUBLIC WORKS		PREPARED BY: McKIM & CREED 551 N. CATTLEMAN ROAD, SUITE 106 SARASOTA, FL 34232 941-379-3404 LB 7917	
			PARCEL SKETCH - THIS IS NOT A SURVEY			MANATEE COUNTY
			BY G. JONES	DATE 4/11/22	PURPOSE - PUBLIC RIGHT OF WAY	
			DRAWN G. JONES	DATE 4/11/22	PARCEL NO. 102	44TH AVENUE EAST PROJECT NO. - 6045662
REVISION	BY	DATE	CHECKED D. RUTKOSKY	DATE 4/11/22	SHEET 4 OF 4	

EXHIBIT D

SKETCH AND DESCRIPTION PARCEL 103 CE SECTION 12 - TOWNSHIP 35 SOUTH - RANGE 18 EAST MANATEE COUNTY, FLORIDA

DESCRIPTION PARCEL 103 CE

CONSERVATION EASEMENT

A portion of TRACT CA1 of CREEKWOOD EAST CORPORATE PARK, as recorded in Plat Book 50, Page 79 of the Public Records of Manatee County, Florida, lying within Section 12, Township 35 South, Range 18 East, being more particularly described as:

BEGINNING at the Northeast corner of said TRACT CA1, also being on the southerly line of a parcel described in Official Records Book 2285, page 1210, thence along the Easterly boundary of said TRACT CA1, S 00° 26' 52" E, a distance of 130.20 feet; thence departing said Easterly line of Tract CA1, S 77°16'15"W a distance of 206.28 feet to a point on a non-tangent curve to the left; thence along the arc of said non-tangent curve, having a radius of 741.00 feet, a central angle of 11°48'56", an arc distance of 152.81 feet, said curve having a chord bearing and distance of N 20°46'45" E, 152.54 feet to the North boundary line of said TRACT CA1; thence along said North boundary line N 77°15'31" E, a distance of 149.76 feet to the POINT OF BEGINNING.

Containing 0.511 acres (22,244 square feet), more or less.

This legal description and sketch prepared by:

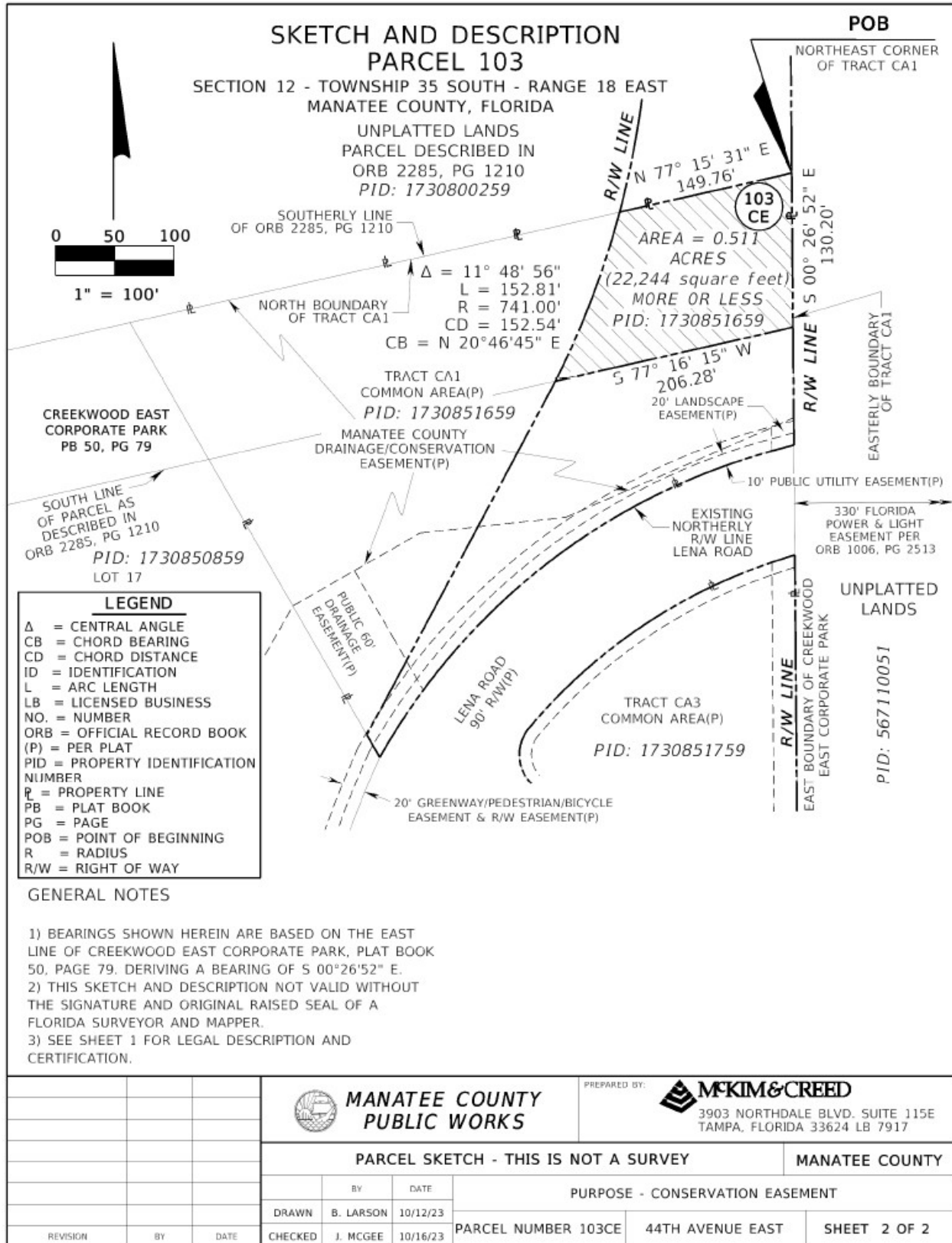
Joel C McGee

Digitally signed by Joel C McGee
DN: CN=Joel C McGee,
dnQualifier=A01410C0000186A84D572A0005A9CB,
O=MCKIM AND CREED, C=US
Reason: I attest to the accuracy and integrity of this
document
Contact Info: www.Mckimcreed.com
Date: 2023.11.06 16:23:53-05'00'

JOEL C. McGEE DATE _____
PROFESSIONAL SURVEYOR AND MAPPER
STATE OF FLORIDA
LICENSE NUMBER LS 6430

*Note: Not valid without the original signature and
seal of a Florida licensed surveyor and mapper.*

			MANATEE COUNTY PUBLIC WORKS		PREPARED BY: MCKIM & CREED 3903 NORTHDAL BLVD, SUITE 115E TAMPA, FLORIDA 33624			
					PARCEL SKETCH - THIS IS NOT A SURVEY			
			MANATEE COUNTY					
			PURPOSE - CONSERVATION EASEMENT					
REVISION	BY	DATE	DRAWN	B. LARSON	10/12/23	PARCEL NUMBER 103CE	44TH AVENUE EAST	SHEET 1 OF 2
			CHECKED	J. MCGEE	10/16/23			



CONSENT AGENDA

January 23, 2024

Executive Director's Report: Approve Governing Board Minutes – December 12, 2023

Staff Recommendation:

Approve minutes as presented.

Presenter:

Brian J. Armstrong, P.G., Executive Director



**GOVERNING BOARD MEETING
TUESDAY, DECEMBER 12, 2023 – 9:00 AM
7601 US 301 NORTH, TAMPA, FL 33637
(813) 985-7481**

MINUTES

Board Members Present

Ed Armstrong, Chair
Michelle Williamson, Vice Chair
John Mitten, Secretary
Jack Bispham, Treasurer
Joel Schleicher, Member*
Kelly Rice, Member*
Ashley Bell Barnett, Member*
John Hall, Member*
James Holton, Member
Dustin Rowland, Member
Robert Stern, Member
Nancy H. Watkins, Member

*Attended via electronic media

Staff Members

Brian J. Armstrong, Executive Director
Amanda Rice, Assistant Executive Director
Chris Tumminia, General Counsel
Brian Werthmiller, Inspector General
Michael Molligan, Division Director
Jennette Seachrist, Division Director
Michelle Hopkins, Division Director
Brian Starford, Division Director
Brandon Baldwin, 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., December 12, 2023, 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

Chair Ed Armstrong called the meeting to order. He noted that the Board meeting was being recorded for broadcast on government access channels, and public input would be provided in person. Chair Armstrong 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. Chair Armstrong 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 Chair. He also requested that several individuals wishing to speak on the same topic designate a spokesperson. Chair Armstrong 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

Secretary John Mitten offered the invocation and the Pledge of Allegiance.

1.3 Employee Recognition

None were presented.

1.4 Additions/Deletions to Agenda

Mr. Brian Armstrong, Executive Director, stated the following item was being deleted:

Discussion

Finance/Outreach and Planning

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

There was good cause to approve the amended agenda as allowed by Section 120.525, Florida Statutes. (Audio - 00:06:24)

1.5 Public Input for Issues Not Listed on the Published Agenda

Mr. David Ballard Geddis, Jr., spoke regarding the Interlocal Cooperation Act of 1969.

Consent Agenda

Finance, Outreach and Planning Committee

2.1 Resolution to Request Disbursement of Funds from the Land Acquisition Trust Fund for Land Management

Staff recommended the Board approve Resolution 23-10, Request to the Florida Department of Environmental Protection for Disbursement of Funds from the Land Acquisition Trust Fund for Land Management, as shown in the Exhibit.

Resource Management Committee

2.2 Approve the Jack Creek Watershed Management Plan Floodplain Information for Regulatory Use and to Update Flood Insurance Rate Maps in Highlands County (N856)

Staff recommended the Board approve use of the Jack Creek Watershed Management Plan floodplain information for best information available by the District ERP program and to update Flood Insurance Rate Maps in Highlands County.

Regulation Committee

2.3 Water Use Permit No. 20020949.002, Gibson Place Water Conservation Authority, Middleton Water Conservation Authority / GPWCA - MWCA (Lake, Sumter Counties)

Staff recommended the Board approve the proposed permit attached as an exhibit.

2.4 Water Use Permit No. 20 021039.000, Blue Goose Water Conservation Authority, LLC/Blue Goose Water Conservation Authority (Sumter County)

Staff recommended the Board approve the proposed permit attached as an exhibit.

2.5 Water Use Permit No. 20 005789.015, Hernando Co. BOCC, Wiscon Maintenance Compound / Hernando County Water System (Hernando County)

Staff recommended the Board approve the proposed permit attached as an exhibit.

General Counsel's Report

2.6 Authorization to issue Administrative Complaint and Order – Unauthorized Construction – Pop Florida Properties, LLC – CT No. 422327 – Sumter County

Staff recommended the Board:

1. Authorize District staff to issue an Administrative Complaint and Order to Pop Florida Properties, LLC, and any other necessary parties to obtain compliance, recover an administrative fine/civil penalty, and recover any District costs and fees, if appropriate.
2. Authorize District staff to obtain compliance with the terms of the Administrative Complaint and 84 Order in Circuit Court, if necessary.

2.7 Delegation of Authority – Memorandum of Agreement with the Florida Department of Environmental Protection – Coordinated Review of Permit Applications for Indirect Potable Reuse Projects

Staff recommended the Board delegate to the Executive Director the authority to execute the Memorandum of Agreement between the Southwest Florida Water Management District and the Florida Department of Environmental Protection.

Executive Director's Report

2.8 Approve Governing Board Minutes – November 14, 2023

Staff recommended the Board approve minutes as presented.

A motion was made and seconded to approve the Consent Agenda. The motion carried unanimously. (Audio –00:10:02)

Discussion

Finance/Outreach and Planning Committee

Treasurer Jack Bispham called the committee to order.

3.1 Consent Item(s) Moved to Discussion - None

3.2 Preliminary Budget for Fiscal Year 2025

Mr. Brandon Baldwin, Finance, and Information Technology Services Director, presented the Fiscal Year 2025 (FY25) Preliminary Budget. He presented an overview and timeline of the budget development cycle. Mr. Baldwin provided a comparison table of budget metrics from FY21-FY24 (adopted) through FY25 (preliminary).

Mr. Baldwin stated the FY25 preliminary budget totals \$213.7 million. This is a decrease of five percent from FY24. The projected ad valorem is an increase of \$4.4 million which is based on a rolled-back rate with an estimated 3.46 percent in new construction according to recent models. Mr. Baldwin stated the reduction indicated in the state, federal and local revenue funding is tentative, and appropriations will be provided by FDEP (Florida Department of Environmental Protection) following the approval of the FY25 state budget. Any adjustments will be made before the adoption of the budget. Mr. Baldwin provided an overview of revenue sources with a graphic comparison of sources for the adopted FY24 budget and the preliminary FY25 budget.

Mr. Baldwin provided an overview with a graphic comparison for expenditures by category, for the FY24 adopted budget and the FY25 preliminary budget. He provided an overview with a graphic comparison for expenditures by program and Areas of Responsibility (AOR), for the FY24 adopted budget and the FY25 preliminary budget.

Staff recommended the Board authorize staff to prepare the Preliminary Budget Submission for FY2025 based on the preliminary budget as presented, adjusted for any modifications made by the Governing Board on December 12, for submission to the Florida Legislature on or before January 15, 2024.

A motion was made and seconded to approve staff's recommendation. The motion carried unanimously. (Audio – 00:26:32)

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

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

3.4 Budget Transfer Report

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

Resource Management Committee

Vice Chair Michelle Williamson called the committee to order.

4.1 Consent Item(s) Moved to Discussion - None

4.2 Fiscal Year 2025 Cooperative Funding Process

Mr. Kevin Wills, Cooperative Funding Initiative Lead, presented information regarding the FY25 Cooperative Funding Initiative (CFI) review process. He provided a schedule for reviewing and scoring funding requests and explained staff's recommendation to eliminate the CFI regional subcommittees for FY25.

Mr. Wills, provided a summary of the applicants received for FY25. This included the ranking, number of applications and funding amounts requested. He presented a comparison of funding requests for FY21 through FY25. Mr. Wills provided a proposed agenda for the CFI presentation at the February 2024 Board meeting.

Staff recommended the Board approve eliminating the Regional Subcommittee meetings for the FY25 CFI review process.

A motion was made and seconded to approve staff's recommendation. The motion carried unanimously. (Audio – 00:34:17)

4.3 Initiation and Approval of Rulemaking to Amend Rule 40D-8.041, Florida Administrative Code, to Adopt Minimum Flows for Horse Creek and Charlie Creek and Accept the Final Draft Reports

Kristina Deak, PhD, Senior Environmental Scientist, provided a presentation which included an explanation regarding the purpose and process for establishing of Minimum Flows and Levels (MFLs) and information specific to the development and establishment of new MFLs for Horse Creek and Charlie Creek.

Dr. Deak provided an overview of Horse Creek and Charlie Creek which included a timeline of Relevant District activities and information regarding the development of the baseline flow record and flow-based blocks. She explained how the low flow thresholds for block one and the minimum flows for blocks two and three were established. Dr. Deak summarized the recommended minimum flows and responded to questions.

Staff recommended the Board:

1. Accept the report entitled, "Recommended Minimum Flows for Horse Creek, Final Draft, November 2023."
2. Accept the report entitled, "Recommended Minimum Flows for Charlie Creek, Final Draft, November 2023."
3. Authorize the initiation of rulemaking to amend Rule 40D-8.041, F.A.C., to establish minimum flows for Horse Creek.

4. Authorize the initiation of rulemaking to amend Rule 40D-8.041, F.A.C., to establish minimum flows for Charlie Creek.
5. Approve the proposed rule language to establish minimum flows for Horse Creek, which is contained in Exhibit A to this recap.
6. Approve the proposed rule language to establish minimum flows for Charlie Creek, which is contained in Exhibit B to this recap.
7. Authorize staff to make any necessary clarifying or minor technical changes that may result from the rulemaking process for Horse Creek minimum flows.
8. Authorize staff to make any necessary clarifying or minor technical changes that may result from the rulemaking process for Charlie Creek minimum flows.

A motion was made and seconded to approve staff's recommendation. The motion carried unanimously. (Audio – 00:52:31)

4.4 Initiation and Approval of Rulemaking to Amend Rule 40D-8.041, Florida Administrative Code, to Adopt Minimum Flows for the Little Manatee River and Accept Final Draft Report

Ms. Kym Rouse Holzwart, MS, CSE, Lead Ecologist, provided a presentation that included an overview and history of the development of minimum flows for the Little Manatee River, including the significant outreach and stakeholder involvement. She explained the baseline flow record used for minimum flows development and the habitat-based methods and results used to develop minimum flows for both the upper, freshwater segment and the lower, estuarine segment of the Little Manatee River. Ms. Holzwart summarized the results of the recommended minimum flows for the flow-based blocks for both the Upper Little Manatee River and the Lower Little Manatee River.

Staff recommended the Board:

1. Accept the report entitled "Recommended Minimum Flows for the Little Manatee River, Final Draft, November 2023."
2. Authorize the initiation of rulemaking to amend Rule 40D-8.041, F.A.C., to establish minimum flows for the Upper Little Manatee River and the Lower Little Manatee River.
3. Approve the proposed rule language to establish minimum flows for the Upper Little Manatee River and Lower Little Manatee River, which is contained in Exhibit A to this recap.
4. Authorize staff to make any necessary clarifying or minor technical changes that may result from the rulemaking process.

A motion was made and seconded to approve staff's recommendation. The motion carried unanimously. (Audio – 01:07:41)

Operations, Lands and Resource Monitoring Committee

Secretary John Mitten called the committee to order.

5.1 Consent Item(s) Moved to Discussion - None

5.2 Hydrologic Conditions Report

Ms. Tamera McBride, P.G., Hydrologic Data Manager, presented the hydrologic conditions update. She stated that although November rainfall was normal, 12-month total Districtwide rainfall remains below average. Ms. McBride provided information regarding rainfall, streamflow, groundwater levels, lake levels, public supply reservoirs, and climate forecasts. Ms. McBride stated extended climate forecasts predict a chance of above-normal precipitation into the spring.

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

5.3 Offer for Surplus Lands - Tampa Bypass Canal (TBC-16), SWF Parcel No. 13-001-741S

Mr. Mike Singer, Real Estate Services Manager, presented an overview of the Tampa Bypass Canal (TBC-16) and summarized the offer to purchase.

Staff recommended the Board:

- Accept the offer of \$78,000;
- Approve the Contract for Sale and Purchase 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;
- Authorize the conveyance of the District's interest in all phosphate, minerals, metals, and petroleum in or on or under the land upon the request of the buyer;
- 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 carried unanimously. (Audio – 01:18:47)

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

Mr. Chris Tumminia, General Counsel, stated at the November Board workshop the Board discussed the structure of the four committees. Based on that discussion, staff recommends the addition of a standing agenda item that will affirm actions taken by the committees. This agenda item will be added to the Finance/Outreach & Planning Committee.

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 carried unanimously. (Audio – 01:20:11)

Committee/Liaison Reports

8.1 Industrial Advisory Committee

A written summary of the November 7 meeting was provided.

8.2 Public Supply Advisory Committee

A written summary of the November 7 meeting was provided.

Executive Director's Report

9.1 Executive Director's Report

Mr. Brian Armstrong, Executive Director, commended staff for their efforts related to the minimum flows and levels approved at this meeting.

Mr. Armstrong stated the District received two awards for social media efforts. The Tampa Bay Chapter of the Public Relations Society of America presented the District with the PRestige Award and the Best of Show Award for Social Media. He recognized the communication team for all of their work.

Mr. Armstrong recognized Mr. Michael Molligan for his years of service with the District and wished him well during his retirement.

Chair's Report

10.1 Chair's Report

Chair Armstrong stated that he has assigned a select group of Governing Board members from the Operations, Lands, and Resource Monitoring Committee to evaluate potential surplus opportunities as discussed during the November Governing Board workshop. The members include Committee Chair John Hall, John Mitten, Kelly Rice, and Nancy Watkins. A summary of the meetings will be presented at monthly Board meetings.

Chair Armstrong stated the next meeting is scheduled for Tuesday, January 23 at 9:00 a.m., in the Tampa office.

10.2 Employee Milestones

A written summary was provided.

Adjournment

The meeting adjourned at 10:30 a.m.

Governing Board Meeting

January 23, 2024

3. FINANCE/OUTREACH & PLANNING COMMITTEE

3.1	Discussion: Information Item: Consent Item(s) Moved to Discussion	59
3.2	Discussion: Action Item: Investment Strategy Quarterly Update	60
3.3	Discussion: Information Item: Knowledge Management: Annual Review of Governing Board Policy, Investments	61
3.4	Discussion: Information Item: Status of the 2024 Consolidated Annual Report.....	136
3.5	Submit & File: Information Item: Budget Transfer Report	138
3.6	Submit & File: Information Item: Office of Inspector General October 1, 2023 to December 31, 2023 Quarterly Update.....	140

FINANCE/OUTREACH AND PLANNING COMMITTEE

January 23, 2024

Discussion: Information Item: Consent Item(s) Moved to Discussion

Staff Recommendation:

This item is for the Board's information only, and no action is required.

Presenters:

Brandon Baldwin, Division Director, Business and IT Services Division

Michelle Weaver, P.E., Division Director, Employee, Outreach and General Services Division

FINANCE/OUTREACH AND PLANNING COMMITTEE

January 23, 2024

Discussion: Action Item: Investment Strategy Quarterly Update

Purpose

Provide quarterly update of the investment portfolio.

Background

In accordance with Board Policy, Investments, a quarterly investment report shall include the following:

1. A listing of individual securities by class and type held at the end of the reporting period.
2. Percentage of available funds represented by each investment type.
3. Coupon, discount, or earning rate.
4. Average life or duration and final maturity of all investments.
5. Par value and market value.
6. In addition to the standard gross-of-fee-performance reporting that is presented, net-of-fee performance will be provided by the Investment Manager.
7. A summary of District's investment strategy.
8. The year-end quarterly report ended September 30th will show performance on both a book value and total rate of return basis and will compare the results to the portfolio's performance benchmarks. All investments shall be reported at fair value per GASB standards. Investment reports shall be available to the public.

Staff Recommendation:

Accept and place on file the District's Quarterly Investment Reports for the quarter ended December 31, 2023.

Presenter:

John F. Grady III, Managing Director, Public Trust Advisors, LLC

FINANCE/OUTREACH AND PLANNING COMMITTEE

January 23, 2024

Discussion: Information Item: Knowledge Management: Annual Review of Governing Board Policy, Investments

Purpose

To provide the Board with recommended modifications to the District's Investment Policy and to solicit input prior to the February 27, 2024, Board meeting.

A copy of the current Investment Policy with the recommended changes redlined throughout the document and a clean draft copy of the revised will be provided. The revised Investment Policy will be an action item in the February 2024 Board packet and approval will be requested at that time.

Background

In accordance with Governing Board Policy, Investments, the Division Director and the Committee shall review this Policy within 60 days following the end of each fiscal year, and the Governing Board shall approve any modification made thereto.

At the September 26, 2023, Board meeting, extension of the review and approval period for Governing Board Policy, Investments was approved to extend from 60 days to 115 days. An Investment Policy and strategy overview was presented at the Governing Board workshop, held November 14, 2023. At the December 12, 2023, board meeting, the investments discussion item was pulled from the agenda to be brought back to the January Governing Board meeting. At the January 23, 2024, Governing Board meeting, staff will be requesting, through approval of the consent agenda an additional extension of the review and approval period for Governing Board Policy, Investments from 115 days to 183 days. Options and recommended changes will be presented to the Board for discussion and direction to staff.

Benefits

By reviewing and updating the District's Investment Policy within approved timeframe of 183 days following the end of the fiscal year, the Governing Board and management will be in compliance with the Investment Policy.

Staff Recommendation:

This item is for the Board's information only, and no action is required.

Presenter:

Brandon Baldwin, Division Director, Business and IT Services Division

GOVERNING BOARD POLICY

Southwest Florida Water Management District

Title: Investments

Document Owner: Finance Bureau Chief

Approved By: Board Chair

Effective Date: 11/15/2022

Supersedes: 11/16/2021

CONTENTS

PURPOSE	1
SCOPE	1
AUTHORITY	1
DEFINITIONS	1
STANDARDS	2
POLICY	3
DISTRIBUTION	35
REFERENCES	35
REVIEW PERIOD	36
DOCUMENT DETAILS	37
APPROVAL	37

PURPOSE

The purpose of this Investment Policy (hereinafter "Policy") is to set forth the investment objectives and parameters for the management of the funds of the Southwest Florida Water Management District (hereinafter "District"). This Policy is designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices.

SCOPE

This policy shall apply to all funds in excess of current operating expenses and shall be in compliance with Section 218.415, Florida Statutes, with the exception of funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds.

AUTHORITY

This policy is governed by the Governing Board and Sections 218.415, 280.02, 658.12, 11.45 Florida Statutes.

DEFINITIONS

Committee. The Finance/Outreach and Planning Committee of the Governing Board or Board Chair appointed Ad Hoc Committee specifically authorized to act as the Committee for a quantified period of time.

Designee. The Finance Bureau Chief or the Accounting Manager provided they have sufficient investment management education and understanding.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 2 of 37

District. Southwest Florida Water Management District.

Division Director. The Business and Information Technology Services Division Director.

Investment Manager. A third-party person or entity having the responsibility for providing advice regarding the management of the Investment Portfolio and executing transactions in the Investment Portfolio. The District may have one or more Investment Managers.

Investment Portfolio. The portion of the District's Portfolio recommended by the Committee and approved by the Governing Board for investment pursuant to Section X of this Policy.

Liquidity Portfolio. The portion of the District's Portfolio managed internally by District staff. This portion of the portfolio is limited to the security types described in Section X (a), (b), (c), (d), (i), and (o) of this Policy. The requirements of Section X for each of these security types will apply with the further restriction that security maturities in this portfolio may not exceed twelve (12) months.

Policy. The District's Investment Policy.

Portfolio. The total cash, investments, and other funds held by the District under the District's control.

Third-party Custodian. Any bank depository chartered by the federal government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts, and which is doing business in the State of Florida.

Attachments: Please see attachment A for a glossary of cash and investment Management Terms.

STANDARDS

The following standards shall apply:

1. **Ethical Standards.** Governing Board members and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Governing Board members and employees involved in the investment process shall disclose to the District any material financial interests in financial institutions that conduct business with the District, and any material personal financial/investment positions that could be related to the performance of the Portfolio.
2. **Standard of Prudence.** The standard of prudence to be used by investment officials, who are officers or employees of the District, shall be the "Prudent Person Rule" and shall be applied in the context of managing the Portfolio. Investment officers acting in accordance with written procedures and this Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectation are reported to the Executive Director and the Committee in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this Policy. The "Prudent Person Rule" states the following:

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 3 of 37

Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.

While the standard of prudence to be used by investment officials who are officers or employees of the District is the "Prudent Person Rule," any person or firm hired or retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of "Prudent Expert." The Prudent Expert Standard requires the advisor to act with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent investment expert acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, provided, however that this standard of care shall in no case be, or be interpreted to be, less stringent or less restrictive than any investment standard or standards, now in effect or included by amendment effective in the future, prescribed for investments by Florida law.

3. **Fiduciary Standard.** The Southwest Florida Water Management District recognizes its fiduciary responsibility to manage and safeguard the assets of the District. An effective cash management program is essential to good fiscal management.

POLICY

I. INVESTMENT OBJECTIVES:

The investment objectives of the District's Policy, in order of priority, are to provide safety of capital, liquidity of funds, and the optimal rate of return on investments at the time of investment. The District will utilize a strategy for investment portfolios that allows for the sale of securities prior to their scheduled maturity dates for purposes of improving the portfolio's credit quality, liquidity, yield, or return profile in response to changing market conditions or District circumstances.

1. **Safety of Capital** – The safety of capital is the foremost objective of the District's Policy. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital. The objective will be to mitigate credit risk and interest rate risk. Investment transactions shall seek to keep capital losses at a minimum, whether they are from securities defaults or erosion of market value. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
 - (a) **Credit Risk** – The District will minimize credit risk of loss due to the failure of the security by:
 - i. Limiting investments to the authorized investments in the Policy.
 - ii. Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the District will do business.
 - iii. Diversifying the Investment Portfolio to protect against losses on individual securities.
 - iv. Performing initial and ongoing credit analysis and review of all credit-sensitive securities held in the portfolio.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 4 of 37

(b) Interest Rate Risk – The District will minimize the risk that the market value of securities in the Investment Portfolio will fall due to changes in general interest rates by investing Core funds in strategies of appropriate average maturity and duration consistent with the District's risk tolerance and its willingness and ability to withstand related portfolio volatility and fluctuations in market value to include:

- i. Structuring the Investment Portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- ii. Investing operating funds (non-short-term and long-term funds) primarily in shorter-term securities, Florida PRIME, money market mutual funds or interest-bearing time deposits, or savings accounts.
- iii. Actively managing the Core fund portfolios with a duration that is +/- 25% of the selected benchmark duration and adjusting portfolio duration targets as needed.

2. **Liquidity of Funds** – The Portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This will be accomplished by structuring the Portfolio so that securities mature concurrent with cash needs so as to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the Investment Portfolio should consist largely of securities with active secondary markets. A portion of the Portfolio should be placed in investments that offer same-day liquidity for short-term funds, such as the Florida PRIME or money market mutual funds. Periodic cash-flow analyses will be completed in order to ensure that the portfolios are positioned to provide sufficient liquidity.

3. **Optimal Rate of Return** – The Investment Portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Investment return is attempted through active management where the District utilizes a total return strategy, which includes both realized and unrealized gains and losses in the Portfolio. This total return strategy seeks to increase the value of the Investment Portfolio through reinvestment of income and capital gains. Return on investment for the portion of the District's Investment Portfolio that is passively managed is attempted by selecting an authorized investment that provides an optimal yield given the requirements within the Policy, while meeting the District's anticipated liquidity needs. Investments are limited to those relatively low-risk securities authorized in the anticipation of earning a fair return relative to the risk being assumed. Securities may be purchased at a premium or traded for other securities to improve yield, maturity, or credit risk. For these transactions, a loss may be incurred for accounting purposes to achieve relative value based on its potential to enhance the total return of the Investment Portfolio.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 5 of 37

II. DELEGATION OF AUTHORITY:

The District's Governing Board shall be responsible for approving changes to the District's Policy. The responsibility for providing guidance and approval of the District's investment strategy, within the parameters of the Policy, resides with the Committee. The management responsibility for all District funds in the Portfolio and investment transactions is delegated to the Division Director or, in the absence of the Division Director, to the Designee. The Division Director or the Designee will be responsible for managing the Liquidity Portfolio. The Investment Manager shall provide active management for the District's designated funds. The Investment Manager must be registered under the Investment Advisors Act of 1940. The Division Director shall establish written procedures for the operation of the Investment Portfolio and a system of internal accounting and administrative controls to regulate the activities of employees.

III. PERFORMANCE MEASUREMENT:

In order to assist in the evaluation of the Portfolio's performance, the District will use performance benchmarks for the short-term and long-term portfolios. The use of benchmarks will allow the District to measure its returns against other investors in the same markets. With the exception of portfolios managed by external investment advisors, performance calculations will not include any balances invested in the overnight sweep accounts. A benchmark should not be chosen that will induce the individual making the investment to take on undue risk in order to outperform the benchmark.

(a) A short-term index such as the 3, 6, or 12-Month U.S. Treasury Bill Index or S&P Rated GIP Index Government 30 Day Gross Yield will be used as a benchmark for comparison with the Portfolio's net book value rate of return for current operating funds (short-term portfolio). The duration of the index should be similar to that of the short-term portfolio for performance comparison.

(b) Investment performance of funds designated as Core Funds and other non-operating funds that have a longer-term investment horizon (~~longCore-term~~ Pportfolio), that are actively managed, will be compared to a national recognized benchmark that may include the ICE BofA 1-3 Year AAA-AA US Corporate & Government Index, the ICE BofA 1-5 Year AAA-AA US Corporate & Government Index or similar indices. The appropriate indices will have a duration and asset mix that approximates that of the Investment Portfolio(s) and will be utilized as a benchmark to be compared to the Investment Portfolio's total rate of return. The District can choose different performance benchmarks if the investment strategy for the Investment Core Portfolio changes.

(c) Investment performance of funds designated as long term assets and other non-operating funds that have a longer-term investment horizon (Long Term Portfolio), that are actively managed, will be compared to a national recognized benchmark that may include the ICE BofA 3-5 Year AAA-AA US Corporate & Government Index or similar indices. The appropriate indices will have a duration and asset mix that approximates that of the Investment Portfolio(s) and will be utilized as a benchmark to be compared to the Investment Portfolio's total rate of return. The District can choose different performance benchmarks if the investment strategy for the Long Term Portfolio changes. -This portfolio shall not exceed more than 5% of the District's total non-operating cash and investments.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 6 of 37

IV. MATURITY AND LIQUIDITY:

Investments shall be structured in such manner as to provide sufficient liquidity to pay obligations of the District in a timely manner. The Division Director, or Designee, shall sufficiently allocate resources to the short- and long-term investment portfolios. Maturity and average life are measured from settlement date. The final maturity date can be based on any mandatory call, put, pre-refunding date, or other mandatory redemption date.

(a) **Operating Funds** (Short-Term Investment Portfolio). To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash-flow requirements. Investments of current operating funds shall have maturities of no longer than thirty-six (36) months.

~~(b)~~ **Core Funds** (~~Long-Term-Core~~ Investment Portfolio). Investments of reserves, project funds, and other non-operating funds ("Core Funds") shall have a final maturity appropriate to the need for funds, but in no event shall individual security maturities exceed five (5) years. The weighted average duration of the Core Funds as a whole shall not exceed three (3) years.

~~(b)(c)~~ **Long Term Funds** (Long Term Investment Portfolio). Investments of reserves, project funds, and other non-operating funds ("Long Term Funds") shall have a final maturity appropriate to the need for funds, but in no event shall individual security maturities exceed five (5) years. The weighted average duration of the Long Term Funds as a whole shall not exceed four and a half (4.5) years.

V. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION:

Investments should be made subject to the District's cash-flow needs. Such cash-flows are subject to revisions as market conditions and the District's needs change. However, when the invested funds are needed in whole or in part for the purpose originally intended or for more optimal investments, the Division Director or Designee may sell or request that the Investment Manager sell the investment at the then-prevailing market price and place the proceeds into the proper account at the District's custodian.

The following table contains the investment requirements and allocation limits on security types, issuers, and maturities, as established by the District. The Division Director shall have the option to further restrict investment percentages based on market conditions, risk, and diversification investment strategies. The percentage allocation and credit quality requirements for investment types and issuers are calculated based on the market value and credit ratings of each investment at the time of purchase. Investments not listed in this Policy are prohibited. In the event of a ratings downgrade of a security to below levels required for purchase by this policy, the Investment Manager shall notify the Division Director within five business days of such a decline in the required rating. The Investment Manager and the Division Director will review the individual facts and circumstances of the situation and determine an appropriate course of action.

Due to fluctuations in the aggregate invested balance, the maximum percentage issuer and allocation limits of this policy apply at the time of purchase and may be exceeded from time to

GOVERNING BOARD POLICY**Title: Investments****Effective Date: 11/15/2022****Page 7 of 37**

time and shall not require liquidation to realign the portfolio. However, consideration should be given to this matter when future purchases are made.

	Security Type	Minimum Rating Requirement	Maturity Limits	Maximum Allocation Limit	Maximum Issuer Limit
I	Florida PRIME	AAAm	N/A	50%	N/A
II	Intergovernmental Investment Pool	AAAm	N/A	25%	N/A
III	United States Government Securities	N/A	5 Years	100%	N/A
IV	United States Government Agencies (full faith and credit of the United States Government)	N/A	5 Years	50%	25%
V	Federal Instrumentalities (United States Government Sponsored Enterprises ("GSE") which are non-full faith and credit). *	N/A	5 Years	75%	40%
VI	Agency Mortgage-Backed Securities (MBS) *	N/A	5 Years	30%	20%
VII	Non-Negotiable Interest Bearing Time Deposits or Savings Accounts	N/A	1 Years	25%	15%
VIII	State and/or Local Government Taxable and/or Tax-Exempt Debt	Single "A" category by two NRSROs**	5 Years	25%	10%
VIX	Registered Investment Companies (Money Market Mutual Funds)	AAAm	N/A	50%	25%
X	Registered Investment Companies (Mutual Funds)	AAAf	N/A	25%	15%
XI	Repurchase Agreements	N/A	90 Days	50%	25%
XII	Bankers' Acceptances	Highest rating by two NRSROs**	180 Days	35%	10%
XIII	Commercial Paper***	A-1/Prime-1	270 Days	35%	5%
XIV	Asset-Backed Commercial Paper***	A-1/Prime-1	270 Days	35%	5%
XV	Asset-Backed Securities***	Double ("AA") category by any two NRSRO's**	5 Years	25%	5%
XVI	Corporate Notes***	Single "A" category by any two NRSROs**	5 Years	35%	5%

*The combined maximum amount of available funds invested in Federal Instrumentalities and Agency mortgage-backed securities will not exceed seventy-five percent (75%).

**National Recognized Statistical Rating Organization (NRSRO).

***The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the combination of Section (XIII) Commercial Paper, Section (XIV) Asset-Backed Commercial Paper, Section (XV) Asset-Backed Securities, and Section (XVI) Corporate Notes shall not exceed forty percent (40%). Corporate Notes are limited to 15% per industry as determined using the Bloomberg Industry Classification Standards (BICS).

Additional details about the requirements for each security type in the table above are provided in Attachment C: Security Type Purchase and Allocation Guidelines.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 8 of 37

VI. RISK AND DIVERSIFICATION:

Assets held shall be diversified to the extent practicable to control the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold. Diversification strategies within the established guidelines shall be reviewed and revised periodically by the Committee.

VII. DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS:

Investment in any derivative products or the use of reverse repurchase agreements is prohibited. A “derivative” is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets, indices, or asset values.

VIII. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS:

The Division Director (or Designee) shall only purchase securities from financial institutions that are qualified as public depositories by the Chief Financial Officer of the State of Florida or from private securities brokers/dealers designated as “primary dealers” by the Federal Reserve Bank of New York. Qualified public depositories may provide the services of a securities dealer through a Section 20 subsidiary of the financial institution or from direct issuers of commercial paper and bankers’ acceptances.

The Investment Manager shall utilize and maintain its own list of approved primary and non-primary dealers.

IX. THIRD-PARTY CUSTODIAL AGREEMENTS:

The Division Director will execute a Third-Party Custodial Safekeeping Agreement with a commercial bank, which is separately chartered by the United States government or the State of Florida. All securities purchased and/or collateral obtained, with the exception of certificates of deposits, by the Division Director or Designee shall be properly designated as an asset of the District and held in safekeeping by the bank and no withdrawal of such securities, in whole or in part, shall be made from safekeeping, except by an authorized Finance Bureau staff member. The Third-Party Custodial Safekeeping Agreement shall include letters of authority from the Division Director, details as to responsibilities of each party, notification of security purchases, sales, delivery, wire transfers, safekeeping, and transaction costs, and procedures in case of wire failure or other unforeseen mishaps, including liability of each party.

The custodian shall accept transaction instructions only from those persons who have been duly authorized by the District and which authorization has been provided, in writing, to the custodian. No withdrawal of securities, in whole or in part, shall be made from safekeeping, unless by such a duly authorized person.

The custodian shall provide the Division Director or Designee with monthly statements that provide detail information on the securities held by the custodian. Security transactions between authorized investment institutions and dealers and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a “delivery versus payment” basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. Securities held as collateral shall be held free and

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 9 of 37

clear of any liens. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

X. MASTER REPURCHASE AGREEMENT:

The District will require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Securities Industry and Financial Markets Association (SIFMA) Master Repurchase Agreement. All repurchase agreement transactions will adhere to requirements of the SIFMA Master Repurchase Agreement.

XI. COMPETITIVE SELECTION:

After the Division Director, Designee, or Investment Manager, has determined the approximate maturity date based on cash-flow needs and market conditions and has analyzed and selected one or more optimal types of investments, a minimum of three (3) authorized investment institutions or dealers must be contacted and asked to provide bids/offers on securities in question. Bids will be held in confidence until the bid/offer deemed to best meet the investment objectives is determined and selected.

However, if obtaining multiple bids/offers is not feasible and appropriate, securities may be purchased utilizing the comparison to current market price method on an exception basis. Acceptable current market price providers include, but are not limited to the following:

- 1) TradeWeb
- 2) Bloomberg Financial System
- 3) Wall Street Journal or a comparable recognized financial publication
- 4) Daily market pricing provided by the District's custodian bank or correspondent institutions

The Division Director or the Investment Manager shall utilize the competitive bid process to select the securities to be purchased or sold. Competitive solicitations wherein at least three (3) authorized investment institutions or dealers are contacted and only one bid/offer is received shall satisfy the competitive selection requirements of this policy. Selection by comparison to a current market price, as indicated above, shall only be utilized when in judgment of the Division Director or the Investment Manager, competitive bidding is not available, or would inhibit the selection process.

Examples of when this method may be used include:

- A. When time constraints due to unusual circumstances preclude the use of the competitive bidding process.
- B. When no active market exists for the issue being traded due to the age or depth of the issue.
- C. When a security is unique to a single dealer, for example, a private placement or secondary market offerings that are not widely offered or available.
- D. When the transaction involves new issues or issues in the "when issued" market.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 10 of 37

When purchasing new issue securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price. Competitive or negotiated new issue municipal securities wherein the Investment Manager submits an offer alongside that of a participating broker-dealer may be purchased provided that the investment manager believes the offered level represents appropriate value for the investment risks assumed. Overnight sweep investments or repurchase agreements will not be bid but may be placed with the District's depository bank relating to the demand account for which the sweep investments or repurchase agreements were purchased.

XII. INTERNAL CONTROLS:

The Division Director and/or Designee shall establish a system of internal controls and operational procedures. The internal control structure shall be designed to provide reasonable assurance that the assets of the District are protected from loss, theft or misuse that might arise from fraud, employee error, misrepresentation by third parties, or imprudent actions by District employees. The internal control structure will be reviewed during the annual financial audit conducted by independent auditors.

The Division Director will report any non-compliance with the District's Policy or adopted investment strategy to the Inspector General, Executive Director, General Counsel, and Chair of the Committee immediately upon becoming aware of the situation.

XIII. CONTINUING EDUCATION:

The Division Director and Designee shall complete eight (8) hours of continuing education annually in subjects or courses of study related to investment practices and products.

XIV. REPORTING:

The Division Director shall report at least quarterly to the Executive Director and the Governing Board and shall provide quarterly investment reports. Schedules in the quarterly report shall include, but not be limited to, the following:

1. A listing of individual securities by class and type held at the end of the reporting period
2. Percentage of available funds represented by each investment type
3. Coupon, discount, or earning rate
4. Average life or duration and final maturity of all investments
5. Par value and market value
6. In addition to the standard gross-of-fee-performance reporting that is presented, net-of-fee performance will be provided by the Investment Manager
7. A summary of District's investment strategy
8. The year-end quarterly report ended September 30th will show performance on both a book value and total rate of return basis (total rate of return performance for actively

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 11 of 37

managed portfolios for the entire year) and will compare the results to the above-stated performance benchmarks. All investments shall be reported at fair value per GASB standards. Investment reports shall be available to the public.

XV. SECURITIES DISPOSITION:

Every security purchased on behalf of the District must be properly earmarked and, if in book entry form, must be held for the credit of the District by a depository chartered by the federal government, the state, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida, and must be kept by the depository in an account separate and apart from the assets of the financial institution.

XVI. PREEMPTION:

Any provision of any special act, municipal charter, or other law which prohibits or restricts the District from complying with Section 218.415, Florida Statutes, or any rules adopted under Section 218.415, Florida Statutes, is void to the extent of the conflict.

XVII. AUDITS:

Certified public accountants conducting audits of the District pursuant to Section 11.45, Florida Statutes, shall report, as part of the audit, whether or not the District has complied with Section 218.415, Florida Statutes.

XVIII. INVESTMENT DECISIONS:

The investment decisions for the District's investment program must be based solely on pecuniary factors and may not subordinate the interests of the beneficiaries of the investments to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor. The weight given to any pecuniary factor must appropriately reflect a prudent assessment of its impact on risk or returns. -As used in this policy, "pecuniary factor" has the same meaning as defined section 218.415(24)(a), Florida Statutes.

XVIII.XIX. INVESTMENT POLICY ADOPTION:

This Policy shall be adopted by the Governing Board.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 12 of 37

Attachment A

Glossary of Cash and Investment Management Terms

The following is a glossary of key investing terms, many of which appear in the Southwest Florida Water Management District's investment policy. This glossary clarifies the meaning of investment terms generally used in cash and investment management. This glossary has been adapted from the GFOA Sample Investment Policy and the Association of Public Treasurers of the United States and Canada's Model Investment Policy.

Accrued Interest. Interest earned but which has not yet been paid or received.

Agency. See "Federal Agency Securities."

Ask Price. Price at which a broker/dealer offers to sell a security to an investor. Also known as "offered price."

Asset Backed Securities (ABS). A fixed-income security backed by notes or receivables against assets other than real estate. Generally issued by special purpose companies that "own" the assets and issue the ABS. Examples include securities backed by auto loans, credit card receivables, home equity loans, manufactured housing loans, farm equipment loans, and aircraft leases.

Average Life. The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

Bankers' Acceptance (BA's). A draft or bill of exchange drawn upon and accepted by a bank. Frequently used to finance shipping of international goods. Used as a short-term credit instrument, bankers' acceptances are traded at a discount from face value as a money market instrument in the secondary market on the basis of the credit quality of the guaranteeing bank.

Basis Point. One hundredth of one percent, or 0.01%. Thus 1% equals 100 basis points.

Bearer Security. A security whose ownership is determined by the holder of the physical security. Typically, there is no registration on the issuer's books. Title to bearer securities is transferred by delivery of the physical security or certificate. Also known as "physical securities."

Benchmark Bills. In November 1999, FNMA introduced its Benchmark Bills program, a short-term debt securities issuance program to supplement its existing discount note program. The program includes a schedule of larger, weekly issues in three- and six-month maturities and biweekly issues in one-year for Benchmark Bills. Each issue is brought to market via a Dutch (single price) auction. FNMA conducts a weekly auction for each Benchmark Bill maturity and accepts both competitive and non-competitive bids through a web-based auction system. This program is in addition to the variety of other discount note maturities, with rates posted on a daily basis, which FNMA offers. FNMA's Benchmark Bills are unsecured general obligations that are issued in book-entry form through the Federal Reserve Banks. There are no periodic payments of interest on Benchmark Bills, which are sold at a discount from the principal amount and payable at par at maturity. Issues under the Benchmark program constitute the same credit standing as other FNMA discount notes; they simply add organization and liquidity to the short-term Agency discount note market.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 13 of 37

Benchmark Notes/Bonds. Benchmark Notes and Bonds are a series of FNMA “bullet” maturities (non-callable) issued according to a pre-announced calendar. Under its Benchmark Notes/Bonds program, 2, 3, 5, 10, and 30-year maturities are issued each quarter. Each Benchmark Notes new issue has a minimum size of \$4 billion, 30-year new issues having a minimum size of \$1 billion, with re-openings based on investor demand to further enhance liquidity. The amount of non-callable issuance has allowed FNMA to build a yield curve in Benchmark Notes and Bonds in maturities ranging from 2 to 30 years. The liquidity emanating from these large size issues has facilitated favorable financing opportunities through the development of a liquid overnight and term repo market. Issues under the Benchmark program constitute the same credit standing as other FNMA issues; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Benchmark. A market index used as a comparative basis for measuring the performance of an investment portfolio. A performance benchmark should represent a close correlation to investment guidelines, risk tolerance, and duration of the actual portfolio’s investments.

Bid Price. Price at which a broker/dealer offers to purchase a security from an investor.

Bond. Financial obligation for which the issuer promises to pay the bondholder (the purchaser or owner of the bond) a specified stream of future cash-flows, including periodic interest payments and a principal repayment.

Book Entry Securities. Securities that are recorded in a customer’s account electronically through one of the financial markets electronic delivery and custody systems, such as the Fed Securities wire, DTC, and PTC (as opposed to bearer or physical securities). The trend is toward a certificate-free society in order to cut down on paperwork and to diminish investors’ concerns about the certificates themselves. The vast majority of securities are now book entry securities.

Book Value. The value at which a debt security is reflected on the holder’s records at any point in time. Book value is also called “amortized cost” as it represents the original cost of an investment adjusted for amortization of premium or accretion of discount. Also called “carrying value.” Book value can vary over time as an investment approaches maturity and differs from “market value” in that it is not affected by changes in market interest rates.

Broker/Dealer. A person or firm transacting securities business with customers. A “broker” acts as an agent between buyers and sellers and receives a commission for these services. A “dealer” buys and sells financial assets from its own portfolio. A dealer takes risk by owning inventory of securities, whereas a broker merely matches up buyers and sellers. See also “Primary Dealer.”

Bullet Notes/Bonds. Notes or bonds that have a single maturity date and are non-callable.

Call Date. Date at which a call option may be or is exercised.

Call Option. The right, but not the obligation, of an issuer of a security to redeem a security at a specified value and at a specified date or dates prior to its stated maturity date. Most fixed-income calls are a par but can be at any previously established price. Securities issued with a call provision typically carry a higher yield than similar securities issued without a call feature. There are three primary types of call options (1) European – one-time calls, (2) Bermudan – periodically on a predetermined schedule (quarterly, semi-annual, annual), and (3) American – continuously

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 14 of 37

callable at any time on or after the call date. There is usually a notice period of at least 5 business days prior to a call date.

Callable Bonds/Notes. Securities which contain an imbedded call option giving the issuer the right to redeem the securities prior to maturity at a predetermined price and time.

Certificate of Deposit (CD). Bank obligation issued by a financial institution generally offering a fixed rate of return (coupon) for a specified period of time (maturity). Can be as long as 10 years to maturity, but most CDs purchased by public agencies are one year and under.

Collateral. Investment securities or other property that a borrower pledges to secure repayment of a loan, secure deposits of public monies, or provide security for a repurchase agreement.

Collateralization. Process by which a borrower pledges securities, property, or other deposits for securing the repayment of a loan and/or security.

Collateralized Mortgage Obligation (CMO). A security that pools together mortgages and separates them into short, medium, and long-term positions (called tranches). Tranches are set up to pay different rates of interest depending upon their maturity. Interest payments are usually paid monthly. In “plain vanilla” CMOs, principal is not paid on a tranche until all shorter tranches have been paid off. This system provides interest and principal in a more predictable manner. A single pool of mortgages can be carved up into numerous tranches each with its own payment and risk characteristics.

Commercial Paper. Short term unsecured promissory note issued by a company or financial institution. Issued at a discount and matures for par or face value. Usually, a maximum maturity of 270 days and given a short-term debt rating by one or more NRSROs.

Convexity. A measure of a bond’s price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond’s price to interest rate changes.

Corporate Note. A debt instrument issued by a corporation with a maturity of greater than one year and less than ten years.

Counterparty. The other party in a two-party financial transaction. “Counterparty risk” refers to the risk that the other party to a transaction will fail in its related obligations. For example, the bank or broker/dealer in a repurchase agreement.

Coupon Rate. Annual rate of interest on a debt security, expressed as a percentage of the bond’s face value.

Current Yield. Annual rate of return on a bond based on its price. Calculated as (coupon rate / price) but does not accurately reflect a bond’s true yield level.

Custody. Safekeeping services offered by a bank, financial institution, or trust company, referred to as the “custodian.” Service normally includes the holding and reporting of the customer’s securities, the collection and disbursement of income, securities settlement, and market values.

Dealer. A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his/her own account.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 15 of 37

Delivery Versus Payment (DVP). Settlement procedure in which securities are delivered versus payment of cash, but only after cash has been received. Most security transactions, including those through the Fed Securities Wire system and DTC, are done DVP as a protection for both the buyer and seller of securities.

Depository Trust Company (DTC). A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of certificates. A member of the Federal Reserve System and owned mostly by the New York Stock Exchange, the Depository Trust Company uses computerized debit and credit entries. Most corporate securities, commercial paper, CDs, and Bas clear through DTC.

Derivatives. (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities, or commodities). For hedging purposes, common derivatives are options, futures, interest rate swaps, and swaptions. All Collateralized Mortgage Obligations (CMOs) are derivatives.

Derivative Security. Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

Designated Bond. FFCB's regularly issued, liquid, non-callable securities that generally have a 2 or 3-year original maturity. New issues of Designated Bonds are \$1 billion or larger. Re-openings of existing Designated Bond issues are generally a minimum of \$100 million. Designated Bonds are offered through a syndicate of two to six dealers. Twice each month the Funding Corporation announces its intention to issue a new Designated Bond, reopen an existing issue, or to not issue or reopen a Designated Bond. Issues under the Designated Bond program constitute the same credit standing as other FFCB issues; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Discount Notes. Unsecured general obligations issued by Federal Agencies at a discount. Discount notes mature at par and can range in maturity from overnight to one year. Very large primary (new issue) and secondary markets exist.

Discount Rate. Rate charged by the system of Federal Reserve Banks on overnight loans to member banks. Changes to this rate are administered by the Federal Reserve and closely mirror changes to the "fed funds rate."

Discount Securities. Non-interest bearing money market instruments that are issued at discount and redeemed at maturity for full face value. Examples include U.S. Treasury Bills, Federal Agency Discount Notes, Bankers' Acceptances, and Commercial Paper.

Discount. The amount by which a bond or other financial instrument sells below its face value. See also "Premium."

Diversification. Dividing investment funds among a variety of security types, maturities, industries, and issuers offering potentially independent returns.

Dollar Price. A bond's cost expressed as a percentage of its face value. For example, a bond quoted at a dollar price of 95 ½, would have a principal cost of \$955 per \$1,000 of face value.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 16 of 37

Duff & Phelps. One of several NRSROs that provide credit ratings on corporate and bank debt issues.

Duration. The weighted average maturity of a security's or portfolio's cash-flows, where the present values of the cash-flows serve as the weights. The greater the duration of a security/portfolio, the greater its percentage price volatility with respect to changes in interest rates. Used as a measure of risk and a key tool for managing a portfolio versus a benchmark and for hedging risk. There are also different kinds of duration used for different purposes (e.g., MacAuley Duration, Modified Duration).

Fannie Mae. See "Federal National Mortgage Association."

Fed Money Wire. A computerized communications system that connects the Federal Reserve System with its member banks, certain U. S. Treasury offices, and the Washington D.C. office of the Commodity Credit Corporation. The Fed Money Wire is the book entry system used to transfer cash balances between banks for themselves and for customer accounts.

Fed Securities Wire. A computerized communications system that facilitates book entry transfer of securities between banks, brokers, and customer accounts, used primarily for settlement of U.S. Treasury and Federal Agency securities.

Fed. See "Federal Reserve System."

Federal Agency Security. A debt instrument issued by one of the Federal Agencies. Federal Agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

Federal Agency. Government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets. The largest Federal Agencies are GNMA, FNMA, FHLMC, FHLB, FFCB, SLMA, and TVA.

Federal Deposit Insurance Corporation (FDIC). Federal agency that insures deposits at commercial banks, currently to a limit of \$250,000 per depositor per bank.

Federal Farm Credit Bank (FFCB). One of the large Federal Agencies. A government sponsored enterprise (GSE) system that is a network of cooperatively owned lending institutions that provides credit services to farmers, agricultural cooperatives, and rural utilities. The FFCBs act as financial intermediaries that borrow money in the capital markets and use the proceeds to make loans and provide other assistance to farmers and farm-affiliated businesses. Consists of the consolidated operations of the Banks for Cooperatives, Federal Intermediate Credit Banks, and Federal Land Banks. Frequent issuer of discount notes, agency notes and callable agency securities. FFCB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and agricultural industry. Also, issues notes under its "designated note" program.

Federal Funds (Fed Funds). Funds placed in Federal Reserve Banks by depository institutions in excess of current reserve requirements, and frequently loaned or borrowed on an overnight basis between depository institutions.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 17 of 37

Federal Funds Rate (Fed Funds Rate). The interest rate charged by a depository institution lending Federal Funds to another depository institution. The Federal Reserve influences this rate by establishing a “target” Fed Funds rate associated with the Fed’s management of monetary policy.

Federal Home Loan Bank System (FHLB). One of the large Federal Agencies. A government sponsored enterprise (GSE) system, consisting of wholesale banks (currently twelve district banks) owned by their member banks, which provides correspondent banking services and credit to various financial institutions, financed by the issuance of securities. The principal purpose of the FHLB is to add liquidity to the mortgage markets. Although FHLB does not directly fund mortgages, it provides a stable supply of credit to thrift institutions that make new mortgage loans. FHLB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes and callable agency securities. Also, issues notes under its “global note” and “TAP” programs.

Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”). One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides stability and assistance to the secondary market for home mortgages by purchasing first mortgages and participation interests financed by the sale of debt and guaranteed mortgage-backed securities. FHLMC debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities, and MBS. Also, issues notes under its “reference note” program.

Federal National Mortgage Association (FNMA or “Fannie Mae”). One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides liquidity to the residential mortgage market by purchasing mortgage loans from lenders, financed by the issuance of debt securities and MBS (pools of mortgages packaged together as a security). FNMA debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also, issues notes under its “benchmark note” program.

Federal Reserve Bank. One of the 12 distinct banks of the Federal Reserve System.

Federal Reserve System (the Fed). The independent central bank system of the United States that establishes and conducts the nation’s monetary policy. This is accomplished in three major ways: (1) raising or lowering bank reserve requirements, (2) raising or lowering the target Fed Funds Rate and Discount Rate, and (3) in open market operations by buying and selling government securities. The Federal Reserve System is made up of twelve Federal Reserve District Banks, their branches, and many national and state banks throughout the nation. It is headed by the seven-member Board of Governors known as the “Federal Reserve Board” and headed by its Chairman.

Financial Industry Regulatory Authority, Inc. (FINRA). A private corporation that acts as a self-regulatory organization (SRO). FINRA is the successor to the National Association of Securities Dealers, Inc. (NASD). Though sometimes mistaken for a government agency, it is a non-governmental organization that performs financial regulation of member brokerage firms and

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 18 of 37

exchange markets. The government also has a regulatory arm for investments, the Securities and Exchange Commission (SEC).

Fiscal Agent/Paying Agent. A bank or trust company that acts, under a trust agreement with a corporation or municipality, in the capacity of general treasurer. The agent performs such duties as making coupon payments, paying rents, redeeming bonds, and handling taxes relating to the issuance of bonds.

Fitch Investors Service, Inc. One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

Floating Rate Security (FRN or “floater”). A bond with an interest rate that is adjusted according to changes in an interest rate or index. Differs from variable-rate debt in that the changes to the rate take place immediately when the index changes, rather than on a predetermined schedule. See also “Variable Rate Security.”

Freddie Mac. See “Federal Home Loan Mortgage Corporation.”

Ginnie Mae. See “Government National Mortgage Association.”

Global Notes: Notes designed to qualify for immediate trading in both the domestic U.S. capital market and in foreign markets around the globe. Usually, large issues that are sold to investors worldwide and therefore have excellent liquidity. Despite their global sales, global notes sold in the U.S. are typically denominated in U.S. dollars.

Government National Mortgage Association (GNMA or “Ginnie Mae”). One of the large Federal Agencies. Government-owned Federal Agency that acquires, packages, and resells mortgages and mortgage purchase commitments in the form of mortgage-backed securities. Largest issuer of mortgage pass-through securities. GNMA debt is guaranteed by the full faith and credit of the U.S. government (one of the few agencies that are actually full faith and credit of the U.S. government).

Government Securities. An obligation of the U.S. government backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See “Treasury Bills, Notes, Bonds, and SLGS.”

Government Sponsored Enterprise (GSE). Privately owned entity subject to federal regulation and supervision, created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. government, but they are not direct obligations of the U.S. government. For this reason, these securities will offer a yield premium over U.S. Treasuries. Examples of GSEs include: FHLB, FHLMC, FNMA, and SLMA.

Government Sponsored Enterprise Security. A security issued by a Government Sponsored Enterprise. Considered Federal Agency Securities.

Index. A compilation of statistical data that tracks changes in the economy or in financial markets.

Interest-Only (IO) STRIP. A security based solely on the interest payments from the bond. After the principal has been repaid, interest payments stop and the value of the security falls to nothing.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 19 of 37

Therefore, IOs are considered risky investments. Usually associated with mortgage-backed securities.

Internal Controls. An internal control structure ensures that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

Control of collusion. Collusion is a situation where two or more employees are working in conjunction to defraud their employer.

Separation of transaction authority from accounting and record keeping. A separation of duties is achieved by separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction.

Custodial safekeeping. Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.

Avoidance of physical delivery securities. Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.

Clear delegation of authority to subordinate staff members. Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.

Written confirmation of transactions for investments and wire transfers. Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.

Development of a wire transfer agreement with the lead bank and third-party custodian. The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

Inverse Floater. A floating rate security structured in such a way that it reacts inversely to the direction of interest rates. Considered risky as their value moves in the opposite direction of normal fixed-income investments and whose interest rate can fall to zero.

Investment Advisor. A company that provides professional advice managing portfolios, investment recommendations, and/or research in exchange for a management fee.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 20 of 37

Investment Adviser Act of 1940. Federal legislation that sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Grade. Bonds considered suitable for preservation of invested capital, including bonds rated a minimum of Baa3 by Moody's, BBB- by Standard & Poor's, or BBB- by Fitch. Although "BBB" rated bonds are considered investment grade, most public agencies cannot invest in securities rated below "A."

Liquidity. Relative ease of converting an asset into cash without significant loss of value. Also, a relative measure of cash and near-cash items in a portfolio of assets. Additionally, it is a term describing the marketability of a money market security correlating to the narrowness of the spread between the bid and ask prices.

Local Government Investment Pool (LGIP). An investment by local governments in which their money is pooled as a method for managing local funds, (e.g., Florida State Board of Administration's Florida Prime Fund).

Long-Term Core Investment Program. Funds that are not needed within a one-year period.

Market Value. The fair market value of a security or commodity. The price at which a willing buyer and seller would pay for a security.

Mark-to-market. Adjusting the value of an asset to its market value, reflecting in the process unrealized gains or losses.

Master Repurchase Agreement. A widely accepted standard agreement form published by the Securities Industry and Financial Markets Association (SIFMA) that is used to govern and document Repurchase Agreements and protect the interest of parties in a repo transaction.

Maturity Date. Date on which principal payment of a financial obligation is to be paid.

Medium Term Notes (MTN's). Used frequently to refer to corporate notes of medium maturity (5-years and under). Technically, any debt security issued by a corporate or depository institution with a maturity from 1 to 10 years and issued under an MTN shelf registration. Usually issued in smaller issues with varying coupons and maturities and underwritten by a variety of broker/dealers (as opposed to large corporate deals issued and underwritten all at once in large size and with a fixed coupon and maturity).

Money Market. The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

Money Market Mutual Fund (MMF). A type of mutual fund that invests solely in money market instruments, such as: U.S. Treasury bills, commercial paper, bankers' acceptances, and repurchase agreements. Money market mutual funds are registered with the SEC under the Investment Company Act of 1940 and are subject to "rule 2a-7" which significantly limits average maturity and credit quality of holdings. MMF's are managed to maintain a stable net asset value (NAV) of \$1.00. Many MMFs carry ratings by a NRSRO.

Moody's Investors Service. One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 21 of 37

Mortgage-Backed Securities (MBS). Mortgage-backed securities represent an ownership interest in a pool of mortgage loans made by financial institutions, such as savings and loans, commercial banks, or mortgage companies, to finance the borrower's purchase of a home or other real estate. The majority of MBS are issued and/or guaranteed by GNMA, FNMA, and FHLMC. There are a variety of MBS structures with varying levels of risk and complexity. All MBS have reinvestment risk as actual principal and interest payments are dependent on the payment of the underlying mortgages which can be prepaid by mortgage holders to refinance and lower rates or simply because the underlying property was sold.

Mortgage Pass-Through Securities. A pool of residential mortgage loans with the monthly interest and principal distributed to investors on a pro-rata basis. The largest issuer is GNMA.

Municipal Note/Bond. A debt instrument issued by a state or local government unit or public agency. The vast majority of municipals are exempt from state and federal income tax, although some non-qualified issues are taxable.

Mutual Fund. Portfolio of securities professionally managed by a registered investment company that issues shares to investors. Many different types of mutual funds exist (e.g., bond, equity, and money market funds); all except money market funds operate on a variable net asset value (NAV).

Negotiable Certificate of Deposit (Negotiable CD). Large denomination CDs (\$100,000 and larger) that are issued in bearer form and can be traded in the secondary market.

Net Asset Value. The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets including securities, cash, and any accrued earnings, then subtracting the total assets from the fund's liabilities, and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.)

$$[(\text{Total assets}) - (\text{Liabilities})]/(\text{Number of shares outstanding})$$

NRSRO. A "Nationally Recognized Statistical Rating Organization" (NRSRO) is a designated rating organization that the SEC has deemed a strong national presence in the U.S. NRSROs provide credit ratings on corporate and bank debt issues. Only ratings of a NRSRO may be used for the regulatory purposes of rating. Includes Moody's, S&P, Fitch, and Duff & Phelps.

Offered Price. See also "Ask Price."

Open Market Operations. A Federal Reserve monetary policy tactic entailing the purchase or sale of government securities in the open market by the Federal Reserve System from and to primary dealers in order to influence the money supply, credit conditions, and interest rates.

Par Value. The face value, stated value, or maturity value of a security.

Physical Delivery. Delivery of readily available underlying assets at contract maturity.

Portfolio. Collection of securities and investments held by an investor.

Premium. The amount by which a bond or other financial instrument sells above its face value. See also "Discount."

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 22 of 37

Primary Dealer. A designation given to certain government securities dealer by the Federal Reserve Bank of New York. Primary dealers can buy and sell government securities directly with the Fed. Primary dealers also submit daily reports of market activity and security positions held to the Fed and are subject to its informal oversight. Primary dealers are the largest buyers and sellers by volume in the U.S. Treasury securities market.

Prime Paper. Commercial paper of high quality. Highest rated paper is A-1+/A-1 by S&P and P-1 by Moody's.

Principal. Face value of a financial instrument on which interest accrues. May be less than par value if some principal has been repaid or retired. For a transaction, principal is par value times price and includes any premium or discount.

Prudent Expert Rule. Standard that requires that a fiduciary manage a portfolio with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. This statement differs from the "prudent person" rule in that familiarity with such matters suggests a higher standard than simple prudence.

Prudent Investor Standard. Standard that requires that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. More stringent than the "prudent person" standard as it implies a level of knowledge commensurate with the responsibility at hand.

Qualified Public Depository. Per Subsection 280.02(26), F.S., "qualified public depository" means any bank, savings bank, or savings association that:

1. Is organized and exists under the laws of the United States, the laws of this state or any other state or territory of the United States.
2. Has its principal place of business in this state or has a branch office in this state which is authorized under the laws of this state or of the United States to receive deposits in this state.
3. Has deposit insurance under the provision of the Federal Deposit Insurance Act, as amended, 12 U.S.C. ss.1811 et seq.
4. Has procedures and practices for accurate identification, classification, reporting, and collateralization of public deposits.
5. Meets all requirements of Chapter 280, F.S.
6. Has been designated by the Chief Financial Officer as a qualified public depository.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 23 of 37

Range Note. A type of structured note that accrues interest daily at a set coupon rate that is tied to an index. Most range notes have two coupon levels; a higher accrual rate for the period the index is within a designated range, the lower accrual rate for the period that the index falls outside the designated range. This lower rate may be zero and may result in zero earnings.

Rate of Return. Amount of income received from an investment, expressed as a percentage of the amount invested.

Realized Gains (Losses). The difference between the sale price of an investment and its book value. Gains/losses are “realized” when the security is actually sold, as compared to “unrealized” gains/losses which are based on current market value. See “Unrealized Gains (Losses).”

Reference Bills. FHLMC’s short-term debt program created to supplement its existing discount note program by offering issues from one month through one year, auctioned on a weekly or on an alternating four-week basis (depending upon maturity) offered in sizeable volumes (\$1 billion and up) on a cycle of regular, standardized issuance. Globally sponsored and distributed, Reference Bill issues are intended to encourage active trading and market-making and facilitate the development of a term repo market. The program was designed to offer predictable supply, pricing transparency, and liquidity, thereby providing alternatives to U.S. Treasury bills. FHLMC’s Reference Bills are unsecured general corporate obligations. This program supplements the corporation’s existing discount note program. Issues under the Reference program constitute the same credit standing as other FHLMC discount notes; they simply add organization and liquidity to the short-term Agency discount note market.

Reference Notes. FHLMC’s intermediate-term debt program with issuances of 2, 3, 5, 10, and 30-year maturities. Initial issuances range from \$2 - \$6 billion with re-openings ranging \$1 - \$4 billion.

The notes are high-quality bullet structures securities that pay interest semiannually. Issues under the Reference program constitute the same credit standing as other FHLMC notes; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Repurchase Agreement (Repo). A short-term investment vehicle where an investor agrees to buy securities from a counterparty and simultaneously agrees to resell the securities back to the counterparty at an agreed upon time and for an agreed upon price. The difference between the purchase price and the sale price represents interest earned on the agreement. In effect, it represents a collateralized loan to the investor, where the securities are the collateral. Can be DVP, where securities are delivered to the investor’s custodial bank, or “tri-party” where the securities are delivered to a third-party intermediary. Any type of security can be used as “collateral,” but only some types provide the investor with special bankruptcy protection under the law. Repos should be undertaken only when an appropriate Securities Industry and Financial Markets Association (SIFMA) approved master repurchase agreement is in place.

Reverse Repurchase Agreement (Reverse Repo). A repo from the point of view of the original seller of securities. Used by dealers to finance their inventory of securities by essentially borrowing at short-term rates. Can also be used to leverage a portfolio and in this sense, can be considered risky if used improperly.

Safekeeping. Service offered for a fee, usually by financial institutions, for the holding of securities and other valuables. Safekeeping is a component of custody services.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 24 of 37

Secondary Market. Markets for the purchase and sale of any previously issued financial instrument.

Securities Industry and Financial Markets Association (SIFMA). The bond market trade association representing the largest securities markets in the world. In addition to publishing a Master Repurchase Agreement, widely accepted as the industry standard document for Repurchase Agreements, the SIFMA also recommends bond market closures and early closes due to holidays.

Securities Lending. An arrangement between an investor and a custody bank that allows the custody bank to “loan” the investors investment holdings, reinvest the proceeds in permitted investments, and shares any profits with the investor. Should be governed by a securities lending agreement. Can increase the risk of a portfolio in that the investor takes on the default risk on the reinvestment at the discretion of the custodian.

Sinking Fund. A separate accumulation of cash or investments (including earnings on investments) in a fund in accordance with the terms of a trust agreement or indenture, funded by periodic deposits by the issuer (or other entity responsible for debt service), for the purpose of assuring timely availability of moneys for payment of debt service. Usually used in connection with term bonds.

Spread. The difference between the price of a security and similar maturity U.S. Treasury investments, expressed in percentage terms or basis points. A spread can also be the absolute difference in yield between two securities. The securities can be in different markets or within the same securities market between different credits, sectors, or other relevant factors.

Standard & Poor's. One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

STRIPS (Separate Trading of Registered Interest and Principal of Securities). Acronym applied to U.S. Treasury securities that have had their coupons and principal repayments separated into individual zero-coupon Treasury securities. The same technique and “strips” description can be applied to non-Treasury securities (e.g., FNMA strips).

Structured Notes. Notes that have imbedded into their structure options such as step-up coupons or derivative-based returns.

Swap. Trading one asset for another.

TAP Notes. Federal Agency notes issued under the FHLB TAP program. Launched in 6/99 as a refinement to the FHLB bullet bond auction process. In a break from the FHLB's traditional practice of bringing numerous small issues to market with similar maturities, the TAP Issue Program uses the four most common maturities and reopens them up regularly through a competitive auction. These maturities (2, 3, 5, and 10 year) will remain open for the calendar quarter, after which they will be closed, and a new series of TAP issues will be opened to replace them. This reduces the number of separate bullet bonds issued but generates enhanced awareness and liquidity in the marketplace through increased issue size and secondary market volume.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 25 of 37

Tennessee Valley Authority (TVA). One of the large Federal Agencies. A wholly owned corporation of the United States government that was established in 1933 to develop the resources of the Tennessee Valley region in order to strengthen the regional and national economy and the national defense. Power operations are separated from non-power operations. TVA securities represent obligations of TVA, payable solely from TVA's net power proceeds, and are neither obligations of nor guaranteed by the United States. TVA is currently authorized to issue debt up to \$30 billion. Under this authorization, TVA may also obtain advances from the U.S. Treasury of up to \$150 million. Frequent issuer of discount notes, agency notes, and callable agency securities.

Total Return. Investment performance measured over a period of time that includes coupon interest, interest on interest, and both realized and unrealized gains or losses. Total return includes, therefore, any market value appreciation/depreciation on investments held at period end.

Treasuries. Collective term used to describe debt instruments backed by the U.S. government and issued through the U.S. Department of the Treasury. Includes Treasury bills, Treasury notes, and Treasury bonds. Also, a benchmark term used as a basis by which the yields of non-Treasury securities are compared (e.g., "trading at 50 basis points over Treasuries").

Treasury Bills (T-Bills). Short-term direct obligations of the United States government issued with an original term of one year or less. Treasury bills are sold at a discount from face value and do not pay interest before maturity. The difference between the purchase price of the bill and the maturity value is the interest earned on the bill. Currently, the U.S. Treasury issues 4-week, 13-week, and 26-week T-Bills.

Treasury Bonds. Long-term interest-bearing debt securities backed by the U.S. government and issued with maturities of ten years and longer by the U.S. Department of the Treasury.

Treasury Notes. Intermediate interest-bearing debt securities backed by the U.S. government and issued with maturities ranging from one to ten years by the U.S. Department of the Treasury. The Treasury currently issues 2-year, 3-year, 5-year, and 10-year Treasury Notes.

Trustee. A bank designated by an issuer of securities as the custodian of funds and official representative of bondholders. Trustees are appointed to ensure compliance with the bond documents and to represent bondholders in enforcing their contract with the issuer.

Uniform Net Capital Rule. SEC Rule 15c3-1 that outlines the minimum net capital ratio (ratio of indebtedness to net liquid capital) of member firms and non-member broker/dealers.

Unrealized Gains (Losses). The difference between the market value of an investment and its book value. Gains/losses are "realized" when the security is actually sold, as compared to "unrealized" gains/losses which are based on current market value. See also "Realized Gains (Losses)."

Variable-Rate Security. A bond that bears interest at a rate that varies over time based on a specified schedule of adjustment (e.g., daily, weekly, monthly, semi-annually, or annually). See also "Floating Rate Note."

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 26 of 37

Weighted Average Maturity (or just “Average Maturity”). The average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. A simple measure of risk of a fixed-income portfolio.

Weighted Average Maturity to Call. The average maturity of all securities and investments of a portfolio, adjusted to substitute the first call date per security for maturity date for those securities with call provisions.

Yield Curve. A graphic depiction of yields on like securities in relation to remaining maturities spread over a timeline. The traditional yield curve depicts yields on U.S. Treasuries, although yield curves exist for Federal Agencies and various credit quality corporates as well. Yield curves can be positively sloped (normal) where longer-term investments have higher yields, or “inverted” (uncommon) where longer-term investments have lower yields than shorter ones.

Yield to Call (YTC). Same as “Yield to Maturity,” except the return is measured to the first call date rather than the maturity date. Yield to call can be significantly higher or lower than a security’s yield to maturity.

Yield to Maturity (YTM). Calculated return on an investment, assuming all cash-flows from the security are reinvested at the same original yield. Can be higher or lower than the coupon rate depending on market rates and whether the security was purchased at a premium or discount. There are different conventions for calculating YTM for various types of securities.

Yield. There are numerous methods of yield determination. In this glossary, see also “Current Yield,” “Yield Curve,” “Yield to Call,” and “Yield to Maturity.”

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 27 of 37

Attachment B

Investment Pool/Fund Questionnaire

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced, and the program audited.
4. A description of who may invest in the program, how often, what size deposit, and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 28 of 37

Attachment C

Security Type Purchase and Allocation Guidelines

I. Florida PRIME

1. **Purchase Authorization.** The Florida PRIME Fund, as administered by the Florida State Board of Administration (SBA).
2. **Portfolio Composition.** A maximum of 50% of available funds may be invested in the Florida PRIME.
3. **Rating Requirements.** Rating shall be “AAAm” by Standard & Poor’s, or the equivalent by another Nationally Recognized Statistical Rating Organization (NRSRO).
4. **Due Diligence Requirements.** A thorough investigation of the Florida PRIME is required prior to investing and on a continual basis. A current prospectus or equivalent documentation, including an investment policy, financial statements, and portfolio holdings must be obtained. Attachment B is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund.

II. Intergovernmental Investment Pool

1. **Purchase Authorization.** Invest in intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 63.01, F.S.
2. **Portfolio Composition.** A maximum of 25% of available funds may be invested in intergovernmental investment pools.
3. **Rating Requirements.** The intergovernmental investment pool shall be rated “AAA” by Standard & Poor’s or the equivalent by another NRSRO.
1. **Due Diligence Requirements.** A thorough review of any investment pool/fund is required prior to investing and on a continual basis. Attachment B is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund.

III. United States Government Securities

1. **Purchase Authorization.** Invest in negotiable direct obligations, or obligations, the principal and interest of which are unconditionally guaranteed by the United States government. Such securities will include, but not be limited to the following:

Cash Management Bills

Treasury Securities – State and Local Government Series (SLGS)

Treasury Bills

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 29 of 37

Treasury Notes
Treasury Bonds
Treasury Strips

2. **Portfolio Composition.** A maximum of 100% of available funds may be invested in the United States Government Securities.
3. **Maturity Limitations.** The maximum length to maturity of any direct investment in the United States Government Securities is five (5) years from the date of settlement.

IV. **United States Government Agencies (full faith and credit of the United States government)**

1. **Purchase Authorization.** Invest in bonds, debentures, or notes that may be subject to call, issued, or guaranteed as to principal and interest by United States government agencies provided such obligations are backed by the full faith and credit of the United States government. Such securities will include, but are not limited to the following:

United States Export – Import Bank

-Direct obligations or fully guaranteed certificates of beneficial ownership

Farmer Home Administration

-Certificates of beneficial ownership

Federal Financing Bank

-Discount notes, notes and bonds

Federal Housing Administration Debentures

General Services Administration

United States Maritime Administration Guaranteed

-Title XI Financing

New Communities Debentures

-United States government guaranteed debentures

United States Public Housing Notes and Bonds

-United States government guaranteed public housing notes and bonds

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 30 of 37

United States Department of Housing and Urban Development

-Project notes and local authority bonds

2. **Portfolio Composition.** A maximum of 50% of available funds may be invested in United States government agencies.
3. **Limits on Individual Issuers.** A maximum of 25% of available funds may be invested in individual United States government agencies.
4. **Maturity Limitations.** The maximum length to maturity for an investment in any United States government agency security is five (5) years from the date of settlement.

V. Federal Instrumentalities (United States Government Sponsored Enterprises (GSE))

1. **Purchase Authorization.** Invest in bonds, mortgage-backed securities, debentures, or notes that may be subject to call, issued, or guaranteed as to principal and interest by United States Government Sponsored Enterprises (Federal Instrumentalities) that are non-full faith and credit agencies, limited to the following:

Federal Farm Credit Bank (FFCB)

Federal Home Loan Bank or its district banks (FHLB)
Federal National Mortgage Association (FNMA)

Federal Home Loan Mortgage Corporation (Freddie-Mac), including Federal Home Loan Mortgage Corporation participation certificates

2. **Portfolio Composition.** A maximum of 75% of available funds may be invested in Federal Instrumentalities. The combined total of available funds invested in Federal Instrumentalities and agency mortgage-backed securities cannot be more than 75%.
3. **Limits on Individual Issuers.** A maximum of 40% of available funds may be invested in individual Federal Instrumentalities. The maximum percentage invested in securities of any one issuer is inclusive of Agency MBS of the same issuer.
4. **Maturity Limitations.** The maximum length to maturity for an investment in any Federal Instrumentality security is five (5) years from the date of settlement.

VI. Agency Mortgage-Backed Securities (MBS)

1. **Purchase Authorization.** Investment in agency mortgage-backed securities (MBS) which are based on mortgages that are guaranteed by a government agency or Federal Instrumentality for payment of principal and a guarantee of timely payment.
2. **Portfolio Composition.** A maximum of 30% of available funds may be invested in MBS. The combined total of available funds invested in Federal Instrumentalities and MBS cannot be more than 75%.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 31 of 37

3. **Limits of Individual Issuers.** A maximum of 20% of available funds may be invested with any one issuer.

3.

4. **Maturity Limitations.** The maximum length to maturity for an investment in any MBS is five (5) years from the date of settlement.

The maturity of MBS shall be considered the date corresponding to its average life. This date reflects the point at which an investor will have received back half of the original principal (face) amount. The average life may be different from the stated legal maturity included in a security's description.

VII. Non-Negotiable Interest-Bearing Time Deposit or Saving Accounts

1. **Purchase Authorization.** Invest in non-negotiable interest-bearing time certificates of deposit or savings accounts in banks organized under the laws of this state and/or in national banks organized under the laws of the United States and doing business and situated in the State of Florida, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.
2. **Portfolio Composition.** A maximum of 25% of available funds may be invested in non-negotiable interest-bearing time certificates of deposit.
3. **Limits on Individual Issuers.** A maximum of 15% of available funds may be deposited with any one issuer.
4. **Maturity Limitations.** The maximum maturity on any certificate shall be no greater than one (1) year from the date of settlement.

VIII. Municipal Obligations

1. **Purchase Authorization.** Invest in municipal obligations.
2. **Portfolio Composition.** A maximum of 25% of available funds may be invested in municipal obligations.
3. **Limits on Individual Issuers.** A maximum of 10% of available funds may be invested with any one issuer.
4. **Ratings Requirements.** Municipal obligations purchased must be rated at the time of purchase at a minimum single "A" category by any two NRSROs or rated at least "MIG-2" by Moody's or "SP-2" by Standard & Poor's for short-term debt.
5. **Maturity Limitations.** A maximum length to maturity for an investment in any municipal obligation is five (5) years from the date of settlement.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 32 of 37

IX. Registered Investment Companies (Money Market Mutual Funds)

1. **Purchase Authorization.** Invest in shares in open-end or no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with 17 C.F.R. § 270.2a-7.
2. **Portfolio Composition.** A maximum of 50% of available funds may be invested in money market mutual funds.
3. **Limits of Individual Issuers.** A maximum of 25% of available funds may be invested with any one money market mutual fund.
4. **Rating Requirements.** Money market mutual funds shall be rated “AAAm” by Standard & Poor’s or the equivalent by another NRSRO.
5. **Due Diligence Requirements.** A thorough investigation of any money market mutual fund is required prior to investing and on a continual basis. Attachment B is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund. A current prospectus must be obtained.

X. Registered Investment Companies (“Mutual Funds”)

1. **Purchase Authorization.** Shares of open-end, no-load, institutional class mutual funds with fluctuating net asset values (NAV) provided that such funds are registered under the Investment Company Act of 1940. The prospectus must indicate that the funds average duration is maintained at 3 years or less and the fund invests exclusively in investment instruments as authorized by this policy.
2. **Portfolio Composition.** A maximum of 25% of available funds may be invested in mutual funds.
3. **Limits of Individual Issuers.** A maximum of 15% of available funds may be invested with any one mutual fund.
4. **Rating Requirements.** The mutual funds shall be rated “AAAf” by Standard & Poor’s or the equivalent by another NRSRO.
5. **Due Diligence Requirements.** A thorough investigation of any mutual fund is required prior to investing, and on a continual basis. Attachment B is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund. A current prospectus must be obtained.

XI. Repurchase Agreements

1. **Purchase Authorization.**

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 33 of 37

- a. Invest in repurchase agreements composed of only those investments based on the requirements set forth by the District's Master Repurchase Agreement. All firms are required to sign the Master Repurchase Agreement prior to the execution of a repurchase agreement transaction.
 - b. A third-party custodian with whom the District has a current custodial agreement shall hold the collateral for all repurchase agreements with a term longer than one (1) business day. A clearly marked receipt that shows evidence of ownership must be supplied to the Division Director and retained.
 - c. Securities authorized for collateral are negotiable direct obligations of the United States government, government agencies, and Federal Instrumentalities with maturities under five (5) years and must have a market value for the principal and accrued interest of 102 percent of the value and for the term of the repurchase agreement. Immaterial short-term deviations from the 102 percent requirement are permissible only upon the approval of the Division Director.
2. **Portfolio Composition.** A maximum of 50% of available funds may be invested in repurchase agreements, excluding one (1) business day agreements and overnight sweep agreements.
 3. **Limits on Individual Issuers.** A maximum of 25% of available funds may be invested with any one institution.
 4. **Limits on Maturities.** The maximum length to maturity of any repurchase agreement is 90 days from the date of settlement.

XII. Bankers' Acceptances

1. **Purchase Authorization.** Invest in bankers' acceptances which are issued by a domestic bank.
2. **Portfolio Composition.** A maximum of 35% of available funds may be directly invested in bankers' acceptances.
3. **Limits on Individual Issuers.** A maximum of 10% of available funds may be invested with any one issuer.
4. **Ratings Requirements.** Bankers' acceptances that are rated at the time of purchase in the highest category by at least two NRSROs.
5. **Maturity Limitations.** The maximum length to maturity for bankers' acceptances shall be 180 days from the date of settlement.

XIII. Commercial Paper

1. **Purchase Authorization.** Invest in commercial paper issued by corporations organized and operating within the United States or by depository institutions licensed by the United States.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 34 of 37

2. **Portfolio Composition.** A maximum of 35% of available funds may be directly invested in prime commercial paper. The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the combination of Section (XIII) Commercial Paper, Section (XIV) Asset-Backed Commercial Paper, Section (XV) Asset-Backed Securities, and Section (XVI) Corporate Notes shall not exceed forty percent (40%).
3. **Limits on Individual Issuers.** A maximum of 5% of available funds may be invested with any one issuer.
4. **Ratings Requirements.** Commercial paper that has a minimum S&P rating of A-1 and minimum Moody's rating of Prime-1 at the time of purchase. If the commercial paper is backed by a letter of credit (LOC), the long-term debt of the LOC provider must be rated single "A" category or better by at least two NRSROs.
5. **Maturity Limitations.** The maximum length to maturity for prime commercial paper shall be 270 days from the date of settlement.

XIV. Asset-Backed Commercial Paper

1. **Purchase Authorization.** Invest in asset-backed commercial paper issued by a special purpose corporation, trust, or limited liability company organized within the United States. All asset-backed commercial paper issuers will be rated in the highest ratings band. Only issuers that have been thoroughly reviewed and vetted by the investment advisors will be included.
2. **Portfolio Composition.** A maximum of 35% of available funds may be directly invested in asset-backed commercial paper. The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the combination of Section (XIII) Commercial Paper, Section (XIV) Asset-Backed Commercial Paper, Section (XV) Asset-Backed Securities, and Section (XVI) Corporate Notes shall not exceed forty percent (40%).
3. **Limits on Individual Issuers.** A maximum of 5% of available funds may be invested with any one issuer.
4. **Ratings Requirements.** Asset-Backed Commercial paper that has a minimum S&P rating of A-1 and minimum Moody's rating of Prime-1 at the time of purchase. If the commercial paper is backed by a letter of credit (LOC), the long-term debt of the LOC provider must be rated single "A" category or better by at least two NRSROs.
5. **Maturity Limitations.** The maximum length to maturity for asset-backed commercial paper shall be 270 days from the date of settlement.

XV. Asset-Backed Securities

1. **Purchase Authorization.** Invest in asset-backed securities issued by special purpose corporations, trusts, limited partnerships, or limited liability companies organized within the United States. Only investments within the senior tranche are permitted. These are typically designated as the "A" tranche.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 35 of 37

2. **Portfolio Composition.** A maximum of 25% of available funds may be directly invested in asset-backed securities. The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the combination of Section (XIII) Commercial Paper, Section (XIV) Asset-Backed Commercial Paper, Section (XV) Asset-Backed Securities, and Section (XVI) Corporate Notes shall not exceed forty percent (40%).
3. **Limits on Individual Issuers.** A maximum of 5% of available funds may be invested with any one issuer.
4. **Ratings Requirements.** Asset-backed securities rated in the double "AA" category by any two NRSRO's at the time of purchase.
5. **Maturity Limitations.** The maximum length to maturity for asset-backed securities shall be five (5) years from the date of settlement.

XVI. Corporate Notes

1. **Purchase Authorization.** Invest in corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States. Investment in any Scrutinized Company as defined by Section 218.415 Florida Statutes is prohibited.
2. **Portfolio Composition.** A maximum of 35% of available funds may be directly invested in corporate notes. The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the combination of Section (XIII) Commercial Paper, Section (XIV) Asset-Backed Commercial Paper, Section (XV) Asset-Backed Securities, and Section (XVI) Corporate Notes shall not exceed forty percent (40%).
3. **Limits on Individual Industry.** A maximum of 15% of available funds may be directly invested in any one industry. Security industry classification will be determined using the Bloomberg Industry Classification Standards (BICS).
4. **Limits on Individual Issuers.** A maximum of 5% of available funds may be invested with any one issuer.
5. **Ratings Requirements.** Corporate notes that have a long-term debt rating, at the time of purchase, at a minimum of a single "A" category by any two NRSROs.
6. **Maturity Limitations.** The maximum length to maturity for corporate notes shall be five (5) years from the date of settlement.

DISTRIBUTION

This procedure will be stored in the Governing Board's Procedure repository.

REFERENCES

Sections 218.415, 280.02, 658.12, 11.45, Florida Statutes
Third-Party Custodial Safekeeping Agreement

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 36 of 37

Attachment A: Glossary of Cash and Investment Management Terms

Attachment B: Investment Pool/Fund Questionnaire

Attachment C: Security Type Purchase and Allocation Guidelines

REVIEW PERIOD

The Division Director and the Committee shall review this Policy within sixty (60) days following the end of each fiscal year and the Governing Board shall approve any modification made thereto.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/15/2022

Page 37 of 37

DOCUMENT DETAILS

Document Name	Investments
Formerly Known As	N/A
Document Type	Policy
Author(s)	Public Trust Advisors, Finance Bureau Chief, Business and Information Technology Services Division Director
Reviewing Stakeholder(s)	Public Trust Advisors, Finance Bureau Chief, Business and Information Technology Services Division Director
Document Owner Name	Melisa Lowe
Document Owner Title	Finance Bureau Chief
Review Period (in days)	365
Span of Control	Governing Board
Supersedes Date	11/16/2021
Effective Date	11/15/2022

APPROVAL



Joel Schleicher
Chair

11-15-2022
Date

GOVERNING BOARD POLICY

Southwest Florida Water Management District

Title: Investments

Document Owner: Finance Bureau Chief

Approved By: Board Chair

Effective Date: MM/DD/YYYY

Supersedes: 11/15/2022

CONTENTS

PURPOSE	1
SCOPE	1
AUTHORITY	1
DEFINITIONS	1
STANDARDS	2
POLICY	3
DISTRIBUTION	35
REFERENCES	35
REVIEW PERIOD	36
DOCUMENT DETAILS	37
APPROVAL	37

PURPOSE

The purpose of this Investment Policy (hereinafter "Policy") is to set forth the investment objectives and parameters for the management of the funds of the Southwest Florida Water Management District (hereinafter "District"). This Policy is designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices.

SCOPE

This policy shall apply to all funds in excess of current operating expenses and shall be in compliance with Section 218.415, Florida Statutes, with the exception of funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds.

AUTHORITY

This policy is governed by the Governing Board and Sections 218.415, 280.02, 658.12, 11.45 Florida Statutes.

DEFINITIONS

Committee. The Finance/Outreach and Planning Committee of the Governing Board or Board Chair appointed Ad Hoc Committee specifically authorized to act as the Committee for a quantified period of time.

Designee. The Finance Bureau Chief or the Accounting Manager provided they have sufficient investment management education and understanding.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 2 of 37

District. Southwest Florida Water Management District.

Division Director. The Business and Information Technology Services Division Director.

Investment Manager. A third-party person or entity having the responsibility for providing advice regarding the management of the Investment Portfolio and executing transactions in the Investment Portfolio. The District may have one or more Investment Managers.

Investment Portfolio. The portion of the District's Portfolio recommended by the Committee and approved by the Governing Board for investment pursuant to Section X of this Policy.

Liquidity Portfolio. The portion of the District's Portfolio managed internally by District staff. This portion of the portfolio is limited to the security types described in Section X (a), (b), (c), (d), (i), and (o) of this Policy. The requirements of Section X for each of these security types will apply with the further restriction that security maturities in this portfolio may not exceed twelve (12) months.

Policy. The District's Investment Policy.

Portfolio. The total cash, investments, and other funds held by the District under the District's control.

Third-party Custodian. Any bank depository chartered by the federal government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts, and which is doing business in the State of Florida.

Attachments: Please see attachment A for a glossary of cash and investment Management Terms.

STANDARDS

The following standards shall apply:

1. **Ethical Standards.** Governing Board members and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Governing Board members and employees involved in the investment process shall disclose to the District any material financial interests in financial institutions that conduct business with the District, and any material personal financial/investment positions that could be related to the performance of the Portfolio.
2. **Standard of Prudence.** The standard of prudence to be used by investment officials, who are officers or employees of the District, shall be the "Prudent Person Rule" and shall be applied in the context of managing the Portfolio. Investment officers acting in accordance with written procedures and this Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectation are reported to the Executive Director and the Committee in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this Policy. The "Prudent Person Rule" states the following:

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 3 of 37

Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.

While the standard of prudence to be used by investment officials who are officers or employees of the District is the "Prudent Person Rule," any person or firm hired or retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of "Prudent Expert." The Prudent Expert Standard requires the advisor to act with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent investment expert acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, provided, however that this standard of care shall in no case be, or be interpreted to be, less stringent or less restrictive than any investment standard or standards, now in effect or included by amendment effective in the future, prescribed for investments by Florida law.

3. **Fiduciary Standard.** The Southwest Florida Water Management District recognizes its fiduciary responsibility to manage and safeguard the assets of the District. An effective cash management program is essential to good fiscal management.

POLICY

I. INVESTMENT OBJECTIVES:

The investment objectives of the District's Policy, in order of priority, are to provide safety of capital, liquidity of funds, and the optimal rate of return on investments at the time of investment. The District will utilize a strategy for investment portfolios that allows for the sale of securities prior to their scheduled maturity dates for purposes of improving the portfolio's credit quality, liquidity, yield, or return profile in response to changing market conditions or District circumstances.

1. **Safety of Capital** – The safety of capital is the foremost objective of the District's Policy. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital. The objective will be to mitigate credit risk and interest rate risk. Investment transactions shall seek to keep capital losses at a minimum, whether they are from securities defaults or erosion of market value. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
 - (a) **Credit Risk** – The District will minimize credit risk of loss due to the failure of the security by:
 - i. Limiting investments to the authorized investments in the Policy.
 - ii. Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the District will do business.
 - iii. Diversifying the Investment Portfolio to protect against losses on individual securities.
 - iv. Performing initial and ongoing credit analysis and review of all credit-sensitive securities held in the portfolio.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 4 of 37

(b) Interest Rate Risk – The District will minimize the risk that the market value of securities in the Investment Portfolio will fall due to changes in general interest rates by investing Core funds in strategies of appropriate average maturity and duration consistent with the District's risk tolerance and its willingness and ability to withstand related portfolio volatility and fluctuations in market value to include:

- i. Structuring the Investment Portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- ii. Investing operating funds (non-short-term and long-term funds) primarily in shorter-term securities, Florida PRIME, money market mutual funds or interest-bearing time deposits, or savings accounts.
- iii. Actively managing the Core fund portfolios with a duration that is +/- 25% of the selected benchmark duration and adjusting portfolio duration targets as needed.

2. **Liquidity of Funds** – The Portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This will be accomplished by structuring the Portfolio so that securities mature concurrent with cash needs so as to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the Investment Portfolio should consist largely of securities with active secondary markets. A portion of the Portfolio should be placed in investments that offer same-day liquidity for short-term funds, such as the Florida PRIME or money market mutual funds. Periodic cash-flow analyses will be completed in order to ensure that the portfolios are positioned to provide sufficient liquidity.

3. **Optimal Rate of Return** – The Investment Portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Investment return is attempted through active management where the District utilizes a total return strategy, which includes both realized and unrealized gains and losses in the Portfolio. This total return strategy seeks to increase the value of the Investment Portfolio through reinvestment of income and capital gains. Return on investment for the portion of the District's Investment Portfolio that is passively managed is attempted by selecting an authorized investment that provides an optimal yield given the requirements within the Policy, while meeting the District's anticipated liquidity needs. Investments are limited to those relatively low-risk securities authorized in the anticipation of earning a fair return relative to the risk being assumed. Securities may be purchased at a premium or traded for other securities to improve yield, maturity, or credit risk. For these transactions, a loss may be incurred for accounting purposes to achieve relative value based on its potential to enhance the total return of the Investment Portfolio.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 5 of 37

II. DELEGATION OF AUTHORITY:

The District's Governing Board shall be responsible for approving changes to the District's Policy. The responsibility for providing guidance and approval of the District's investment strategy, within the parameters of the Policy, resides with the Committee. The management responsibility for all District funds in the Portfolio and investment transactions is delegated to the Division Director or, in the absence of the Division Director, to the Designee. The Division Director or the Designee will be responsible for managing the Liquidity Portfolio. The Investment Manager shall provide active management for the District's designated funds. The Investment Manager must be registered under the Investment Advisors Act of 1940. The Division Director shall establish written procedures for the operation of the Investment Portfolio and a system of internal accounting and administrative controls to regulate the activities of employees.

III. PERFORMANCE MEASUREMENT:

In order to assist in the evaluation of the Portfolio's performance, the District will use performance benchmarks for the short-term and long-term portfolios. The use of benchmarks will allow the District to measure its returns against other investors in the same markets. With the exception of portfolios managed by external investment advisors, performance calculations will not include any balances invested in the overnight sweep accounts. A benchmark should not be chosen that will induce the individual making the investment to take on undue risk in order to outperform the benchmark.

(a) A short-term index such as the 3, 6, or 12-Month U.S. Treasury Bill Index or S&P Rated GIP Index Government 30 Day Gross Yield will be used as a benchmark for comparison with the Portfolio's net book value rate of return for current operating funds (short-term portfolio). The duration of the index should be similar to that of the short-term portfolio for performance comparison.

(b) Investment performance of funds designated as Core Funds and other non-operating funds that have a longer-term investment horizon (~~longCore-term P~~portfolio), that are actively managed, will be compared to a national recognized benchmark that may include the ICE BofA 1-3 Year AAA-AA US Corporate & Government Index, the ICE BofA 1-5 Year AAA-AA US Corporate & Government Index or similar indices. The appropriate indices will have a duration and asset mix that approximates that of the Investment Portfolio(s) and will be utilized as a benchmark to be compared to the Investment Portfolio's total rate of return. The District can choose different performance benchmarks if the investment strategy for the Investment Core Portfolio changes.

(c) Investment performance of funds designated as long term assets and other non-operating funds that have a longer-term investment horizon (Long Term Portfolio), that are actively managed, will be compared to a national recognized benchmark that may include the ICE BofA 3-5 Year AAA-AA US Corporate & Government Index or similar indices. The appropriate indices will have a duration and asset mix that approximates that of the Investment Portfolio(s) and will be utilized as a benchmark to be compared to the Investment Portfolio's total rate of return. The District can choose different performance benchmarks if the investment strategy for the Long Term Portfolio changes. -This portfolio shall not exceed more than 5% of the District's total non-operating cash and investments.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 6 of 37

IV. MATURITY AND LIQUIDITY:

Investments shall be structured in such manner as to provide sufficient liquidity to pay obligations of the District in a timely manner. The Division Director, or Designee, shall sufficiently allocate resources to the short- and long-term investment portfolios. Maturity and average life are measured from settlement date. -The final maturity date can be based on any mandatory call, put, pre-refunding date, or other mandatory redemption date.

(a) **Operating Funds** (Short-Term Investment Portfolio). To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash-flow requirements. Investments of current operating funds shall have maturities of no longer than thirty-six (36) months.

(b) **Core Funds** (~~Long Term Core~~ Investment Portfolio). Investments of reserves, project funds, and other non-operating funds ("Core Funds") shall have a final maturity appropriate to the need for funds, but in no event shall individual security maturities exceed five (5) years. The weighted average duration of the Core Funds as a whole shall not exceed three (3) years.

~~(b)(c)~~ **Long Term Funds** (Long Term Investment Portfolio). Investments of reserves, project funds, and other non-operating funds ("Long Term Funds") shall have a final maturity appropriate to the need for funds, but in no event shall individual security maturities exceed five (5) years. The weighted average duration of the Long Term Funds as a whole shall not exceed four and a half (4.5) years.

V. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION:

Investments should be made subject to the District's cash-flow needs. Such cash-flows are subject to revisions as market conditions and the District's needs change. However, when the invested funds are needed in whole or in part for the purpose originally intended or for more optimal investments, the Division Director or Designee may sell or request that the Investment Manager sell the investment at the then-prevailing market price and place the proceeds into the proper account at the District's custodian.

The following table contains the investment requirements and allocation limits on security types, issuers, and maturities, as established by the District. The Division Director shall have the option to further restrict investment percentages based on market conditions, risk, and diversification investment strategies. The percentage allocation and credit quality requirements for investment types and issuers are calculated based on the market value and credit ratings of each investment at the time of purchase. Investments not listed in this Policy are prohibited. In the event of a ratings downgrade of a security to below levels required for purchase by this policy, the Investment Manager shall notify the Division Director within five business days of such a decline in the required rating. The Investment Manager and the Division Director will review the individual facts and circumstances of the situation and determine an appropriate course of action.

Due to fluctuations in the aggregate invested balance, the maximum percentage issuer and allocation limits of this policy apply at the time of purchase and may be exceeded from time to

GOVERNING BOARD POLICY**Title: Investments****Effective Date: MM/DD/YYYY****Page 7 of 37**

time and shall not require liquidation to realign the portfolio. However, consideration should be given to this matter when future purchases are made.

	Security Type	Minimum Rating Requirement	Maturity Limits	Maximum Allocation Limit	Maximum Issuer Limit
I	Florida PRIME	AAA _m	N/A	50%	N/A
II	Intergovernmental Investment Pool	AAA _m	N/A	25%	N/A
III	United States Government Securities	N/A	5 Years	100%	N/A
IV	United States Government Agencies (full faith and credit of the United States Government)	N/A	5 Years	50%	25%
V	Federal Instrumentalities (United States Government Sponsored Enterprises ("GSE") which are non-full faith and credit). *	N/A	5 Years	75%	40%
VI	Agency Mortgage-Backed Securities (MBS) *	N/A	5 Years	30%	20%
VII	Non-Negotiable Interest Bearing Time Deposits or Savings Accounts	N/A	1 Years	25%	15%
VIII	State and/or Local Government Taxable and/or Tax-Exempt Debt	Single "A" category by two NRSROs**	5 Years	25%	10%
VIX	Registered Investment Companies (Money Market Mutual Funds)	AAA _m	N/A	50%	25%
X	Registered Investment Companies (Mutual Funds)	AAA _f	N/A	25%	15%
XI	Repurchase Agreements	N/A	90 Days	50%	25%
XII	Bankers' Acceptances	Highest rating by two NRSROs**	180 Days	35%	10%
XIII	Commercial Paper***	A-1/Prime-1	270 Days	35%	5%
XIV	Asset-Backed Commercial Paper***	A-1/Prime-1	270 Days	35%	5%
XV	Asset-Backed Securities***	Double ("AA") category by any two NRSRO's**	5 Years	25%	5%
XVI	Corporate Notes***	Single "A" category by any two NRSROs**	5 Years	35%	5%

*The combined maximum amount of available funds invested in Federal Instrumentalities and Agency mortgage-backed securities will not exceed seventy-five percent (75%).

**National Recognized Statistical Rating Organization (NRSRO).

***The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the combination of Section (XIII) Commercial Paper, Section (XIV) Asset-Backed Commercial Paper, Section (XV) Asset-Backed Securities, and Section (XVI) Corporate Notes shall not exceed forty percent (40%). Corporate Notes are limited to 15% per industry as determined using the Bloomberg Industry Classification Standards (BICS).

Additional details about the requirements for each security type in the table above are provided in Attachment C: Security Type Purchase and Allocation Guidelines.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 8 of 37

VI. RISK AND DIVERSIFICATION:

Assets held shall be diversified to the extent practicable to control the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold. Diversification strategies within the established guidelines shall be reviewed and revised periodically by the Committee.

VII. DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS:

Investment in any derivative products or the use of reverse repurchase agreements is prohibited. A "derivative" is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets, indices, or asset values.

VIII. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS:

The Division Director (or Designee) shall only purchase securities from financial institutions that are qualified as public depositories by the Chief Financial Officer of the State of Florida or from private securities brokers/dealers designated as "primary dealers" by the Federal Reserve Bank of New York. Qualified public depositories may provide the services of a securities dealer through a Section 20 subsidiary of the financial institution or from direct issuers of commercial paper and bankers' acceptances.

The Investment Manager shall utilize and maintain its own list of approved primary and non-primary dealers.

IX. THIRD-PARTY CUSTODIAL AGREEMENTS:

The Division Director will execute a Third-Party Custodial Safekeeping Agreement with a commercial bank, which is separately chartered by the United States government or the State of Florida. All securities purchased and/or collateral obtained, with the exception of certificates of deposits, by the Division Director or Designee shall be properly designated as an asset of the District and held in safekeeping by the bank and no withdrawal of such securities, in whole or in part, shall be made from safekeeping, except by an authorized Finance Bureau staff member. The Third-Party Custodial Safekeeping Agreement shall include letters of authority from the Division Director, details as to responsibilities of each party, notification of security purchases, sales, delivery, wire transfers, safekeeping, and transaction costs, and procedures in case of wire failure or other unforeseen mishaps, including liability of each party.

The custodian shall accept transaction instructions only from those persons who have been duly authorized by the District and which authorization has been provided, in writing, to the custodian. No withdrawal of securities, in whole or in part, shall be made from safekeeping, unless by such a duly authorized person.

The custodian shall provide the Division Director or Designee with monthly statements that provide detail information on the securities held by the custodian. Security transactions between authorized investment institutions and dealers and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a "delivery versus payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. Securities held as collateral shall be held free and

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 9 of 37

clear of any liens. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

X. MASTER REPURCHASE AGREEMENT:

The District will require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Securities Industry and Financial Markets Association (SIFMA) Master Repurchase Agreement. All repurchase agreement transactions will adhere to requirements of the SIFMA Master Repurchase Agreement.

XI. COMPETITIVE SELECTION:

After the Division Director, Designee, or Investment Manager, has determined the approximate maturity date based on cash-flow needs and market conditions and has analyzed and selected one or more optimal types of investments, a minimum of three (3) authorized investment institutions or dealers must be contacted and asked to provide bids/offers on securities in question. Bids will be held in confidence until the bid/offer deemed to best meet the investment objectives is determined and selected.

However, if obtaining multiple bids/offers is not feasible and appropriate, securities may be purchased utilizing the comparison to current market price method on an exception basis. Acceptable current market price providers include, but are not limited to the following:

- 1) TradeWeb
- 2) Bloomberg Financial System
- 3) Wall Street Journal or a comparable recognized financial publication
- 4) Daily market pricing provided by the District's custodian bank or correspondent institutions

The Division Director or the Investment Manager shall utilize the competitive bid process to select the securities to be purchased or sold. Competitive solicitations wherein at least three (3) authorized investment institutions or dealers are contacted and only one bid/offer is received shall satisfy the competitive selection requirements of this policy. Selection by comparison to a current market price, as indicated above, shall only be utilized when in judgment of the Division Director or the Investment Manager, competitive bidding is not available, or would inhibit the selection process.

Examples of when this method may be used include:

- A. When time constraints due to unusual circumstances preclude the use of the competitive bidding process.
- B. When no active market exists for the issue being traded due to the age or depth of the issue.
- C. When a security is unique to a single dealer, for example, a private placement or secondary market offerings that are not widely offered or available.
- D. When the transaction involves new issues or issues in the "when issued" market.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 10 of 37

When purchasing new issue securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price. Competitive or negotiated new issue municipal securities wherein the Investment Manager submits an offer alongside that of a participating broker-dealer may be purchased provided that the investment manager believes the offered level represents appropriate value for the investment risks assumed. Overnight sweep investments or repurchase agreements will not be bid but may be placed with the District's depository bank relating to the demand account for which the sweep investments or repurchase agreements were purchased.

XII. INTERNAL CONTROLS:

The Division Director and/or Designee shall establish a system of internal controls and operational procedures. The internal control structure shall be designed to provide reasonable assurance that the assets of the District are protected from loss, theft or misuse that might arise from fraud, employee error, misrepresentation by third parties, or imprudent actions by District employees. The internal control structure will be reviewed during the annual financial audit conducted by independent auditors.

The Division Director will report any non-compliance with the District's Policy or adopted investment strategy to the Inspector General, Executive Director, General Counsel, and Chair of the Committee immediately upon becoming aware of the situation.

XIII. CONTINUING EDUCATION:

The Division Director and Designee shall complete eight (8) hours of continuing education annually in subjects or courses of study related to investment practices and products.

XIV. REPORTING:

The Division Director shall report at least quarterly to the Executive Director and the Governing Board and shall provide quarterly investment reports. Schedules in the quarterly report shall include, but not be limited to, the following:

1. A listing of individual securities by class and type held at the end of the reporting period
2. Percentage of available funds represented by each investment type
3. Coupon, discount, or earning rate
4. Average life or duration and final maturity of all investments
5. Par value and market value
6. In addition to the standard gross-of-fee-performance reporting that is presented, net-of-fee performance will be provided by the Investment Manager
7. A summary of District's investment strategy
8. The year-end quarterly report ended September 30th will show performance on both a book value and total rate of return basis (total rate of return performance for actively

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 11 of 37

managed portfolios for the entire year) and will compare the results to the above-stated performance benchmarks. All investments shall be reported at fair value per GASB standards. Investment reports shall be available to the public.

XV. SECURITIES DISPOSITION:

Every security purchased on behalf of the District must be properly earmarked and, if in book entry form, must be held for the credit of the District by a depository chartered by the federal government, the state, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida, and must be kept by the depository in an account separate and apart from the assets of the financial institution.

XVI. PREEMPTION:

Any provision of any special act, municipal charter, or other law which prohibits or restricts the District from complying with Section 218.415, Florida Statutes, or any rules adopted under Section 218.415, Florida Statutes, is void to the extent of the conflict.

XVII. AUDITS:

Certified public accountants conducting audits of the District pursuant to Section 11.45, Florida Statutes, shall report, as part of the audit, whether or not the District has complied with Section 218.415, Florida Statutes.

XVIII. INVESTMENT DECISIONS:

The investment decisions for the District's investment program must be based solely on pecuniary factors and may not subordinate the interests of the beneficiaries of the investments to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor. The weight given to any pecuniary factor must appropriately reflect a prudent assessment of its impact on risk or returns. -As used in this policy, "pecuniary factor" has the same meaning as defined section 218.415(24)(a), Florida Statutes.

~~XVIII.~~ XIX. INVESTMENT POLICY ADOPTION:

This Policy shall be adopted by the Governing Board.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 12 of 37

Attachment A

Glossary of Cash and Investment Management Terms

The following is a glossary of key investing terms, many of which appear in the Southwest Florida Water Management District's investment policy. This glossary clarifies the meaning of investment terms generally used in cash and investment management. This glossary has been adapted from the GFOA Sample Investment Policy and the Association of Public Treasurers of the United States and Canada's Model Investment Policy.

Accrued Interest. Interest earned but which has not yet been paid or received.

Agency. See "Federal Agency Securities."

Ask Price. Price at which a broker/dealer offers to sell a security to an investor. Also known as "offered price."

Asset Backed Securities (ABS). A fixed-income security backed by notes or receivables against assets other than real estate. Generally issued by special purpose companies that "own" the assets and issue the ABS. Examples include securities backed by auto loans, credit card receivables, home equity loans, manufactured housing loans, farm equipment loans, and aircraft leases.

Average Life. The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

Bankers' Acceptance (BA's). A draft or bill of exchange drawn upon and accepted by a bank. Frequently used to finance shipping of international goods. Used as a short-term credit instrument, bankers' acceptances are traded at a discount from face value as a money market instrument in the secondary market on the basis of the credit quality of the guaranteeing bank.

Basis Point. One hundredth of one percent, or 0.01%. Thus 1% equals 100 basis points.

Bearer Security. A security whose ownership is determined by the holder of the physical security. Typically, there is no registration on the issuer's books. Title to bearer securities is transferred by delivery of the physical security or certificate. Also known as "physical securities."

Benchmark Bills. In November 1999, FNMA introduced its Benchmark Bills program, a short-term debt securities issuance program to supplement its existing discount note program. The program includes a schedule of larger, weekly issues in three- and six-month maturities and biweekly issues in one-year for Benchmark Bills. Each issue is brought to market via a Dutch (single price) auction. FNMA conducts a weekly auction for each Benchmark Bill maturity and accepts both competitive and non-competitive bids through a web-based auction system. This program is in addition to the variety of other discount note maturities, with rates posted on a daily basis, which FNMA offers. FNMA's Benchmark Bills are unsecured general obligations that are issued in book-entry form through the Federal Reserve Banks. There are no periodic payments of interest on Benchmark Bills, which are sold at a discount from the principal amount and payable at par at maturity. Issues under the Benchmark program constitute the same credit standing as other FNMA discount notes; they simply add organization and liquidity to the short-term Agency discount note market.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 13 of 37

Benchmark Notes/Bonds. Benchmark Notes and Bonds are a series of FNMA “bullet” maturities (non-callable) issued according to a pre-announced calendar. Under its Benchmark Notes/Bonds program, 2, 3, 5, 10, and 30-year maturities are issued each quarter. Each Benchmark Notes new issue has a minimum size of \$4 billion, 30-year new issues having a minimum size of \$1 billion, with re-openings based on investor demand to further enhance liquidity. The amount of non-callable issuance has allowed FNMA to build a yield curve in Benchmark Notes and Bonds in maturities ranging from 2 to 30 years. The liquidity emanating from these large size issues has facilitated favorable financing opportunities through the development of a liquid overnight and term repo market. Issues under the Benchmark program constitute the same credit standing as other FNMA issues; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Benchmark. A market index used as a comparative basis for measuring the performance of an investment portfolio. A performance benchmark should represent a close correlation to investment guidelines, risk tolerance, and duration of the actual portfolio’s investments.

Bid Price. Price at which a broker/dealer offers to purchase a security from an investor.

Bond. Financial obligation for which the issuer promises to pay the bondholder (the purchaser or owner of the bond) a specified stream of future cash-flows, including periodic interest payments and a principal repayment.

Book Entry Securities. Securities that are recorded in a customer’s account electronically through one of the financial markets electronic delivery and custody systems, such as the Fed Securities wire, DTC, and PTC (as opposed to bearer or physical securities). The trend is toward a certificate-free society in order to cut down on paperwork and to diminish investors’ concerns about the certificates themselves. The vast majority of securities are now book entry securities.

Book Value. The value at which a debt security is reflected on the holder’s records at any point in time. Book value is also called “amortized cost” as it represents the original cost of an investment adjusted for amortization of premium or accretion of discount. Also called “carrying value.” Book value can vary over time as an investment approaches maturity and differs from “market value” in that it is not affected by changes in market interest rates.

Broker/Dealer. A person or firm transacting securities business with customers. A “broker” acts as an agent between buyers and sellers and receives a commission for these services. A “dealer” buys and sells financial assets from its own portfolio. A dealer takes risk by owning inventory of securities, whereas a broker merely matches up buyers and sellers. See also “Primary Dealer.”

Bullet Notes/Bonds. Notes or bonds that have a single maturity date and are non-callable.

Call Date. Date at which a call option may be or is exercised.

Call Option. The right, but not the obligation, of an issuer of a security to redeem a security at a specified value and at a specified date or dates prior to its stated maturity date. Most fixed-income calls are a par but can be at any previously established price. Securities issued with a call provision typically carry a higher yield than similar securities issued without a call feature. There are three primary types of call options (1) European – one-time calls, (2) Bermudan – periodically on a predetermined schedule (quarterly, semi-annual, annual), and (3) American – continuously

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 14 of 37

callable at any time on or after the call date. There is usually a notice period of at least 5 business days prior to a call date.

Callable Bonds/Notes. Securities which contain an imbedded call option giving the issuer the right to redeem the securities prior to maturity at a predetermined price and time.

Certificate of Deposit (CD). Bank obligation issued by a financial institution generally offering a fixed rate of return (coupon) for a specified period of time (maturity). Can be as long as 10 years to maturity, but most CDs purchased by public agencies are one year and under.

Collateral. Investment securities or other property that a borrower pledges to secure repayment of a loan, secure deposits of public monies, or provide security for a repurchase agreement.

Collateralization. Process by which a borrower pledges securities, property, or other deposits for securing the repayment of a loan and/or security.

Collateralized Mortgage Obligation (CMO). A security that pools together mortgages and separates them into short, medium, and long-term positions (called tranches). Tranches are set up to pay different rates of interest depending upon their maturity. Interest payments are usually paid monthly. In “plain vanilla” CMOs, principal is not paid on a tranche until all shorter tranches have been paid off. This system provides interest and principal in a more predictable manner. A single pool of mortgages can be carved up into numerous tranches each with its own payment and risk characteristics.

Commercial Paper. Short term unsecured promissory note issued by a company or financial institution. Issued at a discount and matures for par or face value. Usually, a maximum maturity of 270 days and given a short-term debt rating by one or more NRSROs.

Convexity. A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Corporate Note. A debt instrument issued by a corporation with a maturity of greater than one year and less than ten years.

Counterparty. The other party in a two-party financial transaction. “Counterparty risk” refers to the risk that the other party to a transaction will fail in its related obligations. For example, the bank or broker/dealer in a repurchase agreement.

Coupon Rate. Annual rate of interest on a debt security, expressed as a percentage of the bond's face value.

Current Yield. Annual rate of return on a bond based on its price. Calculated as (coupon rate / price) but does not accurately reflect a bond's true yield level.

Custody. Safekeeping services offered by a bank, financial institution, or trust company, referred to as the “custodian.” Service normally includes the holding and reporting of the customer's securities, the collection and disbursement of income, securities settlement, and market values.

Dealer. A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his/her own account.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 15 of 37

Delivery Versus Payment (DVP). Settlement procedure in which securities are delivered versus payment of cash, but only after cash has been received. Most security transactions, including those through the Fed Securities Wire system and DTC, are done DVP as a protection for both the buyer and seller of securities.

Depository Trust Company (DTC). A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of certificates. A member of the Federal Reserve System and owned mostly by the New York Stock Exchange, the Depository Trust Company uses computerized debit and credit entries. Most corporate securities, commercial paper, CDs, and Bas clear through DTC.

Derivatives. (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities, or commodities). For hedging purposes, common derivatives are options, futures, interest rate swaps, and swaptions. All Collateralized Mortgage Obligations (CMOs) are derivatives.

Derivative Security. Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

Designated Bond. FFCB's regularly issued, liquid, non-callable securities that generally have a 2 or 3-year original maturity. New issues of Designated Bonds are \$1 billion or larger. Re-openings of existing Designated Bond issues are generally a minimum of \$100 million. Designated Bonds are offered through a syndicate of two to six dealers. Twice each month the Funding Corporation announces its intention to issue a new Designated Bond, reopen an existing issue, or to not issue or reopen a Designated Bond. Issues under the Designated Bond program constitute the same credit standing as other FFCB issues; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Discount Notes. Unsecured general obligations issued by Federal Agencies at a discount. Discount notes mature at par and can range in maturity from overnight to one year. Very large primary (new issue) and secondary markets exist.

Discount Rate. Rate charged by the system of Federal Reserve Banks on overnight loans to member banks. Changes to this rate are administered by the Federal Reserve and closely mirror changes to the "fed funds rate."

Discount Securities. Non-interest bearing money market instruments that are issued at discount and redeemed at maturity for full face value. Examples include U.S. Treasury Bills, Federal Agency Discount Notes, Bankers' Acceptances, and Commercial Paper.

Discount. The amount by which a bond or other financial instrument sells below its face value. See also "Premium."

Diversification. Dividing investment funds among a variety of security types, maturities, industries, and issuers offering potentially independent returns.

Dollar Price. A bond's cost expressed as a percentage of its face value. For example, a bond quoted at a dollar price of 95 $\frac{1}{2}$, would have a principal cost of \$955 per \$1,000 of face value.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 16 of 37

Duff & Phelps. One of several NRSROs that provide credit ratings on corporate and bank debt issues.

Duration. The weighted average maturity of a security's or portfolio's cash-flows, where the present values of the cash-flows serve as the weights. The greater the duration of a security/portfolio, the greater its percentage price volatility with respect to changes in interest rates. Used as a measure of risk and a key tool for managing a portfolio versus a benchmark and for hedging risk. There are also different kinds of duration used for different purposes (e.g., MacAuley Duration, Modified Duration).

Fannie Mae. See "Federal National Mortgage Association."

Fed Money Wire. A computerized communications system that connects the Federal Reserve System with its member banks, certain U. S. Treasury offices, and the Washington D.C. office of the Commodity Credit Corporation. The Fed Money Wire is the book entry system used to transfer cash balances between banks for themselves and for customer accounts.

Fed Securities Wire. A computerized communications system that facilitates book entry transfer of securities between banks, brokers, and customer accounts, used primarily for settlement of U.S. Treasury and Federal Agency securities.

Fed. See "Federal Reserve System."

Federal Agency Security. A debt instrument issued by one of the Federal Agencies. Federal Agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

Federal Agency. Government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets. The largest Federal Agencies are GNMA, FNMA, FHLMC, FHLB, FFCB, SLMA, and TVA.

Federal Deposit Insurance Corporation (FDIC). Federal agency that insures deposits at commercial banks, currently to a limit of \$250,000 per depositor per bank.

Federal Farm Credit Bank (FFCB). One of the large Federal Agencies. A government sponsored enterprise (GSE) system that is a network of cooperatively owned lending institutions that provides credit services to farmers, agricultural cooperatives, and rural utilities. The FFCBs act as financial intermediaries that borrow money in the capital markets and use the proceeds to make loans and provide other assistance to farmers and farm-affiliated businesses. Consists of the consolidated operations of the Banks for Cooperatives, Federal Intermediate Credit Banks, and Federal Land Banks. Frequent issuer of discount notes, agency notes and callable agency securities. FFCB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and agricultural industry. Also, issues notes under its "designated note" program.

Federal Funds (Fed Funds). Funds placed in Federal Reserve Banks by depository institutions in excess of current reserve requirements, and frequently loaned or borrowed on an overnight basis between depository institutions.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 17 of 37

Federal Funds Rate (Fed Funds Rate). The interest rate charged by a depository institution lending Federal Funds to another depository institution. The Federal Reserve influences this rate by establishing a “target” Fed Funds rate associated with the Fed’s management of monetary policy.

Federal Home Loan Bank System (FHLB). One of the large Federal Agencies. A government sponsored enterprise (GSE) system, consisting of wholesale banks (currently twelve district banks) owned by their member banks, which provides correspondent banking services and credit to various financial institutions, financed by the issuance of securities. The principal purpose of the FHLB is to add liquidity to the mortgage markets. Although FHLB does not directly fund mortgages, it provides a stable supply of credit to thrift institutions that make new mortgage loans. FHLB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes and callable agency securities. Also, issues notes under its “global note” and “TAP” programs.

Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”). One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides stability and assistance to the secondary market for home mortgages by purchasing first mortgages and participation interests financed by the sale of debt and guaranteed mortgage-backed securities. FHLMC debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities, and MBS. Also, issues notes under its “reference note” program.

Federal National Mortgage Association (FNMA or “Fannie Mae”). One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides liquidity to the residential mortgage market by purchasing mortgage loans from lenders, financed by the issuance of debt securities and MBS (pools of mortgages packaged together as a security). FNMA debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also, issues notes under its “benchmark note” program.

Federal Reserve Bank. One of the 12 distinct banks of the Federal Reserve System.

Federal Reserve System (the Fed). The independent central bank system of the United States that establishes and conducts the nation’s monetary policy. This is accomplished in three major ways: (1) raising or lowering bank reserve requirements, (2) raising or lowering the target Fed Funds Rate and Discount Rate, and (3) in open market operations by buying and selling government securities. The Federal Reserve System is made up of twelve Federal Reserve District Banks, their branches, and many national and state banks throughout the nation. It is headed by the seven-member Board of Governors known as the “Federal Reserve Board” and headed by its Chairman.

Financial Industry Regulatory Authority, Inc. (FINRA). A private corporation that acts as a self-regulatory organization (SRO). FINRA is the successor to the National Association of Securities Dealers, Inc. (NASD). Though sometimes mistaken for a government agency, it is a non-governmental organization that performs financial regulation of member brokerage firms and

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 18 of 37

exchange markets. The government also has a regulatory arm for investments, the Securities and Exchange Commission (SEC).

Fiscal Agent/Paying Agent. A bank or trust company that acts, under a trust agreement with a corporation or municipality, in the capacity of general treasurer. The agent performs such duties as making coupon payments, paying rents, redeeming bonds, and handling taxes relating to the issuance of bonds.

Fitch Investors Service, Inc. One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

Floating Rate Security (FRN or “floater”). A bond with an interest rate that is adjusted according to changes in an interest rate or index. Differs from variable-rate debt in that the changes to the rate take place immediately when the index changes, rather than on a predetermined schedule. See also “Variable Rate Security.”

Freddie Mac. See “Federal Home Loan Mortgage Corporation.”

Ginnie Mae. See “Government National Mortgage Association.”

Global Notes: Notes designed to qualify for immediate trading in both the domestic U.S. capital market and in foreign markets around the globe. Usually, large issues that are sold to investors worldwide and therefore have excellent liquidity. Despite their global sales, global notes sold in the U.S. are typically denominated in U.S. dollars.

Government National Mortgage Association (GNMA or “Ginnie Mae”). One of the large Federal Agencies. Government-owned Federal Agency that acquires, packages, and resells mortgages and mortgage purchase commitments in the form of mortgage-backed securities. Largest issuer of mortgage pass-through securities. GNMA debt is guaranteed by the full faith and credit of the U.S. government (one of the few agencies that are actually full faith and credit of the U.S. government).

Government Securities. An obligation of the U.S. government backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See “Treasury Bills, Notes, Bonds, and SLGS.”

Government Sponsored Enterprise (GSE). Privately owned entity subject to federal regulation and supervision, created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. government, but they are not direct obligations of the U.S. government. For this reason, these securities will offer a yield premium over U.S. Treasuries. Examples of GSEs include: FHLB, FHLMC, FNMA, and SLMA.

Government Sponsored Enterprise Security. A security issued by a Government Sponsored Enterprise. Considered Federal Agency Securities.

Index. A compilation of statistical data that tracks changes in the economy or in financial markets.

Interest-Only (IO) STRIP. A security based solely on the interest payments from the bond. After the principal has been repaid, interest payments stop and the value of the security falls to nothing.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 19 of 37

Therefore, IOs are considered risky investments. Usually associated with mortgage-backed securities.

Internal Controls. An internal control structure ensures that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

Control of collusion. Collusion is a situation where two or more employees are working in conjunction to defraud their employer.

Separation of transaction authority from accounting and record keeping. A separation of duties is achieved by separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction.

Custodial safekeeping. Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.

Avoidance of physical delivery securities. Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.

Clear delegation of authority to subordinate staff members. Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.

Written confirmation of transactions for investments and wire transfers. Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.

Development of a wire transfer agreement with the lead bank and third-party custodian. The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

Inverse Floater. A floating rate security structured in such a way that it reacts inversely to the direction of interest rates. Considered risky as their value moves in the opposite direction of normal fixed-income investments and whose interest rate can fall to zero.

Investment Advisor. A company that provides professional advice managing portfolios, investment recommendations, and/or research in exchange for a management fee.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 20 of 37

Investment Adviser Act of 1940. Federal legislation that sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Grade. Bonds considered suitable for preservation of invested capital, including bonds rated a minimum of Baa3 by Moody's, BBB- by Standard & Poor's, or BBB- by Fitch. Although "BBB" rated bonds are considered investment grade, most public agencies cannot invest in securities rated below "A."

Liquidity. Relative ease of converting an asset into cash without significant loss of value. Also, a relative measure of cash and near-cash items in a portfolio of assets. Additionally, it is a term describing the marketability of a money market security correlating to the narrowness of the spread between the bid and ask prices.

Local Government Investment Pool (LGIP). An investment by local governments in which their money is pooled as a method for managing local funds, (e.g., Florida State Board of Administration's Florida Prime Fund).

Long-Term Core Investment Program. Funds that are not needed within a one-year period.

Market Value. The fair market value of a security or commodity. The price at which a willing buyer and seller would pay for a security.

Mark-to-market. Adjusting the value of an asset to its market value, reflecting in the process unrealized gains or losses.

Master Repurchase Agreement. A widely accepted standard agreement form published by the Securities Industry and Financial Markets Association (SIFMA) that is used to govern and document Repurchase Agreements and protect the interest of parties in a repo transaction.

Maturity Date. Date on which principal payment of a financial obligation is to be paid.

Medium Term Notes (MTN's). Used frequently to refer to corporate notes of medium maturity (5-years and under). Technically, any debt security issued by a corporate or depository institution with a maturity from 1 to 10 years and issued under an MTN shelf registration. Usually issued in smaller issues with varying coupons and maturities and underwritten by a variety of broker/dealers (as opposed to large corporate deals issued and underwritten all at once in large size and with a fixed coupon and maturity).

Money Market. The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

Money Market Mutual Fund (MMF). A type of mutual fund that invests solely in money market instruments, such as: U.S. Treasury bills, commercial paper, bankers' acceptances, and repurchase agreements. Money market mutual funds are registered with the SEC under the Investment Company Act of 1940 and are subject to "rule 2a-7" which significantly limits average maturity and credit quality of holdings. MMF's are managed to maintain a stable net asset value (NAV) of \$1.00. Many MMFs carry ratings by a NRSRO.

Moody's Investors Service. One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 21 of 37

Mortgage-Backed Securities (MBS). Mortgage-backed securities represent an ownership interest in a pool of mortgage loans made by financial institutions, such as savings and loans, commercial banks, or mortgage companies, to finance the borrower's purchase of a home or other real estate. The majority of MBS are issued and/or guaranteed by GNMA, FNMA, and FHLMC. There are a variety of MBS structures with varying levels of risk and complexity. All MBS have reinvestment risk as actual principal and interest payments are dependent on the payment of the underlying mortgages which can be prepaid by mortgage holders to refinance and lower rates or simply because the underlying property was sold.

Mortgage Pass-Through Securities. A pool of residential mortgage loans with the monthly interest and principal distributed to investors on a pro-rata basis. The largest issuer is GNMA.

Municipal Note/Bond. A debt instrument issued by a state or local government unit or public agency. The vast majority of municipals are exempt from state and federal income tax, although some non-qualified issues are taxable.

Mutual Fund. Portfolio of securities professionally managed by a registered investment company that issues shares to investors. Many different types of mutual funds exist (e.g., bond, equity, and money market funds); all except money market funds operate on a variable net asset value (NAV).

Negotiable Certificate of Deposit (Negotiable CD). Large denomination CDs (\$100,000 and larger) that are issued in bearer form and can be traded in the secondary market.

Net Asset Value. The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets including securities, cash, and any accrued earnings, then subtracting the total assets from the fund's liabilities, and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.)

$$[(\text{Total assets}) - (\text{Liabilities})] / (\text{Number of shares outstanding})$$

NRSRO. A "Nationally Recognized Statistical Rating Organization" (NRSRO) is a designated rating organization that the SEC has deemed a strong national presence in the U.S. NRSROs provide credit ratings on corporate and bank debt issues. Only ratings of a NRSRO may be used for the regulatory purposes of rating. Includes Moody's, S&P, Fitch, and Duff & Phelps.

Offered Price. See also "Ask Price."

Open Market Operations. A Federal Reserve monetary policy tactic entailing the purchase or sale of government securities in the open market by the Federal Reserve System from and to primary dealers in order to influence the money supply, credit conditions, and interest rates.

Par Value. The face value, stated value, or maturity value of a security.

Physical Delivery. Delivery of readily available underlying assets at contract maturity.

Portfolio. Collection of securities and investments held by an investor.

Premium. The amount by which a bond or other financial instrument sells above its face value. See also "Discount."

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 22 of 37

Primary Dealer. A designation given to certain government securities dealer by the Federal Reserve Bank of New York. Primary dealers can buy and sell government securities directly with the Fed. Primary dealers also submit daily reports of market activity and security positions held to the Fed and are subject to its informal oversight. Primary dealers are the largest buyers and sellers by volume in the U.S. Treasury securities market.

Prime Paper. Commercial paper of high quality. Highest rated paper is A-1+/A-1 by S&P and P-1 by Moody's.

Principal. Face value of a financial instrument on which interest accrues. May be less than par value if some principal has been repaid or retired. For a transaction, principal is par value times price and includes any premium or discount.

Prudent Expert Rule. Standard that requires that a fiduciary manage a portfolio with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. This statement differs from the "prudent person" rule in that familiarity with such matters suggests a higher standard than simple prudence.

Prudent Investor Standard. Standard that requires that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. More stringent than the "prudent person" standard as it implies a level of knowledge commensurate with the responsibility at hand.

Qualified Public Depository. Per Subsection 280.02(26), F.S., "qualified public depository" means any bank, savings bank, or savings association that:

1. Is organized and exists under the laws of the United States, the laws of this state or any other state or territory of the United States.
2. Has its principal place of business in this state or has a branch office in this state which is authorized under the laws of this state or of the United States to receive deposits in this state.
3. Has deposit insurance under the provision of the Federal Deposit Insurance Act, as amended, 12 U.S.C. ss.1811 et seq.
4. Has procedures and practices for accurate identification, classification, reporting, and collateralization of public deposits.
5. Meets all requirements of Chapter 280, F.S.
6. Has been designated by the Chief Financial Officer as a qualified public depository.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 23 of 37

Range Note. A type of structured note that accrues interest daily at a set coupon rate that is tied to an index. Most range notes have two coupon levels; a higher accrual rate for the period the index is within a designated range, the lower accrual rate for the period that the index falls outside the designated range. This lower rate may be zero and may result in zero earnings.

Rate of Return. Amount of income received from an investment, expressed as a percentage of the amount invested.

Realized Gains (Losses). The difference between the sale price of an investment and its book value. Gains/losses are “realized” when the security is actually sold, as compared to “unrealized” gains/losses which are based on current market value. See “Unrealized Gains (Losses).”

Reference Bills. FHLMC’s short-term debt program created to supplement its existing discount note program by offering issues from one month through one year, auctioned on a weekly or on an alternating four-week basis (depending upon maturity) offered in sizeable volumes (\$1 billion and up) on a cycle of regular, standardized issuance. Globally sponsored and distributed, Reference Bill issues are intended to encourage active trading and market-making and facilitate the development of a term repo market. The program was designed to offer predictable supply, pricing transparency, and liquidity, thereby providing alternatives to U.S. Treasury bills. FHLMC’s Reference Bills are unsecured general corporate obligations. This program supplements the corporation’s existing discount note program. Issues under the Reference program constitute the same credit standing as other FHLMC discount notes; they simply add organization and liquidity to the short-term Agency discount note market.

Reference Notes. FHLMC’s intermediate-term debt program with issuances of 2, 3, 5, 10, and 30-year maturities. Initial issuances range from \$2 - \$6 billion with re-openings ranging \$1 - \$4 billion.

The notes are high-quality bullet structures securities that pay interest semiannually. Issues under the Reference program constitute the same credit standing as other FHLMC notes; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Repurchase Agreement (Repo). A short-term investment vehicle where an investor agrees to buy securities from a counterparty and simultaneously agrees to resell the securities back to the counterparty at an agreed upon time and for an agreed upon price. The difference between the purchase price and the sale price represents interest earned on the agreement. In effect, it represents a collateralized loan to the investor, where the securities are the collateral. Can be DVP, where securities are delivered to the investor’s custodial bank, or “tri-party” where the securities are delivered to a third-party intermediary. Any type of security can be used as “collateral,” but only some types provide the investor with special bankruptcy protection under the law. Repos should be undertaken only when an appropriate Securities Industry and Financial Markets Association (SIFMA) approved master repurchase agreement is in place.

Reverse Repurchase Agreement (Reverse Repo). A repo from the point of view of the original seller of securities. Used by dealers to finance their inventory of securities by essentially borrowing at short-term rates. Can also be used to leverage a portfolio and in this sense, can be considered risky if used improperly.

Safekeeping. Service offered for a fee, usually by financial institutions, for the holding of securities and other valuables. Safekeeping is a component of custody services.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 24 of 37

Secondary Market. Markets for the purchase and sale of any previously issued financial instrument.

Securities Industry and Financial Markets Association (SIFMA). The bond market trade association representing the largest securities markets in the world. In addition to publishing a Master Repurchase Agreement, widely accepted as the industry standard document for Repurchase Agreements, the SIFMA also recommends bond market closures and early closes due to holidays.

Securities Lending. An arrangement between an investor and a custody bank that allows the custody bank to “loan” the investors investment holdings, reinvest the proceeds in permitted investments, and shares any profits with the investor. Should be governed by a securities lending agreement. Can increase the risk of a portfolio in that the investor takes on the default risk on the reinvestment at the discretion of the custodian.

Sinking Fund. A separate accumulation of cash or investments (including earnings on investments) in a fund in accordance with the terms of a trust agreement or indenture, funded by periodic deposits by the issuer (or other entity responsible for debt service), for the purpose of assuring timely availability of moneys for payment of debt service. Usually used in connection with term bonds.

Spread. The difference between the price of a security and similar maturity U.S. Treasury investments, expressed in percentage terms or basis points. A spread can also be the absolute difference in yield between two securities. The securities can be in different markets or within the same securities market between different credits, sectors, or other relevant factors.

Standard & Poor's. One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

STRIPS (Separate Trading of Registered Interest and Principal of Securities). Acronym applied to U.S. Treasury securities that have had their coupons and principal repayments separated into individual zero-coupon Treasury securities. The same technique and “strips” description can be applied to non-Treasury securities (e.g., FNMA strips).

Structured Notes. Notes that have imbedded into their structure options such as step-up coupons or derivative-based returns.

Swap. Trading one asset for another.

TAP Notes. Federal Agency notes issued under the FHLB TAP program. Launched in 6/99 as a refinement to the FHLB bullet bond auction process. In a break from the FHLB's traditional practice of bringing numerous small issues to market with similar maturities, the TAP Issue Program uses the four most common maturities and reopens them up regularly through a competitive auction. These maturities (2, 3, 5, and 10 year) will remain open for the calendar quarter, after which they will be closed, and a new series of TAP issues will be opened to replace them. This reduces the number of separate bullet bonds issued but generates enhanced awareness and liquidity in the marketplace through increased issue size and secondary market volume.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 25 of 37

Tennessee Valley Authority (TVA). One of the large Federal Agencies. A wholly owned corporation of the United States government that was established in 1933 to develop the resources of the Tennessee Valley region in order to strengthen the regional and national economy and the national defense. Power operations are separated from non-power operations. TVA securities represent obligations of TVA, payable solely from TVA's net power proceeds, and are neither obligations of nor guaranteed by the United States. TVA is currently authorized to issue debt up to \$30 billion. Under this authorization, TVA may also obtain advances from the U.S. Treasury of up to \$150 million. Frequent issuer of discount notes, agency notes, and callable agency securities.

Total Return. Investment performance measured over a period of time that includes coupon interest, interest on interest, and both realized and unrealized gains or losses. Total return includes, therefore, any market value appreciation/depreciation on investments held at period end.

Treasuries. Collective term used to describe debt instruments backed by the U.S. government and issued through the U.S. Department of the Treasury. Includes Treasury bills, Treasury notes, and Treasury bonds. Also, a benchmark term used as a basis by which the yields of non-Treasury securities are compared (e.g., "trading at 50 basis points over Treasuries").

Treasury Bills (T-Bills). Short-term direct obligations of the United States government issued with an original term of one year or less. Treasury bills are sold at a discount from face value and do not pay interest before maturity. The difference between the purchase price of the bill and the maturity value is the interest earned on the bill. Currently, the U.S. Treasury issues 4-week, 13-week, and 26-week T-Bills.

Treasury Bonds. Long-term interest-bearing debt securities backed by the U.S. government and issued with maturities of ten years and longer by the U.S. Department of the Treasury.

Treasury Notes. Intermediate interest-bearing debt securities backed by the U.S. government and issued with maturities ranging from one to ten years by the U.S. Department of the Treasury. The Treasury currently issues 2-year, 3-year, 5-year, and 10-year Treasury Notes.

Trustee. A bank designated by an issuer of securities as the custodian of funds and official representative of bondholders. Trustees are appointed to ensure compliance with the bond documents and to represent bondholders in enforcing their contract with the issuer.

Uniform Net Capital Rule. SEC Rule 15c3-1 that outlines the minimum net capital ratio (ratio of indebtedness to net liquid capital) of member firms and non-member broker/dealers.

Unrealized Gains (Losses). The difference between the market value of an investment and its book value. Gains/losses are "realized" when the security is actually sold, as compared to "unrealized" gains/losses which are based on current market value. See also "Realized Gains (Losses)."

Variable-Rate Security. A bond that bears interest at a rate that varies over time based on a specified schedule of adjustment (e.g., daily, weekly, monthly, semi-annually, or annually). See also "Floating Rate Note."

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 26 of 37

Weighted Average Maturity (or just “Average Maturity”). The average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. A simple measure of risk of a fixed-income portfolio.

Weighted Average Maturity to Call. The average maturity of all securities and investments of a portfolio, adjusted to substitute the first call date per security for maturity date for those securities with call provisions.

Yield Curve. A graphic depiction of yields on like securities in relation to remaining maturities spread over a timeline. The traditional yield curve depicts yields on U.S. Treasuries, although yield curves exist for Federal Agencies and various credit quality corporates as well. Yield curves can be positively sloped (normal) where longer-term investments have higher yields, or “inverted” (uncommon) where longer-term investments have lower yields than shorter ones.

Yield to Call (YTC). Same as “Yield to Maturity,” except the return is measured to the first call date rather than the maturity date. Yield to call can be significantly higher or lower than a security’s yield to maturity.

Yield to Maturity (YTM). Calculated return on an investment, assuming all cash-flows from the security are reinvested at the same original yield. Can be higher or lower than the coupon rate depending on market rates and whether the security was purchased at a premium or discount. There are different conventions for calculating YTM for various types of securities.

Yield. There are numerous methods of yield determination. In this glossary, see also “Current Yield,” “Yield Curve,” “Yield to Call,” and “Yield to Maturity.”

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 27 of 37

Attachment B

Investment Pool/Fund Questionnaire

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced, and the program audited.
4. A description of who may invest in the program, how often, what size deposit, and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 28 of 37

Attachment C

Security Type Purchase and Allocation Guidelines

I. Florida PRIME

1. **Purchase Authorization.** The Florida PRIME Fund, as administered by the Florida State Board of Administration (SBA).
2. **Portfolio Composition.** A maximum of 50% of available funds may be invested in the Florida PRIME.
3. **Rating Requirements.** Rating shall be “AAAm” by Standard & Poor’s, or the equivalent by another Nationally Recognized Statistical Rating Organization (NRSRO).
4. **Due Diligence Requirements.** A thorough investigation of the Florida PRIME is required prior to investing and on a continual basis. A current prospectus or equivalent documentation, including an investment policy, financial statements, and portfolio holdings must be obtained. Attachment B is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund.

II. Intergovernmental Investment Pool

1. **Purchase Authorization.** Invest in intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 63.01, F.S.
2. **Portfolio Composition.** A maximum of 25% of available funds may be invested in intergovernmental investment pools.
3. **Rating Requirements.** The intergovernmental investment pool shall be rated “AAA” by Standard & Poor’s or the equivalent by another NRSRO.
1. **Due Diligence Requirements.** A thorough review of any investment pool/fund is required prior to investing and on a continual basis. Attachment B is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund.

III. United States Government Securities

1. **Purchase Authorization.** Invest in negotiable direct obligations, or obligations, the principal and interest of which are unconditionally guaranteed by the United States government. Such securities will include, but not be limited to the following:

Cash Management Bills

Treasury Securities – State and Local Government Series (SLGS)

Treasury Bills

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 29 of 37

Treasury Notes
Treasury Bonds
Treasury Strips

2. **Portfolio Composition.** A maximum of 100% of available funds may be invested in the United States Government Securities.
3. **Maturity Limitations.** The maximum length to maturity of any direct investment in the United States Government Securities is five (5) years from the date of settlement.

IV. United States Government Agencies (full faith and credit of the United States government)

1. **Purchase Authorization.** Invest in bonds, debentures, or notes that may be subject to call, issued, or guaranteed as to principal and interest by United States government agencies provided such obligations are backed by the full faith and credit of the United States government. Such securities will include, but are not limited to the following:

United States Export – Import Bank

-Direct obligations or fully guaranteed certificates of beneficial ownership

Farmer Home Administration

-Certificates of beneficial ownership

Federal Financing Bank

-Discount notes, notes and bonds

Federal Housing Administration Debentures

General Services Administration

United States Maritime Administration Guaranteed

-Title XI Financing

New Communities Debentures

-United States government guaranteed debentures

United States Public Housing Notes and Bonds

-United States government guaranteed public housing notes and bonds

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 30 of 37

United States Department of Housing and Urban Development

-Project notes and local authority bonds

2. **Portfolio Composition.** A maximum of 50% of available funds may be invested in United States government agencies.
3. **Limits on Individual Issuers.** A maximum of 25% of available funds may be invested in individual United States government agencies.
4. **Maturity Limitations.** The maximum length to maturity for an investment in any United States government agency security is five (5) years from the date of settlement.

V. Federal Instrumentalities (United States Government Sponsored Enterprises (GSE))

1. **Purchase Authorization.** Invest in bonds, mortgage-backed securities, debentures, or notes that may be subject to call, issued, or guaranteed as to principal and interest by United States Government Sponsored Enterprises (Federal Instrumentalities) that are non-full faith and credit agencies, limited to the following:

Federal Farm Credit Bank (FFCB)

Federal Home Loan Bank or its district banks (FHLB)
Federal National Mortgage Association (FNMA)

Federal Home Loan Mortgage Corporation (Freddie-Mac), including Federal Home Loan Mortgage Corporation participation certificates

2. **Portfolio Composition.** A maximum of 75% of available funds may be invested in Federal Instrumentalities. The combined total of available funds invested in Federal Instrumentalities and agency mortgage-backed securities cannot be more than 75%.
3. **Limits on Individual Issuers.** A maximum of 40% of available funds may be invested in individual Federal Instrumentalities. The maximum percentage invested in securities of any one issuer is inclusive of Agency MBS of the same issuer.
4. **Maturity Limitations.** The maximum length to maturity for an investment in any Federal Instrumentality security is five (5) years from the date of settlement.

VI. Agency Mortgage-Backed Securities (MBS)

1. **Purchase Authorization.** Investment in agency mortgage-backed securities (MBS) which are based on mortgages that are guaranteed by a government agency or Federal Instrumentality for payment of principal and a guarantee of timely payment.
2. **Portfolio Composition.** A maximum of 30% of available funds may be invested in MBS. The combined total of available funds invested in Federal Instrumentalities and MBS cannot be more than 75%.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 31 of 37

3. **Limits of Individual Issuers.** A maximum of 20% of available funds may be invested with any one issuer.

3.

4. **Maturity Limitations.** The maximum length to maturity for an investment in any MBS is five (5) years from the date of settlement.

The maturity of MBS shall be considered the date corresponding to its average life. This date reflects the point at which an investor will have received back half of the original principal (face) amount. The average life may be different from the stated legal maturity included in a security's description.

VII. Non-Negotiable Interest-Bearing Time Deposit or Saving Accounts

1. **Purchase Authorization.** Invest in non-negotiable interest-bearing time certificates of deposit or savings accounts in banks organized under the laws of this state and/or in national banks organized under the laws of the United States and doing business and situated in the State of Florida, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.
2. **Portfolio Composition.** A maximum of 25% of available funds may be invested in non-negotiable interest-bearing time certificates of deposit.
3. **Limits on Individual Issuers.** A maximum of 15% of available funds may be deposited with any one issuer.
4. **Maturity Limitations.** The maximum maturity on any certificate shall be no greater than one (1) year from the date of settlement.

VIII. Municipal Obligations

1. **Purchase Authorization.** Invest in municipal obligations.
2. **Portfolio Composition.** A maximum of 25% of available funds may be invested in municipal obligations.
3. **Limits on Individual Issuers.** A maximum of 10% of available funds may be invested with any one issuer.
4. **Ratings Requirements.** Municipal obligations purchased must be rated at the time of purchase at a minimum single "A" category by any two NRSROs or rated at least "MIG-2" by Moody's or "SP-2" by Standard & Poor's for short-term debt.
5. **Maturity Limitations.** A maximum length to maturity for an investment in any municipal obligation is five (5) years from the date of settlement.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 32 of 37

IX. Registered Investment Companies (Money Market Mutual Funds)

1. **Purchase Authorization.** Invest in shares in open-end or no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with 17 C.F.R. § 270.2a-7.
2. **Portfolio Composition.** A maximum of 50% of available funds may be invested in money market mutual funds.
3. **Limits of Individual Issuers.** A maximum of 25% of available funds may be invested with any one money market mutual fund.
4. **Rating Requirements.** Money market mutual funds shall be rated “AAAm” by Standard & Poor’s or the equivalent by another NRSRO.
5. **Due Diligence Requirements.** A thorough investigation of any money market mutual fund is required prior to investing and on a continual basis. Attachment B is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund. A current prospectus must be obtained.

X. Registered Investment Companies (“Mutual Funds”)

1. **Purchase Authorization.** Shares of open-end, no-load, institutional class mutual funds with fluctuating net asset values (NAV) provided that such funds are registered under the Investment Company Act of 1940. The prospectus must indicate that the funds average duration is maintained at 3 years or less and the fund invests exclusively in investment instruments as authorized by this policy.
2. **Portfolio Composition.** A maximum of 25% of available funds may be invested in mutual funds.
3. **Limits of Individual Issuers.** A maximum of 15% of available funds may be invested with any one mutual fund.
4. **Rating Requirements.** The mutual funds shall be rated “AAAf” by Standard & Poor’s or the equivalent by another NRSRO.
5. **Due Diligence Requirements.** A thorough investigation of any mutual fund is required prior to investing, and on a continual basis. Attachment B is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund. A current prospectus must be obtained.

XI. Repurchase Agreements

1. **Purchase Authorization.**

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 33 of 37

- a. Invest in repurchase agreements composed of only those investments based on the requirements set forth by the District's Master Repurchase Agreement. All firms are required to sign the Master Repurchase Agreement prior to the execution of a repurchase agreement transaction.
 - b. A third-party custodian with whom the District has a current custodial agreement shall hold the collateral for all repurchase agreements with a term longer than one (1) business day. A clearly marked receipt that shows evidence of ownership must be supplied to the Division Director and retained.
 - c. Securities authorized for collateral are negotiable direct obligations of the United States government, government agencies, and Federal Instrumentalities with maturities under five (5) years and must have a market value for the principal and accrued interest of 102 percent of the value and for the term of the repurchase agreement. Immaterial short-term deviations from the 102 percent requirement are permissible only upon the approval of the Division Director.
2. **Portfolio Composition.** A maximum of 50% of available funds may be invested in repurchase agreements, excluding one (1) business day agreements and overnight sweep agreements.
 3. **Limits on Individual Issuers.** A maximum of 25% of available funds may be invested with any one institution.
 4. **Limits on Maturities.** The maximum length to maturity of any repurchase agreement is 90 days from the date of settlement.

XII. Bankers' Acceptances

1. **Purchase Authorization.** Invest in bankers' acceptances which are issued by a domestic bank.
2. **Portfolio Composition.** A maximum of 35% of available funds may be directly invested in bankers' acceptances.
3. **Limits on Individual Issuers.** A maximum of 10% of available funds may be invested with any one issuer.
4. **Ratings Requirements.** Bankers' acceptances that are rated at the time of purchase in the highest category by at least two NRSROs.
5. **Maturity Limitations.** The maximum length to maturity for bankers' acceptances shall be 180 days from the date of settlement.

XIII. Commercial Paper

1. **Purchase Authorization.** Invest in commercial paper issued by corporations organized and operating within the United States or by depository institutions licensed by the United States.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 34 of 37

2. **Portfolio Composition.** A maximum of 35% of available funds may be directly invested in prime commercial paper. The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the combination of Section (XIII) Commercial Paper, Section (XIV) Asset-Backed Commercial Paper, Section (XV) Asset-Backed Securities, and Section (XVI) Corporate Notes shall not exceed forty percent (40%).
3. **Limits on Individual Issuers.** A maximum of 5% of available funds may be invested with any one issuer.
4. **Ratings Requirements.** Commercial paper that has a minimum S&P rating of A-1 and minimum Moody's rating of Prime-1 at the time of purchase. If the commercial paper is backed by a letter of credit (LOC), the long-term debt of the LOC provider must be rated single "A" category or better by at least two NRSROs.
5. **Maturity Limitations.** The maximum length to maturity for prime commercial paper shall be 270 days from the date of settlement.

XIV. Asset-Backed Commercial Paper

1. **Purchase Authorization.** Invest in asset-backed commercial paper issued by a special purpose corporation, trust, or limited liability company organized within the United States. All asset-backed commercial paper issuers will be rated in the highest ratings band. Only issuers that have been thoroughly reviewed and vetted by the investment advisors will be included.
2. **Portfolio Composition.** A maximum of 35% of available funds may be directly invested in asset-backed commercial paper. The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the combination of Section (XIII) Commercial Paper, Section (XIV) Asset-Backed Commercial Paper, Section (XV) Asset-Backed Securities, and Section (XVI) Corporate Notes shall not exceed forty percent (40%).
3. **Limits on Individual Issuers.** A maximum of 5% of available funds may be invested with any one issuer.
4. **Ratings Requirements.** Asset-Backed Commercial paper that has a minimum S&P rating of A-1 and minimum Moody's rating of Prime-1 at the time of purchase. If the commercial paper is backed by a letter of credit (LOC), the long-term debt of the LOC provider must be rated single "A" category or better by at least two NRSROs.
5. **Maturity Limitations.** The maximum length to maturity for asset-backed commercial paper shall be 270 days from the date of settlement.

XV. Asset-Backed Securities

1. **Purchase Authorization.** Invest in asset-backed securities issued by special purpose corporations, trusts, limited partnerships, or limited liability companies organized within the United States. Only investments within the senior tranche are permitted. These are typically designated as the "A" tranche.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: MM/DD/YYYY

Page 35 of 37

2. **Portfolio Composition.** A maximum of 25% of available funds may be directly invested in asset-backed securities. The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the combination of Section (XIII) Commercial Paper, Section (XIV) Asset-Backed Commercial Paper, Section (XV) Asset-Backed Securities, and Section (XVI) Corporate Notes shall not exceed forty percent (40%).
3. **Limits on Individual Issuers.** A maximum of 5% of available funds may be invested with any one issuer.
4. **Ratings Requirements.** Asset-backed securities rated in the double "AA" category by any two NRSRO's at the time of purchase.
5. **Maturity Limitations.** The maximum length to maturity for asset-backed securities shall be five (5) years from the date of settlement.

XVI. Corporate Notes

1. **Purchase Authorization.** Invest in corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States. Investment in any Scrutinized Company as defined by Section 218.415 Florida Statutes is prohibited.
2. **Portfolio Composition.** A maximum of 35% of available funds may be directly invested in corporate notes. The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the combination of Section (XIII) Commercial Paper, Section (XIV) Asset-Backed Commercial Paper, Section (XV) Asset-Backed Securities, and Section (XVI) Corporate Notes shall not exceed forty percent (40%).
3. **Limits on Individual Industry.** A maximum of 15% of available funds may be directly invested in any one industry. Security industry classification will be determined using the Bloomberg Industry Classification Standards (BICS).
4. **Limits on Individual Issuers.** A maximum of 5% of available funds may be invested with any one issuer.
5. **Ratings Requirements.** Corporate notes that have a long-term debt rating, at the time of purchase, at a minimum of a single "A" category by any two NRSROs.
6. **Maturity Limitations.** The maximum length to maturity for corporate notes shall be five (5) years from the date of settlement.

DISTRIBUTION

This procedure will be stored in the Governing Board's Procedure repository.

REFERENCES

Sections 218.415, 280.02, 658.12, 11.45, Florida Statutes
Third-Party Custodial Safekeeping Agreement

GOVERNING BOARD POLICY**Title: Investments****Effective Date: MM/DD/YYYY****Page 36 of 37**

Attachment A: Glossary of Cash and Investment Management Terms

Attachment B: Investment Pool/Fund Questionnaire

Attachment C: Security Type Purchase and Allocation Guidelines

REVIEW PERIOD

The Division Director and the Committee shall review this Policy within sixty (60) days following the end of each fiscal year and the Governing Board shall approve any modification made thereto.

EXHIBIT

GOVERNING BOARD POLICY**Title: Investments****Effective Date: MM/DD/YYYY****Page 37 of 37****DOCUMENT DETAILS**

Document Name	Investments
Formerly Known As	N/A
Document Type	Policy
Author(s)	Public Trust Advisors, Finance Bureau Chief, Business and Information Technology Services Division Director
Reviewing Stakeholder(s)	Public Trust Advisors, Finance Bureau Chief, Business and Information Technology Services Division Director
Document Owner Name	Melisa Lowe
Document Owner Title	Finance Bureau Chief
Review Period (in days)	365
Span of Control	Governing Board
Supersedes Date	11/15/2022
Effective Date	MM/DD/YYYY

APPROVAL

E.D. Armstrong, III
Chair

Date

FINANCE/OUTREACH AND PLANNING COMMITTEE

January 23, 2024

Discussion: Information Item: Status of the 2024 Consolidated Annual Report

Purpose

Staff will provide information on the preparation of the District's Consolidated Annual Report and to solicit input prior to the February 27, 2024 Governing Board meeting.

Background/History

Section 373.036, Florida Statutes (F.S.) requires the water management districts to prepare a "Consolidated Water Management District Annual Report." The agency formerly produced these components individually and submitted them to the Governing Board for approval at various times of the year. The Consolidated Annual Report aims to streamline these required reporting documents so that they now come forward in one package.

The 10 chapters that make up the report are substantially complete and are provided under separate cover. The finished report will be provided at the February meeting. The report includes the following chapters:

The Water Management District Performance Measures Annual Report

The Minimum Flows and Levels Annual Priority List and Schedule

The Minimum Flows and Levels/Water Quality Grade for Projects Report

The Annual Five-Year Capital Improvements Plan

The Alternative Water Supplies Report

The Five-Year Water Resource Development Work Program

The Polk Regional Water Cooperative Status Report

The Florida Forever Work Plan

The Mitigation Donation Annual Report

The Strategic Plan 2024-2028 (updated February 2024), and the 2023 Annual Work Plan Report

This Consolidated Annual Report is a significant communication tool for the District. The statute requires the report be submitted by March 1 of each year to the Governor, Department of Environmental Protection, President of the Senate, and Speaker of the House of Representatives. "In addition, copies must be provided to chairs of all legislative committees having substantive or fiscal jurisdiction over the districts and the governing body of each county in the district having jurisdiction or deriving any funds for operations of the district. Copies of the Consolidated Annual Report must be made available to the public, either in printed or electronic format."

Report Highlights:

- *The Water Management District Performance Annual Report* states continued stable growth in the amount of domestic wastewater reused. The report shows a continued general decline in uniform gross per capita water use, from 113 gallons per capita per day (gpcd), when first measured in 2008, to 103 gpcd in 2023. Since 2003, the estimated quantity of water supply made available through the water resource development component of the District's Regional Water Supply Plans is 66.4 million gallons per day (mgd). In addition, the District continues to demonstrate effective maintenance control of exotic species on its management lakes and rivers. Coverage has generally been less than five percent since the mid-1990s.

- *The Minimum Flows and Levels Annual Priority List and Schedule* has been reviewed and approved by DEP. As of FY2023, District rules included 203 minimum flows and levels and two water reservations.
- *The Alternative Water Supplies Annual Report* states the District has funded 396 reclaimed water projects that are anticipated to make available more than 200 mgd of capacity.
- *The Polk Regional Water Cooperative Status Report* identifies a prioritized list of two Cooperative and 45 local member government projects are being submitted for FY2025 funding consideration by the Florida Legislature.
- *The Strategic Plan* is the guiding document for the District, identifying targets and how success will be achieved and measured. Updates for this year include the revision of the Flood Protection strategic initiative to better address District programs and flood control structures by breaking out the previous initiative, "Flood Protection Maintenance and Improvement", into two initiatives: "Programs, Projects, and Regulations" and "Flood Protection Facilities." Also, updates were made to data (e.g., water use per capita, reclaimed water usage), project information for relevancy, and to language for clarity improvement.
- *The Strategic Plan Annual Work Plan* notes the District cooperatively funded three conservation projects with northern utilities through the District's cooperative funding program. These projects are estimated to conserve a total of 59,555 gallons per day. To date, in the Southern Water Use Caution Area (SWUCA), the District has offset approximately 29.8 mgd of groundwater through Facilitating Agricultural Resource Management Systems (FARMS) projects that are operational, under construction and/or have contracts pending. Finally, a status assessment completed in 2023 indicated that, for the first time, the SWUCA saltwater intrusion minimum aquifer level (SWIMAL) was being met. This success is based on the 13.1-foot NGVD29 Upper Floridan aquifer elevation associated with the SWIMAL being equaled or exceeded for five consecutive years, from 2018 through 2022.

Staff Recommendation:

This item is for the Board's information only, and no action is required.

Presenter:

Patrick H. Doty, AICP, CFM, Senior Planner, Government and Community Affairs Office

FINANCE/OUTREACH AND PLANNING COMMITTEE

January 23, 2024

Submit & File: Information Item: Budget Transfer Report

Purpose

Provide the Budget Transfer Report covering all budget transfers made during the month of December 2023.

Background

In accordance with Board Policy, *Budget Authority Transfer of Funds*, all transfers approved by the Executive Director and Finance Bureau Chief under delegated authority are presented to the Finance/Outreach & Planning Committee of the Governing Board as a Submit and File Report at the next regular scheduled meeting. The exhibit for this item reflects all such transfers executed during the month of December 2023.

Staff Recommendation:

Present the Budget Transfer Report for the Board's information. No action required.

Presenter:

Melisa J. Lowe, Bureau Chief, Finance Bureau

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Budget Transfer Report
December 2023

Item No.	--- TRANSFERRED FROM --- Bureau / Expenditure Category	--- TRANSFERRED TO --- Bureau / Expenditure Category	Reason For Transfer	Transfer Amount
Change from Original Budget Intent				
1	Operations Vegetation Management Services	Human Resources Insurance and Bonds	Transfer of funds originally budgeted for invasive plant control necessary upon completion of the Surface Water Improvement and Management (SWIM) restoration project of the Terra Ceta Ecosystem. Based on the revised project completion timeline due to unforeseeable delays, these funds are no longer required this fiscal year and will be requested with the FY2025 budget. The funds are required to cover increases in insurance premiums for commercial property and general liability coverage that came in higher than anticipated. The budget assumed a 40% increase for commercial property and 15% for general liability. Actual premiums came in at a 61% increase for commercial property and 21% for general liability.	\$ 52,500.00
2	General Services Capital Field Equipment Fund	General Services Capital Field Equipment Fund	Transfer of funds originally budgeted for the Capital Field Equipment Fund (CFEF) for the replacement of assets as outlined within the adopted budget. Funds are still required for the replacement of equipment through the CFEF. The planned replacement of a skiff was approved with the FY2023 budget for \$40,000. After competitive bidding, the cost of the replacement came in at \$48,819. This transfer utilizes CFEF fund balance to cover the additional \$8,819.	8,819.00
3	Communications and Board Services Advertising and Public Notices	Office of General Counsel Advertising and Public Notices	Transfer of funds originally budgeted for public noticing of meetings involving the Governing Board and advisory and springs committees. Expenditures for the current year are anticipated to be less than budgeted based on cost-saving efficiencies implemented in the prior year. The funds are required for public noticing of Water Shortage Order approved by the November 12, 2023 Governing Board. Water Shortage Order notices are not included in the annual budget.	5,000.00
4	Data Collection Laboratory Supplies & Sampling	Data Collection Equipment - Inside	Transfer of funds originally budgeted for various supplies and consumables used in the District Laboratory. These funds are required to cover the additional cost of replacing an analytical balance for the District Laboratory that was approved with the FY2024 budget for \$6,000.	211.98
Consistent with Original Budget Intent				Total Change from Original Budget Intent \$ 66,530.98
1	Water Resources Other Contractual Services	Water Resources Rental of Other Equipment	Funds are needed for the original purpose budgeted for the Aquifer Recharge Testing at Flatford Swamp District project. The funds are still required for this project. The funds are being transferred for accounting purposes only for the lease of equipment used in conjunction with the operational testing.	\$ 49,350.00
Total Consistent with Original Budget Intent				\$ 49,350.00
Total Amount Transferred				\$ 115,880.98

This report identifies transfers made during the month that did not require advance Governing Board approval. These transfers have been approved by either the Executive Director, or designee, or the Finance Bureau Chief consistent with Budget Authority Transfer of Funds Board Policy, and are presented to the Governing Board as a Submit and File Report. This Board Policy limits transfers made for a purpose other than the original budget intent to \$75,000. However, transfers made for accounting reallocation purposes consistent with original budget intent are not limited.

FINANCE/OUTREACH AND PLANNING COMMITTEE

January 23, 2024

Submit & File: Information Item: Office of Inspector General October 1, 2023 to December 31, 2023 Quarterly Update

Background and Purpose

In accordance with the Office of Inspector General Charter Governing Board Policy, the Inspector General is required, on a quarterly basis, to update the Committee regarding work and other matters.

Staff Recommendation:

This item is for the Board's information only, and no action is required.

Presenter:

Brian Werthmiller, Inspector General, Office of Inspector General



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Southwest Florida Water Management District

2379 Broad Street, Brooksville, Florida 34604-6899

(352) 796-7211 or 1-800-423-1476 (FL only)

WaterMatters.org

Bartow Office

170 Century Boulevard
Bartow, Florida 33830-7700
(863) 534-1448 or
1-800-492-7862 (FL only)

Sarasota Office

78 Sarasota Center Boulevard
Sarasota, Florida 34240-9770
(941) 377-3722 or
1-800-320-3503 (FL only)

Tampa Office

7601 U.S. 301 North
Tampa, Florida 33637-6759
(813) 985-7481 or
1-800-836-0797 (FL only)

Ed Armstrong
Chair, Pinellas

Michelle Williamson
Vice Chair, Hillsborough

John Mitten
Secretary, Hernando, Marion

Jack Bispham
Treasurer, Manatee

Kelly S. Rice
Former Chair, Citrus, Lake,
Levy, Sumter

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James Holton
Pinellas

Dustin Rowland
Pasco

Robert Stern
Hillsborough

Nancy Watkins
Hillsborough, Pinellas

Brian J. Armstrong, P.G.
Executive Director

January 23, 2024

MEMORANDUM

TO: Finance/Outreach & Planning Committee
Remaining Governing Board members

FROM: Brian Werthmiller, CPA, Inspector General

SUBJECT: Office of Inspector General Quarterly Update 10/1/23 – 12/31/23

The purpose of this memo is to satisfy the Office of Inspector General (OIG) Charter Governing Board Policy regarding updates with the Finance/Outreach and Planning Committee.

I am pleased to provide you the most recent quarterly update. During the quarter ending December 31, 2023:

- The IG quarterly update for the quarter ending September 30, 2023 was submitted to the Governing Board on October 24, 2023.
- In accordance with the OIG Charter Governing Board Policy, the OIG shall have performance measures defined by the Finance/Outreach & Planning Committee and approved by the Governing Board. These were submitted and approved by the Governing Board on October 24, 2023.
- One complaint was closed with no investigation considered necessary by the OIG.
- The District-wide risk assessment is underway and is performed to formulate the audit plan. A risk assessment takes into consideration factors that might influence the operational success of a component or activity within the District. To ensure the audit plan includes the priorities of the Governing Board and the District, meetings with the Governing Board, District management, and District staff is included as part of the risk assessment to solicit views on risk. In addition, District strategies, objectives and priorities, prior audits, budgets, and associated risks were considered in developing the audit plan.
- The OIG initiated 5 reviews. A review is a request for services typically originating from management, external government entities, or the Governing Board that does not result in an audit or investigation report.
- The calendar year 2023 audit plan included cybersecurity and purchasing card topics. The cybersecurity audit is in progress. Purchasing cards were audited by the Auditor General's office.
- On December 19, 2023, the Auditor General provided its preliminary and tentative audit findings and recommendations that may be included in the Auditor General's final report.

Office of Inspector General Performance Measures		
<i>Performance Measures – Non-Routine</i>	<i>Goal</i>	<i>Status Through 12/31/2023</i>
Complete statutorily required 6-month status report for any corrective actions as identified by the Auditor General.	Submit to the Board 6 months from the Auditor General report date.	The Auditor General has not released the final audit report.
Monitor and report to the Board as required by policy, the District's response to Auditor General recommendations not corrected by the 6-month update.	Submit to the Board by September 2024.	The Auditor General has not released the final audit report.
Complete one audit as determined by the 2024 audit plan.	Submit to the Board by September 2024.	Open
Appropriate time allocated to efforts resulting in reporting to the Board.	65% of chargeable hours.	89%
<i>Performance Measures - Routine</i>	<i>Goal</i>	<i>Status Through 12/31/2023</i>
Risk assessment and audit plan.	Submit to the Board by January 2024.	Open
Inspector General FY 2024 Annual Report.	Submit to the Board September 2024.	Open
Updates to the Finance/Outreach & Planning Committee including IG performance measures.	Submit to the Board the month following each quarter-end.	25%

Governing Board Meeting
January 23, 2024

4. RESOURCE MANAGEMENT COMMITTEE

4.1	Discussion: Information Item: Consent Item(s) Moved to Discussion	143
4.2	Discussion: Action Item: Peace River Manasota Regional Water Supply Authority – Regional Integrated Loop System Phase 2B Project – Third-Party Review (Q355).....	144
4.3	Discussion: Action Item: Draft Springs Surface Water Improvement and Management (SWIM) Plan Refinements.....	147
4.4	Submit & File: Information Item: Five-Year Water Resource Development Work Program	149

RESOURCE MANAGEMENT COMMITTEE

January 23, 2024

Discussion: Information Item: Consent Item(s) Moved to Discussion

Staff Recommendation:

This item is for the Board's information only, and no action is required.

Presenter:

Jennette M. Seachrist, P.E., Division Director, Resource Management Division

RESOURCE MANAGEMENT COMMITTEE**January 23, 2024****Discussion: Action Item: Peace River Manasota Regional Water Supply Authority – Regional Integrated Loop System Phase 2B Project – Third-Party Review (Q355)***Purpose*

The purpose of this item is to present the results of the third-party review (TPR) for the Peace River Manasota Regional Water Supply Authority (Authority) Regional Integrated Loop System Phase 2B (Phase 2B) project and to request Governing Board approval to amend the Cooperative Funding Agreement to move forward with final design, permitting, and construction at a total cost of \$87,440,545 with District funding of \$36,150,000 (50 percent of the initial Board-approved amount through the fiscal year (FY) 2023 Cooperative Funding Initiative (CFI) process).

Background/History

In FY2023, the Authority and the District entered into an agreement for the preliminary design and TPR of the Phase 2B project. The project consists of a potable water transmission interconnection to supply additional alternative water. This interconnect is part of the Regional Integrated Loop System to extend the system south from Serris Boulevard to the Gulf Cove Water Booster Pump Station in Charlotte County. Phase 2B is approximately 13 miles long and is expected to have a max day capacity of 40 million gallons per day (MGD). The pipeline will deliver only alternative water supplies under normal operating conditions. For preliminary design and TPR, the Governing Board approved a total cost of \$3,000,000, with District share at 50 percent, or \$1,500,000. The initial conceptual project cost was estimated at \$72,300,000.

The Authority provided the preliminary design package in June 2023 and the draft 60% design documents were provided in September 2023. The Authority obtained a guaranteed maximum price for construction of the Phase 2B project in December 2023.

The District hired a consultant in October 2023 to perform the TPR of the project and the work was completed in January 2024. The results of the TPR confirmed construction methods were typical, the selected route met the established criteria, and the methodology to develop the cost model was sound. The cost estimate included owner-direct purchase of pipes and valves, providing savings on the sales tax. For the current design stage, the construction schedule appears to be reasonable for the scope of work.

Benefits/Costs

The TPR found the design to be appropriate in its assumptions and methods, and the cost estimates and schedules are reasonable for the level of design. The District share will not exceed the initial Board-approved project share amount of \$36,150,000. The Governing Board included \$13,896,094 in the FY2024 budget for final design, permitting, and construction, and it is anticipated the Authority will request the remaining \$20,753,906 in future years. The project has also received \$1,500,000 in state funding from the Department of Environmental Protection, which the Authority will be allowed to use toward increases from the initial board approved project cost in accordance with the CFI policy.

The revised FY2024 evaluation form is attached as an exhibit to this recap. Governing Board authorization is needed to proceed with the project and to modify the Cooperative Funding Agreement to include final design, permitting, and construction.

Staff Recommendation:

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).

Presenter:

Jay Hoecker, PMP, Bureau Chief, Water Resources Bureau

Project No. Q355	Interconnects – PRMRWSA Regional Integrated Loop System Phase 2B			
PRMRWSA	FY2024			
Risk Level:	Type 2	Multi-Year Contract: Yes, Year 2 of 4		
Description				
Description:	Third-party review (TPR), design, permitting, and construction of a potable water transmission interconnection to supply additional alternative water. This interconnect is part of the Regional Integrated Loop System to extend the system south from Serris Boulevard to the Gulf Cove Water Booster Pump Station in Charlotte County. Phase 2B is approximately 13 miles long and is expected to have a max day capacity of 40 million gallons per day (MGD). The pipeline will deliver only alternative water supplies under normal operating conditions. District funding in FY2023 included preliminary design and TPR, as the project has a conceptual cost greater than \$5 million dollars. The FY2024 funds are for design, permitting and construction.			
Measurable Benefit:	The contractual Measurable Benefit will be the construction of a potable water transmission interconnection, with a max day capacity of 40 MGD. Construction will be done in accordance with permitted plans.			
Costs:	Total project cost: \$87,440,545 (design, permitting, TPR, and construction), initial board-approved project amount \$72,300,000. PRMRWSA: \$49,790,545. District: \$36,150,000 with \$1,500,000 budgeted in previous years, \$13,896,094 budgeted in FY2024, and \$20,753,906 anticipated to be requested in future years. FDEP: \$1,500,000 awarded in FY2023.			
Evaluation				
Application Quality:	All information identified in the CFI Guidelines was provided at the time of application.			
Project Benefit:	The benefit of this project, if constructed, will be to provide alternative water supplies to high growth areas of Charlotte County.			
Cost Effectiveness:	The cost effectiveness, based on staff evaluation and third-party review for the project is within the expected range for the design level and type of project.			
Past Performance:	Good, based upon an assessment of the schedule and budget for the 6 ongoing projects.			
Complementary Efforts:	Applicant has complementary efforts that promotes water conservation via education/outreach with the public and member governments.			
Project Readiness:	Project is ongoing and on schedule.			
Strategic Goals				
Strategic Goals:	Strategic Initiative - Alternative Water Supplies: Increase development of alternative sources of water to ensure groundwater and surface water sustainability. Southern Region Priority: Implement Southern Water Use Caution Area (SWUCA) Recovery Strategy.			
Overall Ranking and Recommendation				
AWS	The preliminary design and TPR are complete. The results of the TPR confirmed construction methods were typical, the selected route met the established criteria, and the methodology to develop the cost model was sound. Based on the TPR results, District staff recommend Governing Board authorization for final design, permitting, and construction of the project and approve modification of the Cooperative Funding Agreement to include a total project cost of \$87,440,545 with the District's 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). This project will assist in meeting regional water supply demands and implementation of SWUCA Recovery Strategy.			
Funding				
Funding Source	Prior	FY2024	Future	Total
District	\$1,500,000	\$13,896,094	\$20,753,906	\$36,150,000
PRMRWSA	\$1,500,000	\$13,896,094	\$34,394,451	\$49,790,545
FDEP	\$1,500,000	\$0	\$0	\$1,500,000
Total	\$4,500,000	\$27,792,188	\$55,148,357	\$87,440,545

RESOURCE MANAGEMENT COMMITTEE**January 23, 2024****Discussion: Action Item: Draft Springs Surface Water Improvement and Management (SWIM) Plan Refinements***Purpose*

The purpose of this item is to request approval to submit the five draft SWIM Plan refinements for the first-magnitude spring systems to the agencies and stakeholders in accordance with Section 373.453, Florida Statutes (F.S.).

Background/History

In 1987, the Florida Legislature established the Surface Water Improvement and Management (SWIM) Act in response to the increasing occurrence of surface waterbodies that were degraded or were trending towards degradation. The Act requires the five 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. The District currently has 12 SWIM priority waterbodies, including the five first-magnitude spring systems. The five first magnitude springs systems are the Weeki Wachee River, Chassahowitzka River, Homosassa River, Crystal River/Kings Bay, and Rainbow River.

Recognizing each spring system is unique with its own set of challenges, the District in 2014 invited local, regional and state agencies to form the Springs Coast Steering Committee (SCSC). To assist in the development of the SWIM Plans for each of these five spring systems, the SCSC formed the Spring Coast Management Committee (SCMC) and the Springs Coast Technical Working Group (TWG).

Each Springs SWIM Plan includes numeric targets called quantifiable objectives. These are long term goals that are used to develop and prioritize management actions, resource allocation, and funding of projects. Through review and work supported by the SCMC and the TWG, the SCSC has approved incremental refinements to the quantifiable objectives for all five spring systems. These incremental refinements include redefining targets to different river segments, redefining targets as indicators using a reference period approach, and updating Minimum Flows and Levels (MFL) targets as currently established.

Pursuant to Section 373.453(3) District Staff are requesting the Governing Board authorize submittal of the draft SWIM Plans for the five first-magnitude spring systems to the FDEP, FFWCC, FDACS and appropriate local governments for their review and comment. At the end of this 45-day review period, District staff will consider the comments and incorporate them as appropriate. The final SWIM Plans will be provided at a subsequent Governing Board meeting for final approval. The draft SWIM Plans can be viewed online at <https://www.swfwmd.state.fl.us/projects/springs/springs-coast-steering-management-and-technical-committees>.

Staff Recommendation:

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.

Presenter:

Madison Trowbridge, Springs Scientist, Natural Systems & Restoration Bureau

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RESOURCE MANAGEMENT COMMITTEE

January 23, 2024

Submit & File: Information Item: Five-Year Water Resource Development Work Program

Purpose

To provide an update of the District's 2024 Five-Year Water Resource Development Work Program (Work Program) and its approval by the Florida Department of Environmental Protection (DEP).

Background/History

The District is required by Florida Statutes (Subsection 373.536(6)) to prepare a Work Program each year. This Work Program describes the District's implementation strategy for the water resource and water supply development components of the approved Regional Water Supply Plan (RWSP). The current Work Program covers the period from fiscal year (FY) 2024 through FY2028 and is a comprehensive discussion of the District's projects and activities intended to assist in making water resources available to meet demands. A draft of the Work Program must be submitted to DEP and specified state and local government officials within 30 days after adoption of the District's final budget. The Governing Board authorized the submittal of the draft Work Program at the September 26, 2023 meeting. District staff submitted the draft on October 24, 2023.

The DEP reviewed the draft Work Program and responded to the District in a letter received on November 17, 2023. The letter states the DEP's approval of the proposed expenditures for water resource and water supply development, and the Work Program's consistency with the District RWSP and the Central Florida Watershed Initiative RWSP. No revisions to the Work Program were requested. The DEP is required to prepare a final evaluation report of its review of water management district Work Programs and submit a copy of the report to the Governor, President of the Senate, and Speaker of the House of Representatives. The District's final Work Program will be resubmitted as part of the 2024 Consolidated Annual Report as required by Florida Statutes (Subsection 373.036(7)).

Staff Recommendation:

This item is for the Board's information only, and no action is required.

Presenter:

Jennette Seachrist, Division Director, Resource Management Division

Governing Board Meeting

January 23, 2024

5. OPERATIONS, LANDS, AND RESOURCE MONITORING COMMITTEE

5.1	Discussion: Information Item: Consent Item(s) Moved to Discussion	150
5.2	Discussion: Action Item: Offer for Surplus Lands – Annutteliga Hammock (AH-2), SWF Parcel No. 15-228-1355S.....	152
5.3	Discussion: Action Item: Offer for Surplus Lands – Annutteliga Hammock (AH-2), SWF Parcel No. 15-228-1358S.....	216

OPERATIONS, LANDS, AND RESOURCE MONITORING COMMITTEE

January 23, 2024

Discussion: Information Item: Consent Item(s) Moved to Discussion

Staff Recommendation:

This item is for the Board's information only, and no action is required.

Presenter:

Brian S. Starford, P.G., Division Director, Operations, Lands and Resource Monitoring Division

OPERATIONS, LANDS, AND RESOURCE MONITORING COMMITTEE

January 23, 2024

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

Purpose

Recommend the Governing Board approve the Contract for Sale and Purchase for this surplus parcel which is attached as Exhibit 1. Location and Site maps are attached as Exhibits 2 and 3 respectively.

Background and History

The Annutteliga Hammock properties owned by the District are within the area of the Royal Highlands subdivision in Hernando County. The District actively acquired properties in this area between 1999 and 2003; however, the ability for meaningful consolidation of the entire project area was determined to be very limited given the continued rise in property values and the ongoing scattered development of privately owned lots.

In May 2015, the Governing Board recognized these challenges and designated 1,021 lots within Annutteliga Hammock as surplus. Most lots are small lots valued at less than \$25,000, however, some larger tracts do exist. On January 24, 2017, the Operations, Lands and Resource Monitoring Committee met with the intent of developing a strategy to sell these numerous properties and determined that all of this surplus property falls within the Priority Focus Area (PFA) of the Chassahowitzka River Springshed. Because of this determination, the decision was made to place restrictions on the property to be offered for sale in order to reduce the potential for new pollutant loads within the PFA. To further address this concern, the small lots are currently being offered to adjoining property owners with a deed restriction prohibiting septic tanks. The properties that are from 10 to 20 acres in size are being offered subject to deed restrictions that limit development while the properties greater than 20 acres are being offered subject to a conservation easement. In August of 2023, the Governing Board declared an additional 307 lots as surplus and these lots will be sold using the same criteria as the original 1,021 lots.

This parcel comprises approximately 7.9 acres and will be sold with a deed restriction prohibiting the installation of a septic tank or other device for the sanitary disposal of waste.

As required by statute for the sale of surplus property, a notice of intent to sell this property was published in a newspaper.

Summary of Value and Offer

The most recent appraisal of the property was prepared by Valuation Advisors, Bradley C. Page, MAI, and is valued at \$60,000. See appraisal attached as Exhibit 4. The highest and best use for the property was determined to be assemblage with abutting buildable site, recreation, agricultural and mitigation purposes. The current offer of \$60,000 from Hernando County Water & Sewer District is for the full appraised value which is consistent with the District's policy for sale of surplus property.

The District's title to the property includes the subsurface rights. Any sale would include the interest in all phosphate, minerals, metals, and petroleum that may be in, on or under the property.

Sales Terms

- The District will deliver title to the buyer by Quit Claim Deed. The Deed will include a restriction

that no septic system or other system for the sanitary disposal of waste shall be installed.

- The purchase price is fixed without adjustment provisions.
- The Buyer will make a deposit of five percent (5%) of the contract price, or \$3,000, with a closing to occur no more than 60 days after the effective date of the Contract for Sale and Purchase.
- The buyer will bear all expenses of the transaction except for the appraisal.

Benefit/Costs

The proceeds from the sales of surplus lands allow the District to acquire lands that are more environmentally significant. Funds derived from the sale of surplus land are used for the purchase of other lands, resulting in the ability to meet the District's core mission more effectively.

Staff Recommendation:

- 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.

Presenter:

Mike Singer, Manager, Land Resources Bureau

CONTRACT FOR SALE AND PURCHASE

THIS Contract for Sale and Purchase ("Contract") is made this 12th day of December, 2023, by and between the Southwest Florida Water Management District, a public corporation of the State of Florida, having an address of 2379 Broad Street, Brooksville, Florida 34604 ("District"), and Hernando County Water & Sewer District, a dependent special district of Hernando County, a political subdivision of the State of Florida, by and through its Board of County Commissioners, whose address is 15470 Flight Path Drive, Brooksville, Florida 34604 ("Buyer"), as follows:

1. **AGREEMENT TO SELL:** The District hereby agrees to sell and Buyer hereby agrees to buy, in accordance with this Contract, the real property that is more particularly described in Exhibit "A," attached hereto and incorporated herein by this reference ("Property").

2. **TIME FOR ACCEPTANCE:** Upon execution of this Contract by Buyer, Buyer's offer shall be binding for Forty-five (45) days after such execution by Buyer. If this Contract is not executed by the District on or before Forty-five (45) days after execution of this Contract by Buyer, Buyer's offer contained in this Contract is withdrawn and this Contract shall terminate.

3. **EFFECTIVE DATE:** The effective date of this contract shall be the date of execution by the District.

4. **APPROVAL:** This Contract is subject to approval by the District's Governing Board. If the District's Governing Board does not approve this Contract and all the terms and conditions hereof, the District will notify the Buyer in writing and this Agreement shall terminate.

5. **PURCHASE PRICE:** The total purchase price for the Property shall be Sixty Thousand dollars (\$ 60,000), which shall be paid in the following manner:

a. **Deposit:** Concurrent with the execution by Buyer of this Contract, Buyer shall deposit five percent (5%) of the purchase price in the form of a certified or cashier's check from a financial institution as defined in Section 655.005, Florida Statutes ("F.S."), made payable to the escrow agent for closing designated by the District, as earnest money ("Deposit"). In the event this Contract is terminated under Paragraphs 2, 4, or 12 of this Contract the District shall return the Deposit to the Buyer.

b. **Balance:** The balance of the purchase price shall be paid at the time of closing by wire transfer from a financial institution as defined in Section 655.005, F.S., to the closing agent designated by the District.

6. **CLOSING, EXPENSE AND POSSESSION:** This Contract shall be closed no later than Sixty (60) days from the effective date referenced in Paragraph 3, unless this Contract is terminated pursuant to Paragraphs 2 or 4. The following are additional details of closing:

a. **Time and Place:** The date, time and place of closing shall be set by the District.

Contract for Sale and Purchase

Parcel Name: AH-2-S

SWF Parcel No.: 15-228-1355S

Revised 6/8/2018

b. **Conveyance**: At closing, the District will deliver to Buyer a fully executed quit claim deed, conveying the Property and improvements in "AS IS, WHERE IS CONDITION," without warranties or representations.

c. **Expenses**: Buyer shall be responsible for paying all closing costs associated with the Property including, but not limited to, Buyer's survey costs, documentary stamp tax on the deed, recording fees, abstract or title insurance fees, and Buyer's attorneys' fees. The District has designated Gulf Coast Title Co., Inc. having an address of 111 N Main St, Brooksville, FL 34601 as the escrow agent for closing. The Buyer shall pay any costs charged by such company or agent for this closing service. If Buyer obtains a survey of the Property, nothing contained therein shall affect the purchase price or terms of this Contract.

7. **REAL ESTATE TAXES, EASEMENTS, RESTRICTIONS, AND ENCUMBRANCES**:

Buyer agrees to take title to the Property subject to any outstanding taxes, special liens or assessments including real estate taxes, if any; comprehensive land use plans, zoning, restrictions, prohibitions and other requirements imposed by governmental authority; restrictions, qualifications and matters appearing on the plat or otherwise common to the subdivision, restrictive covenants, public utility easements and all outstanding easements, reservations and other interests.

8. **RESTRICTIVE COVENANT**: Buyer agrees to accept title to the Property with a deed restriction that will prohibit any new septic system or other device for the sanitary disposal of waste on the Property.

9. **CONDITION OF THE PROPERTY**: Buyer agrees to accept the Property in "AS IS, WHERE IS CONDITION." The District makes no warranties or representations whatsoever as to the condition of the Property or the improvements located thereon, or the fitness of either for any particular use or purpose.

10. **EVIDENCE OF TITLE**: Buyer may, at Buyer's expense, obtain evidence of title. Buyer understands that District may only convey title by Quit Claim Deed and Buyer agrees that this will not be an objection to title.

11. **SURVEY**: If the Buyer chooses to obtain a survey of the Property, the Buyer agrees to provide the District with a certified copy of the survey.

12. **DEFAULT**: If Buyer fails to close within Sixty (60) days from the effective date referenced in Paragraph 3, the District shall retain the Deposit, this Contract shall terminate, and the District and Buyer shall be relieved of all rights and obligations under this Contract. If the District fails to deliver the quit claim deed to Buyer within Sixty (60) days from the effective date referenced in Paragraph 3, the District shall return the Deposit to Buyer, this Contract shall terminate, and Buyer and the District shall be relieved of all rights and obligations under this Contract.

13. **ATTORNEYS' FEES AND COSTS:** In any claim or controversy arising out of or relating to this Contract, each party agrees to bear its own attorney fees and costs.

14. **NOTICES:** All notices will be in writing and may be delivered by mail, overnight courier, or personal delivery. The parties agree to send all notices to the addresses specified in the introductory clause; and as to the District, such notice will be sent to the attention of its Office of General Counsel. Notice is effective upon receipt.

15. **SUCCESSORS:** Upon execution of this Contract by Buyer, this Contract shall be binding upon and inure to the benefit of Buyer, Buyer's heirs, successors, or assigns.

16. **RECORDING:** Neither this Contract nor any notice of it may be recorded in any county by any person.

17. **ASSIGNMENT:** This Contract shall not be assigned by Buyer without the prior written consent of the District.

18. **TIME OF ESSENCE:** Time is of the essence in the performance of this Contract.

19. **AMENDMENTS:** This Contract contains the entire agreement and all representations of the parties. No amendment will be effective except when reduced to writing signed by all parties. Notwithstanding the foregoing, the parties acknowledge that the description of the Property is without the benefit of a current survey. The parties agree that if, in the opinion of the District, it becomes necessary to amend the description to correct errors, to more properly describe the Property, or to otherwise revise the description of the Property, the description to be used in the survey (if any) and in the closing instruments required by this Contract for the Property shall be revised by or at the direction of the District and shall be subject to the final approval of the District. Anything to the contrary hereinabove notwithstanding, such a revision of the description of the Property shall not require a written amendment to this Contract. In such event, the District's execution and delivery of the closing instruments containing the revised description and the Buyer's acceptance of said instruments and of the final survey (if any) containing the revised description shall constitute a full and complete ratification and acceptance of the revised description of the Property by the parties.

20. **SURVIVAL:** Paragraphs 6c, and 13 of this Contract will survive delivery and recording of deed and possession of the Property.

21. **ELECTRONIC/FACIMILE SIGNATURE:** The District agrees that this Agreement may be executed by the Buyer by electronic signature in a manner that complies with Chapter 668, F.S. This Agreement and any documents relating to it may be executed and transmitted to any other party by facsimile, which facsimile shall be deemed to be, and utilized in all respects as, an original, manually executed document.

22. **MINERAL RIGHTS:** The Buyer, by signature of this Agreement, hereby requests that all mineral interests owned by the District in the Property be transferred to the Buyer as provided in Section 270.11(3), F.S.

Contract for Sale and Purchase

Parcel Name: AH-2-S

SWF Parcel No.: 15-228-1355S

Revised 6/8/2018

23. **DOCUMENTS:** The following documents are attached and made a part of this Agreement. In the event of a conflict of contract terminology, priority will first be given to the language in the body of this Agreement.

Exhibit "A" Legal Description

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COPY

IN WITNESS WHEREOF, the parties have caused the Contract to be executed on the day and year set forth below.

DISTRICT:

Southwest Florida Water Management District, a public corporation of the State of Florida

By: _____

Print Name: Brian J. Armstrong, P.G.

Title: Executive Director

Date: _____

BUYER:

Hernando County Water & Sewer District, a dependent special district of Hernando County, a political subdivision of the State of Florida, by and through its Board of County Commissioners

By: Elizabeth Narverud

Print Name: Elizabeth Narverud

Title: Chairperson

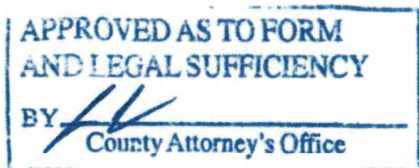
Date: December 15, 2023

By: _____

Print Name: _____

Title: _____

Date: _____



Contract for Sale and Purchase
Parcel Name: AH-2-S
SWF Parcel No.: 15-228-1358S

Revised 6/8/2018

Exhibit "A"
Legal Description

SWF Parcel 15-228-1355S (Annutteliga Hammock)

All that land lying West of the Florida Power Corporation right-of-way in the Northwest $\frac{1}{4}$ of Section 22, Township 21 South, Range 18 East, Hernando County, Florida.

Hernando County Parcel Identification Number R22 421 18 0000 0050 0020

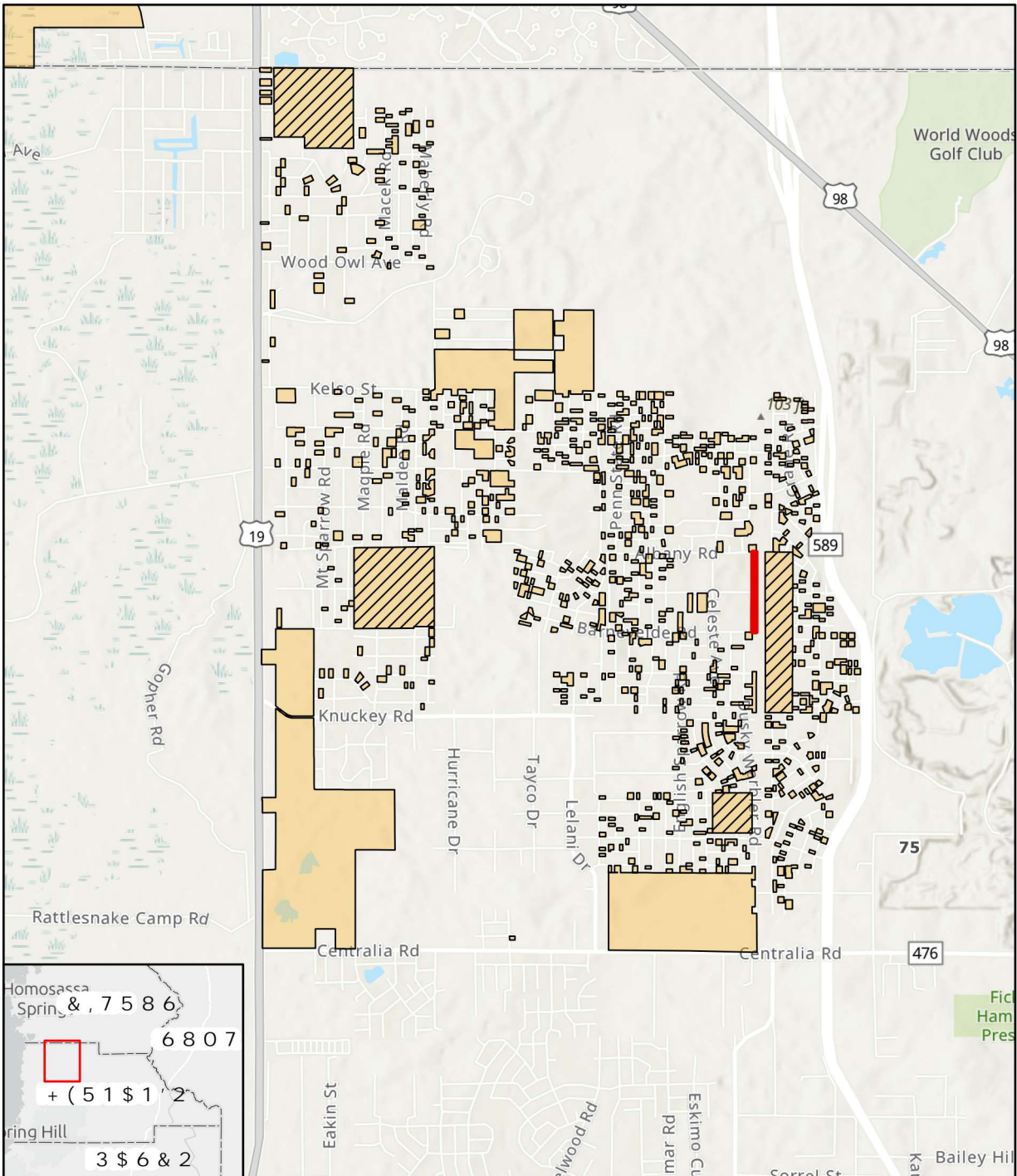
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COPY

Contract for Sale and Purchase
Parcel Name: AH-2-S
SWF Parcel No.: 15-228-1355S

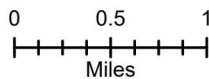
Revised 6/8/2018

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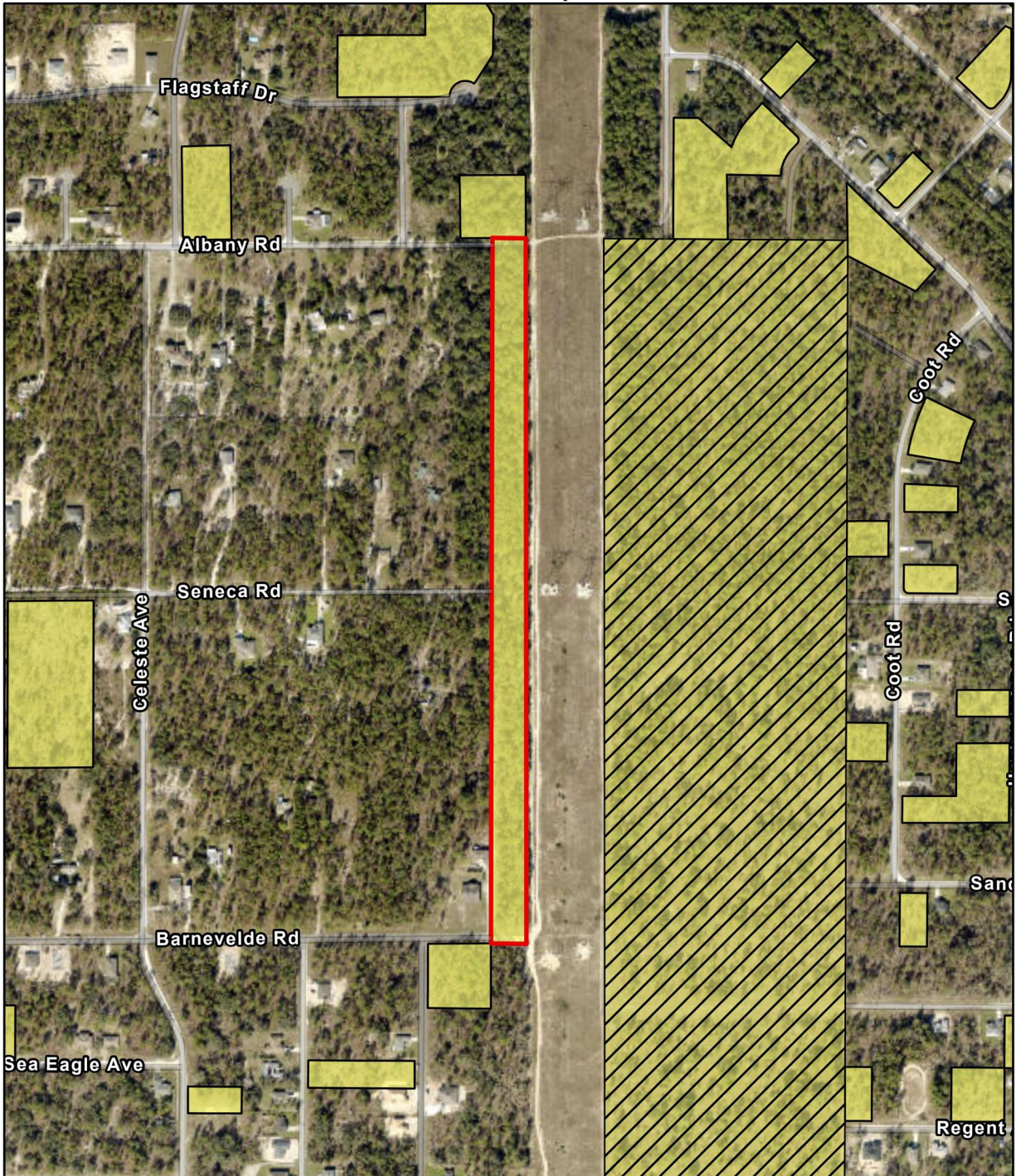
Esri, NASA, NGA, USGS, FDEP, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, FDEP, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPS

- SWF Parcel No. 15-228-13555 (Surplus ID AH-2-13555)
- District Owned Lands Fee Simple
- District Owned Land Easements



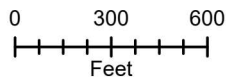
Southwest Florida
Water Management District

Exhibit 3
Annutteliga Hammock
SWF Parcel No. 15-228-1355S, Surplus ID AH-2-1355S
Site Map



State of Florida, Maxar, Esri Community Maps Contributors, Hernando County, FDEP, © OpenStreetMap, Microsoft, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA

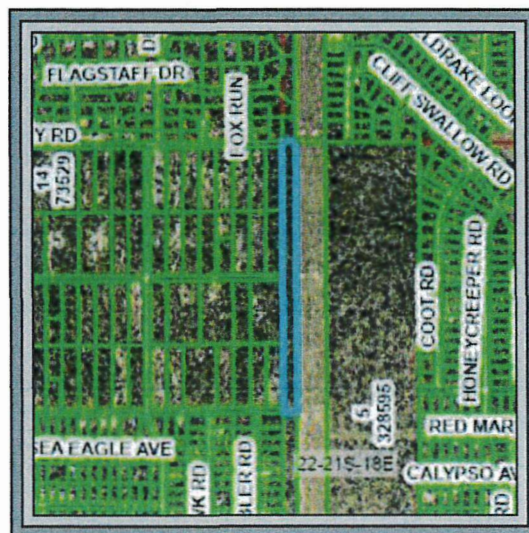
- SWF Parcel No. 15-228-1355S (Surplus ID AH-2-1355S)
- District Owned Lands Fee Simple
- District Owned Land Easements



Southwest Florida
Water Management District



16057 Tampa Palms Boulevard, #355
Tampa, Florida 33647



Annuteliga Hammock Surplus, SZ00
SWF 15-228-1355S

Eastern Ends of Albany Road, Seneca Road and Barnevelde Road,
Weeki Wachee, FL

All that land lying West of the Florida Power Corporation
right-of-way in the Northwest 1/4 of Section 22, Township 21
South, Range 18 East, Hernando County, Florida.

Southwest Florida Water Management District - PO 23PO0000533

VA File No. 11588-1

Valuation Date - October 6, 2023

PART ONE - INTRODUCTION



Bradley C. Page, MAI
State-Certified General Real Estate Appraiser 1535
President

October 23, 2023

Southwest Florida Water Management District
2379 Broad Street, Building 6
Brooksville, FL 34604-6899
Allison Mayer
Senior Real Estate Specialist

RE: Annuteliga Hammock Surplus, SZ00
SWF 15-228-1355S
Eastern Ends of Albany, Seneca and
Barnevelde Roads, Weeki Wachee, FL
File No. 11588-1

Dear SWFWMD:

In accordance with your authorization, I have personally inspected and appraised the above captioned properties in order to render an opinion of the Market Value of the entire property combined. The value conclusions contained in this report are applicable to the effective date of value, October 6, 2023. Please note the assumptions and limiting conditions as they have a bearing on the report and value conclusions.

The fee simple interest is appraised. This Appraisal Report has been rendered in compliance with the Uniform Standards of Professional Appraisal Practice, the Standards of Professional Appraisal Practice and the Code of Professional Ethics of the Appraisal Institute, and District Minimum Appraisal Standards including the use of a standard land form appraisal. Based upon all the known factors and influences that could affect the valuation of the subject property, it is my opinion that the following values as of October 6, 2023 are applicable.

Market Value As Encumbered by a Deed Restriction - \$60,000

Deed Restriction - No Septic Tank or other device for the sanitary disposal of waste shall be installed on the property conveyed hereby.



SWFWMD
October 23, 2023

The value conclusions are based on an exposure time of six months. Based on current market influences, a similar marketing period is considered reasonable. The comparable data considered for this appraisal included days of market from 53 to 266. No. 1, a 2.31 acre property, was on the market 103 days. No. 2, a 9.5 acre property, was on the market 307 days. No. 3, a 9.5 acre property, was on the market 18 days. No. 4, a 9.6 acre property, was on the market 37 days, and No. 5, an 8.0 acre property, was on the market 16 days.

Should you have any questions pertaining to the property or my valuation thereof, please feel free to contact the undersigned.

Respectfully Submitted,

Bradley C. Page, MAI
President
State-Certified General Real Estate Appraiser
RZ1535

TABLE OF CONTENTS

PART ONE - INTRODUCTION	ii
SUMMARY OF SALIENT FACTS/FINAL ESTIMATE OF VALUE.....	1
PART TWO - PREMISES OF THE APPRAISAL	4
PURPOSE OF THE APPRAISAL	5
PROPERTY RIGHTS APPRAISED	5
EFFECTIVE DATE OF VALUE	5
DATE OF REPORT	5
INTENDED USE/USER OF THE REPORT	5
APPRAISAL DEVELOPMENT & REPORTING PROCESS - SCOPE OF WORK	5
COMPETENCY PROVISION.....	5
ASSUMPTIONS AND LIMITING CONDITIONS.....	6
PART THREE - PRESENTATION OF DATA.....	8
LEGAL DESCRIPTION.....	9
OWNERSHIP/SALES HISTORY	9
PROPERTY TAX INFORMATION	9
SITE ANALYSIS	10
PROPOSED CONSERVATION EASEMENT.....	13
PART FOUR - ANALYSIS OF DATA & CONCLUSIONS.....	14
HIGHEST & BEST USE	15
THE APPRAISAL PROCESS	18
SALES COMPARISON APPROACH.....	19
RECONCILIATION AND FINAL VALUE CONCLUSION	36
CERTIFICATION.....	37
PART FIVE - ADDENDA	38
NEIGHBORHOOD/REGIONAL AREA ANALYSIS.....	39
PRINCIPLES AND TERMINOLOGY USED IN THIS REPORT	42
QUALIFICATIONS OF THE APPRAISER	43
PO	46

SUMMARY OF SALIENT FACTS/FINAL ESTIMATE OF VALUE

Project Identification: Annuteliga Hammock surplus, SZ00

Parcel Identification: SWF 15-228-1355S Surplus AH2

Appraiser: Bradley C. Page, MAI
State-Certified General Real Estate Appraiser RZ1535

Site Visit Date: October 6, 2023

Effective Date of Value: October 6, 2023

Date of Report: October 23, 2023

Interest Appraised: Fee Simple Encumbered by Proposed Deed Restriction

Estate Existing As of Appraisal Date: Fee Simple

Parcel Size:

Upland Acres	7.9	100.00%
Wetland Acres	<u>0.00</u>	0.00%
Total Acres	7.9	100.00%

History of the Property: There have been no transfers of the subject property over the past five years. The subject was recently advertised for sale as surplus lands.

Parcel Access: The subject is accessed via the eastern end of Albany, Seneca and Barnevelde Roads. These roads all dead end at the subject and provide legal and physical access.

Zoning: AG, Agricultural

Future Land Use Classification: Conservation

Typical Legal Uses: Continued agricultural uses, acreage home site and speculation of appreciation of land values

Utilities: Withlacoochee River Electric provides electric

service. Water and sewer require the use of well and septic. Cable and phone services are available through Spectrum and Frontier.

Flood Zone Information:

According to FEMA map(s) see map info following this section, the subject property includes flood zone X and AE. Flood zone X indicates areas outside the 100 year flood plain while AE provides for areas within the 100 year flood.

Mineral Rights:

The mineral rights are assumed to be in the bundle of rights being appraised unless specifically reported otherwise.

Easements:

None noted in date available.

Other Encumbrances:

None

Highest and Best Use:

Acreage Home site providing privacy and recreational uses as well as agricultural uses in fee simple and recreation, mitigation, agriculture and assemblage with buildable property as encumbered with proposed deed restriction.

Present Use:

Vacant land utilized for preservation

Opinion of Market Value:

\$60,000 as encumbered by proposed deed restriction

Special Assumptions & Limiting Conditions:

The property is appraised under the hypothetical condition the property is encumbered by a deed restriction. Specifically, the deed restriction proposed: No septic tank or other device for the sanitary disposal of waste shall be installed on the property conveyed hereby.

Exposure Time:

Six months

Marketing Time:

Six months

Owner Contact/Property Site Visit:

The site visit of the subject was made by Bradley C. Page as the property is vacant.

PART TWO - PREMISES OF THE APPRAISAL

PURPOSE OF THE APPRAISAL - The object of this report is to render an opinion of the current Market Value for the subject property under the hypothetical condition the property is encumbered by a proposed deed restriction.

PROPERTY RIGHTS APPRAISED - This property has been valued on a encumbered fee simple interest basis as if the property is subject to the terms of the proposed conservation easement.

EFFECTIVE DATE OF VALUE - The valuation conclusions contained herein are applicable to market conditions that existed on October 6, 2023.

DATE OF REPORT - The date of this report is October 23, 2023.

INTENDED USE/USER OF THE REPORT - It is my understanding that this report is to be used by the Southwest Florida Water Management District in establishing a fair price to be paid for the surplus property as if encumbered by the proposed conservation easement.

APPRAISAL DEVELOPMENT & REPORTING PROCESS - SCOPE OF WORK - In preparing this appraisal, the appraiser performed all of those procedures necessary to apply each of the applicable approaches to value. These procedures included but were not limited to the following:

- Inspected the subject site and surrounding market area
- Gathered and reviewed specific data such as appraisal mapping, the proposed deed restriction was reviewed, public record information, and historic data relative to the analysis of the subject
- Gathered relevant data pertaining to the neighborhood from a personal site visit of the surrounding areas, as well as local publications and real estate journals
- Discussed market conditions and trends with local brokers, managers, developers, financial institutions and appropriate governmental agencies
- Estimated subject's most probable and likely utilization under the basic real estate valuation Principle of Highest & Best Use
- Gathered market information pertaining to vacant land sales, listings, and contracts for both fee simple and encumbered property sales

COMPETENCY PROVISION - I have appraised numerous tracts of land that have similar characteristics and similar highest and best uses in this region over the past twenty-five plus years. For a list of additional property types appraised, please refer to the appraisers' qualifications found in the addendum.

ASSUMPTIONS AND LIMITING CONDITIONS

Hypothetical Condition

1. The property was visited on October 6, 2023. At that time, the property is owned in Fee Simple. A proposed deed restriction was provided to the appraiser by SWFWMD. The market value is based on the hypothetical condition the property is encumbered by the deed restriction: No septic tank or other device for the sanitary disposal of waste shall be installed on the property conveyed hereby.

This appraisal has been made with the following assumptions and limiting conditions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. Maps, plats and exhibits included in the report are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys, or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from the report.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. Subsurface rights (mineral and oil) were not considered in making this report unless otherwise stated.
8. For those tracts that according to survey, map or plat indicate riparian rights and/or littoral rights, these rights are assumed to go with the property unless easements or deeds of record were found by the appraisers to the contrary.
9. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
10. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal report.
11. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
12. The date of value to which the conclusions and opinions expressed in this report apply is set forth in the letter of transmittal. Further, the dollar amount of any value opinion rendered was based upon the purchasing power of the American dollar existing on that date.
13. The appraisers assume no responsibility for economic or physical factors which may affect the opinions in this report which occur after the date of the letter transmitting the report.

ASSUMPTIONS & LIMITING CONDITIONS (CONTINUED)

14. The appraisers reserve the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.
15. No detailed soil studies or information relating to geologic conditions covering the subject property were available to the appraisers. Therefore, it was assumed that existing soil conditions are capable of supporting development and standard construction for the subject property to its assumed highest and best use without extraordinary foundation or soil remedial expense.
16. No opinion is expressed as to the independent value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.
17. Unless otherwise stated in this report, the existence of hazardous materials which may or may not be present on the property, was not observed by the appraiser. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. Further, should the client be in possession of or obtain an environmental study pertaining to the subject property in conjunction with this appraisal, it is the responsibility of the client to notify the appraiser of any environmental concerns identified for the subject. Further analysis beyond the scope of this assignment may be required and the results of this appraisal may be meaningless if environmental issues impacting value are identified.
18. Possession of this report, or a copy of it, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event only with proper written qualification and only in its entirety.
19. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
20. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
21. The liability of Valuation Advisors and the appraisers responsible for this report is limited to the client only. There is no accountability, obligation or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussion. The appraisers are in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property, physically, financially and/or legally.

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAI's who meet the minimum standards for this program are awarded periodic educational certifications. Bradley C. Page, MAI is certified under this program through December 31, 2024.

PART THREE - PRESENTATION OF DATA

LEGAL DESCRIPTION -

All that land lying West of the Florida Power Corporation right-of-way in the Northwest 1/4 of Section 22, Township 21 South, Range 18 East, Hernando County, Florida.

OWNERSHIP/SALES HISTORY - The property is owned by Southwest Florida Water Management District, and the owner's address is 2379 Broad Street, Brooksville, Florida 34609-6809.

The subject was recently determined to be surplus lands.

PROPERTY TAX INFORMATION - According to the Hernando County Tax Collectors Office, the subject is not subject to taxation due to its ownership by the District.

SITE ANALYSIS



The subject property is located at the Eastern Ends of Albany, Seneca and Barnevelde Roads. The subject is accessed from Albany, Seneca and Barnevelde Roads. The properties surrounding the subject include preservation lands to the north and south, platted single family lots to the west, and a 295' wide power line easement on the eastern side.

The subject is wooded and includes mostly sandy soils and longleaf pine habitat.



View of Subject from
Barnevelde Road

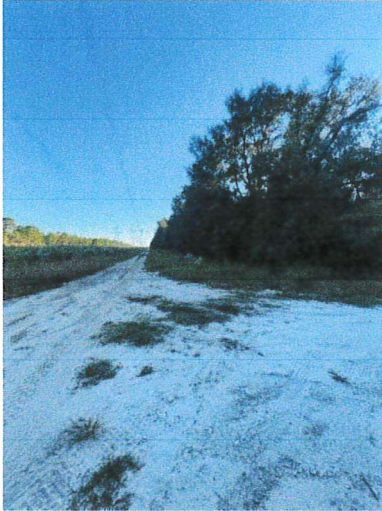


View of Subject from Seneca
Road



View of Subject from Albany
Road

SITE ANALYSIS (CONTINUED)



View Looking South Along
Eastern Side of Subject



View Along Barnvelde Road



View Along Seneca Road



View Along Albany Road

The subject can be described in more detail as follows:

(Size/Dimensions) - The subject site is vacant and includes long leaf pines and xeric oak habitat. The size of the subject including the estimated uplands and wetlands is as follows:

SITE ANALYSIS (CONTINUED)

	Size - Acres	Percentage of Total
Upland Acres	7.90	100.00%
Wetland Acres	<u>0.00</u>	<u>0.00%</u>
Total Acres/SF	7.90	100.00%

The site measures 125.22 x 2,748.16 feet based on the GIS mapping for Hernando County. The actual size of the property is subject to survey. The subject is rectangular in shape.

(Zoning/Land Use Plan) - The subject property is zoned AG, Agricultural. A summary of requirements is as follows:

- (13) *AG Agricultural District:* This district is designed to promote and encourage the conservation and utilization of prime and productive agricultural land, as well as the preservation of the open character of certain land, which, by virtue of their topography, soil types, natural resources and/or relationship to other land use areas, should be carefully reviewed and evaluated prior to their possible development or else should continue to be developed at a relatively low-density to maintain their overall natural environment and unique character with the county.

The future land use classification for the subject is Conservation. The Conservation Future Land Use Element is summarized as follows:

Conservation Category

Objective 1.04F: **The Conservation Category allows timbering (with a management plan) and limited resource-oriented recreational activities such as hiking, picnicking and fishing. Accessory residential units for security purposes may also be allowed.**

If privately owned, the most likely land use classification would be Rural.

(Utilities/Public Services) - The subject is served by Withlacoochee River Electric for electrical services and by Spectrum and Frontier for internet service. The site does not have the availability of public water and sewer services. Well and septic are required.

(Ingress/Egress) - The subject is accessible via the eastern terminus of Albany, Seneca and Barnevelde Roads.

SITE ANALYSIS (CONTINUED)

(Flood Data/Drainage) - The subject property is primarily located in flood zone X, with the northern portion of the property in zone AE. Flood zone X indicates areas outside the 100 year flood plain while AE is within the 100 year flood plain.

(Easements, Encroachments, Use Restrictions) - Based on a review of the appraisal mapping, the data provided, and my site visit of the subject property, there are no easements or encroachments that would have a detrimental effect on the valuation of the subject property. There are no use restrictions other than zoning and land use requirements. **The proposed deed restriction is as follows: No septic tank or other device for the sanitary disposal of waste shall be installed on the property conveyed hereby.**

(Topography) - The subject is slightly undulating with elevations ranging from 59 to 85 feet based on a review of the topography maps for the subject.

(Subsoils) - The subject include Candler Fine Sands

(Environmental Concerns) - No endangered species or endangered habitats were noted during my site visit. No other environmental concerns were apparent at the time of the site visit; however, the appraisers are not trained experts in the identification of environmental problems, and an inspection by environmental specialists is recommended if there are any questions regarding such issues for the subject property. The subject property has been appraised as if no environmental hazards exist.

(Concurrency) - Given the ongoing improvements to the infrastructure, concurrency is not an issue for the subject.

(Surrounding Land Uses) - The area surrounding the subject is comprised mostly of platted single family home lots, acreage agricultural properties and the 295' wide power line easement

(Site Improvements) - None.

(Summary) - The subject is a 7.9 acre site. The site is 125.22 x 2,748.16 feet and is rectangular in shape. Access to the property includes three roads that dead end into the subject and is good. The subject is primarily in flood zone X with the northern over 1/4 of the property in zone AE.

PART FOUR - ANALYSIS OF DATA & CONCLUSIONS

HIGHEST & BEST USE

According to The Appraisal of Real Estate, the highest and best use is defined as

The reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal.

Alternatively, highest and best use is

The use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported and financially feasible that results in highest land value.

The highest and best use as vacant is analyzed under four criteria: (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive.

The subject site contains 7.9 gross acres. The site includes one legal parcel. The site is rectangular in shape and is unusually long and narrow. The site is accessed via Albany, Seneca and Barnevelde Roads. The subject is located in northwestern Hernando County, Florida in an area known as the Annuteliga Hammock. The constraints relating to the site as though vacant are discussed as follows:

Physically Possible - The size of the subject would accommodate many uses. The subject's area includes rural subdivisions and agricultural uses. The subject property is located flood zone X and AE with the majority in Flood zone X, areas outside the 100 year flood plain. The subject does not have any significant low lying areas that would create any problems for construction or layout.

Soils on the site are sandy and typical for the area, and the site is slightly undulating from a low of 59 feet in the northern portion of the site to a high of 85 feet in the southern portion of the site. The improvements on surrounding sites utilized normal construction techniques; therefore, it appears that development of the site would not require any special considerations.

Surrounding uses in the vicinity of the subject include small farms, preservation lands, residential acreage tracts, platted residential lots as well as the power line corridor.

The lack of atypical physically restrictive features allows any of a number of uses; therefore, I will examine additional constraints. Next, I will examine legal factors regarding the subject.

Legally Permissible - The zoning for the subject is AG, Agricultural, and the subject has a Conservation Future Land Use Element (FLUE). The legal uses permitted uses under the zoning range from agricultural uses and recreational uses to residential home development

It appears subdivision of the property would not be possible as the zoning requires a minimum size of 20 acres for consideration of subdivision.

HIGHEST AND BEST USE (CONTINUED)

The subject property is being considered for sale as surplus land after being held for preservation. The appraiser is not trained in the identification of endangered species or habitats. No endangered species or endangered habitats were noted during my site visit. No other environmental concerns were apparent at the time of the site visit.

The appraisers are not trained experts in the identification of environmental problems, and an inspection by environmental specialists is recommended if there are any questions regarding such issues for the subject property. The subject property has been appraised as if no environmental hazards exist.

Based on the physical and legally restrictive factor for the subject property, the most likely legally permissible uses are agriculture, recreation and residential home development.

Financially Feasible/Maximally Productive - Based upon my canvassing of the area and tracking of sales in this area of Hernando County, the site is well suited for the physical and legal uses identified above.

There is a good bit of activity in the market for properties like the subject. This is supported by the recent sales data found in this report as well as the listing of similar properties in the general area and the reported interest in these properties. The buyers of acreage home sites often desire privacy according to discussions with Realtors including Kimberly Pye.

Based on all of the data reported herein as well as my discussions with market participants, it is my opinion that development of the subject as an acreage home site and recreational and agricultural uses represents the Highest and Best Use unencumbered.

HIGHEST AND BEST USE ENCUMBERED

As encumbered by the proposed deed restriction that eliminates the use of a septic system or any other device for waste disposal. This results in a limit on uses to something other than residential. Agricultural, recreational and conservation uses remain. Many smaller properties subject to the same deed restriction have been sold to the abutting lot owners for assemblage with the home site. This is a possibility for the subject. Other properties subject to conservation easements or restrictions have sold for uses such as gopher toitois mitigation sites. The subject is a smaller site than most of these properties.

According to my discussions with Dean Saunders, Zeb Griffin and owners of conservation easement properties to include Todd Mar, buyers are often interested in uses such as mitigation regarding gophers tortoises or wetlands as well as recreational uses.

HIGHEST AND BEST USE (CONTINUED)

Based on the data, the subject is best suited for assembling with a buildable site or with potential use for mitigation purposes. Again, the restriction eliminates use as an acreage home site without assemblage. Therefore, the highest and best use as encumbered by the proposed deed restriction includes assemblage with an abutting buildable site, recreation, agricultural and mitigation uses.

THE APPRAISAL PROCESS

The main purpose of an appraisal is to solve a problem of a specific property. The appraiser must define the problem, inspect the property, gather all pertinent data, analyze his findings to arrive at a solution, and then present all salient facts and conclusions to his client in the form of an appraisal report.

Since characteristics of real property vary widely, the appraiser must proceed in an orderly program by which he can make a thorough and accurate appraisal in an efficient manner.

During the past fifty years there has evolved a method of evaluating real estate known as "The Appraisal Process." The appraisal process involves three different approaches to value, the Cost Approach, the Sales Comparison Approach, and the Income Approach. However, since the subject property is vacant land, only the Sales Comparison Approach will be discussed.

As stated above, the subject is vacant land. There are no improvements, and the cost approach is not applicable as a result. Vacant sites like the subject are not often acquired as income producing investments. There is virtually no market data regarding market rental rates of such sites and no sales of leased sites like the subject to support appropriate multipliers or overall capitalization rates. As such, the income approach is not considered applicable. These approaches would not be reported by a majority of my peers and are not anticipated by the client.

The Sales Comparison Approach - In this approach the property appraised is compared to similar properties which have sold recently or are listed. The sale prices of the comparable properties are then adjusted to the property appraised to develop an indication of value.

A discussion of the process, fee simple land sales and their analysis follow. After the fee simple value of the subject, the sales encumbered by conservation easements are presented. These sales will be compared with the fee simple sales to establish the appropriate factor to be applied to the fee simple value to reach the conclusion as encumbered.

SALES COMPARISON APPROACH

In the Sales Comparison Approach market value is estimated by comparing the subject property to similar properties that have sold or for which offers to purchase have been made. A major premise of the Sales Comparison Approach is that the market value of a property is directly related to the prices of comparable competitive properties.

The principles of supply and demand, substitution, balance and externalities are the basis of this approach. When there is sufficient data to indicate value trends, the Sales Comparison Approach may provide the most direct and accurate approach to value.

The following system or procedure is used to apply the Sales Comparison Approach:

- 1) Research the market to extract data on sales that are similar to the subject property.
- 2) Verify the data for accuracy and arm's length considerations.
- 3) Select the units of comparison most commonly used by buyers and sellers.
- 4) Using the elements of comparison and physical characteristics, compare and adjust the comparable sales to the subject property.
- 5) Reconcile the values produced by the different units of comparison into a single value or range.

The land comparables are detailed on the following pages. The comparable sales utilized in this analysis are considered to be the most reflective and applicable for comparison to the subject. A grid format then summarizes the sale data and adjustments. After the grid summary, adjustments are explained and supported.

COMPARABLE NO. 1



Property Type:	Acreage Lot
Date of Sale:	April 7, 2023
OR Book/Page:	4288/991
Sale Price:	\$75,000
Overall SF:	100,773.00
Overall AC:	2.31
Price/SF:	\$0.74
Price/AC:	\$32,468

Location:	South side of Albany Road east of Celeste Avenue, Weeki Wachee, Hernando County, Florida
Tax Id No./Brief Legal:	73422/Portion of Section 21, Township 21 South, Range 18 East
Grantor:	Michael Marsh and Selena Marsh
Grantee:	Randal Hurley and Jody Hurly
Zoning/Future Land Use:	R1C, Residential
Terms:	Cash to Seller
Verification:	Nick D. Giovinazzi, Tropic Shores Realty, LLC, MLS# W7853393, 352-346-7850, By: Bradley C. Page, MAI, October 2023
Highest & Best Use:	Marketed for Residential development to include acreage home site adjacent to preservation land.
Property Description:	This property includes a 2.31 acre parcel at the end of Albany Road east of Celeste Avenue. The road is limerock and the property has an elevation of 59 to 60 feet. The property appears to be uplands and the entire property is in flood zone AE. Electrical and internet services are available. Well and septic are required for residential uses. The property is wooded with rolling topography that is below grade with Albany Road at its road frontage with the higher elevation being on the southern part of this property.
Conditions of Sale:	Negotiated, arms-length sale.

Comments:

The property was on the market 26 days prior to going under contract. The asking price was \$85,000 prior to the sale for \$75,000 or 88% of asking.

Sale History 5 Years:

The buyers acquired this property for re sale in December of 2022 for \$57,500. The asking price had been \$75,000 prior to this sale.

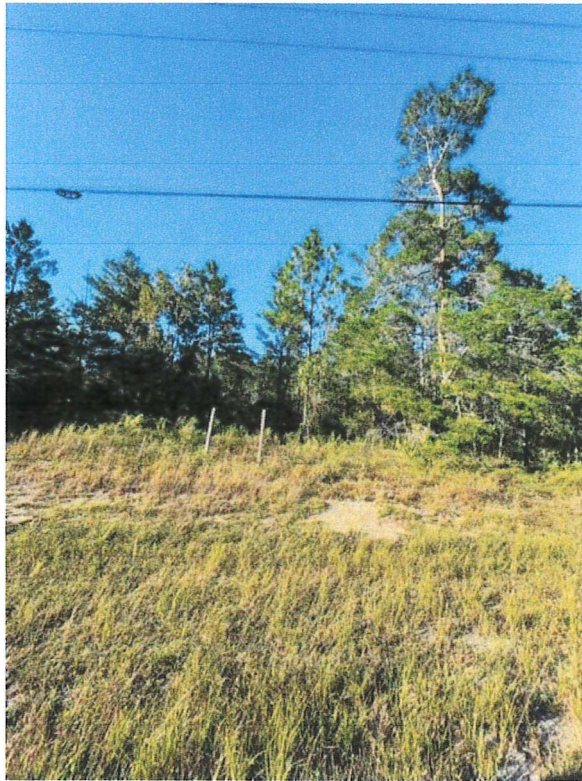


COMPARABLE NO. 2



Property Type:	Acreage
Date of Sale:	July 6, 2023
OR Book/Page:	4318/16
Sale Price:	\$215,000
Gross SF:	413,800.00
Gross AC:	9.50
Price/Overall SF:	\$0.52
Price/Overall AC:	\$22,632

Location:	North Side of Centralia Road West of Harris Hawk Road, Week Wachee, Hernando County, Florida
Tax Id No./Brief Legal:	329834/Portions of Section 32, Township 21 South, Range 18 East
Grantor:	Robert F Farr and Donna C Farr individually and as Trustees
Grantee:	Christopher Carollo
Zoning/Land Use:	AG, Agricultural/Rural
Terms:	\$43,000 down with PMM of \$172,000 at 6%. Considered Cash Equivalent
Verification:	Tracy Maler, KW Realty Elite Partners, MLS# W7846853, 352-848-5401, By: Bradley C. Page, MAI, October 2023
Highest & Best Use:	Agriculture, Acreage Estate Homesite, Recreation and Development
Property Description:	This property fronts Centralia Road with 330 mol feet or frontage, and 1,255 mol feet of depth. Centralia Road is a paved arterial road. The property is mostly re forested uplands. The elevations range from 45 to 55 feet with gently rolling topography. The property is rectangular in shape. 100% of this property is flood zone X. The property requires a well and septic for residential use.
Conditions of Sale:	Negotiated arm's length sale.
Comments:	This property was on the market 307 days before being placed under contract. The asking price was \$249,900 and the property sold at 86% of its asking price. The Seller financing facilitated the transaction and was considered cash equivalent.
Sale History 5 Years:	No arm's length transactions over the past five years

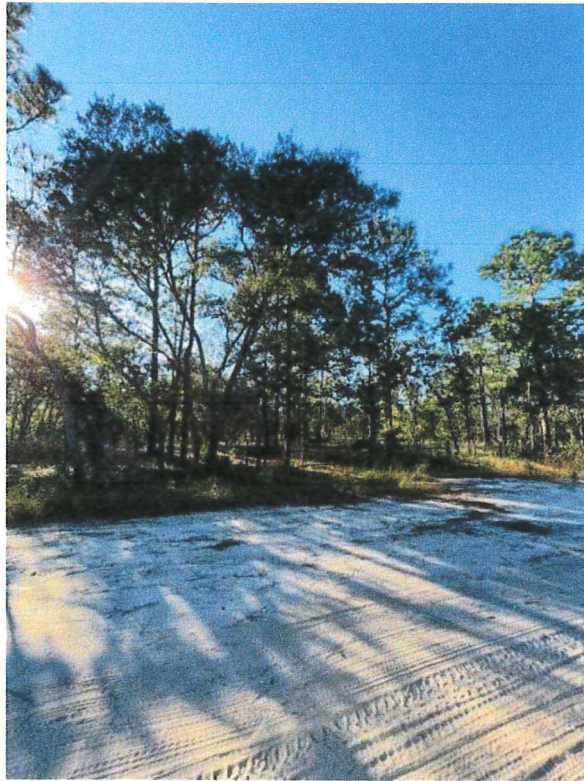


COMPARABLE NO. 3



Property Type:	Acreage Home Site
Date of Sale:	June 23, 2023
OR Book/Page:	4315/566
Sale Price:	\$299,900
Gross SF:	413,820.00
Gross AC:	9.50
Price/Gross SF:	\$0.72
Price/Gross AC:	\$31,568

Location:	West side of Robina Road North of Pheasant Avenue, Week Wachee, Hernando County, Florida
Tax Id No./Brief Legal:	1385520/Portion of Section 6, Township 22 South, Range 18 East
Grantor:	Edward D Tschantre and Donna L Tschantre
Grantee:	James T Callerie
Zoning/Land Use:	AG, Agricultural/Rural
Terms:	Cash to seller with buyer obtaining Conventional Financing
Verification:	Cathy Finelli, Realty Executives America, Inc., MLS# W78539243, 352-585-1828, By: Bradley C. Page, MAI, October 2023
Highest & Best Use:	Recreation, Agriculture and Acreage Residential Site
Property Description:	This is a wooded parcel fronting on a dirt Robina Road, a private easement road shared by six parcel owners. The property is rectangular in shape with 665 mol feet along Robina Road and a depth of 623 mol feet. The property wooded with rolling topography ranging from 24 to 38 feet in elevation. The entire property is in flood zone X and X500. Well and septic are required for development.
Conditions of Sale:	Negotiated arms-length
Comments:	The property had been listed for 17 days with an asking price os \$299,900 and sold for the asking price.
Sale History 5 Years:	No arms-length transfers



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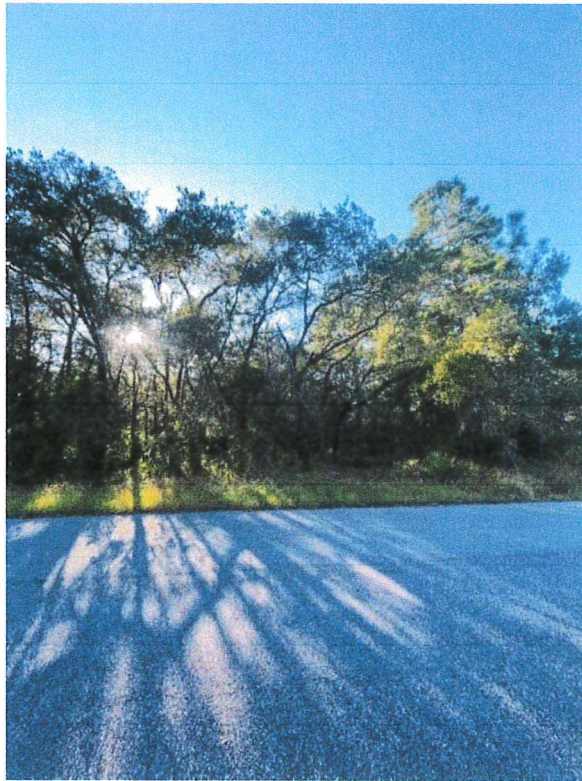
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COMPARABLE NO. 4

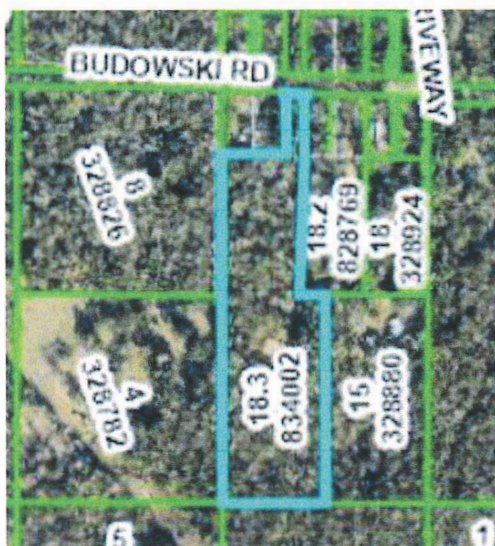


Property Type:	Acreage Home Site
Date of Sale:	April 24, 2023
OR Book/Page:	4294/1018
Sale Price:	\$220,000
Gross SF:	418,176.00
Gross AC:	9.60
Price/Gross SF:	\$0.53
Price/Gross AC:	\$22,917

Location:	West side of Eakin Street and East side of Wimbleton Avenue North of Atlanta Avenue, Weeki Wachee, Hernando County, Florida
Tax Id No./Brief Legal:	103934/Portions of Section 6, Township 22 South, Range 18 East
Grantor:	Anthony Renna, Michael J Renna and Thomas Renna, individually and as trustees
Grantee:	Anthony J Qualtiere
Zoning/Land Use:	AR, Agricultural Residential
Terms:	Cash
Verification:	Anthony Kanaris, BHHS Florida Properties Group, MLS# W7852802, 352-585-3872, By: Bradley C. Page, MAI, October 2023
Highest & Best Use:	Development with a Single Family Home and agricultural uses
Property Description:	This property included a wooded parcel that fronts both Wimbleton Avenue and Eakin Road north of Atlanta Avenue. The property includes frontage of Eakin Street, a paved road, and Wimbleton Avenue, a dirt road. The property is heavily wooded, and is at road grade with gently rolling topography, and the elevation ranges from 21 to 31 feet. Well and septic are required. The entire property is in Flood Zone X.
Conditions of Sale:	Negotiated arm's length sale
Comments:	The asking price was \$225,000 and the property was on the market for 21 days before selling for \$220,000 or 98%.
Sale History 5 Years:	No arm's length transactions over the past five years



COMPARABLE NO. 5

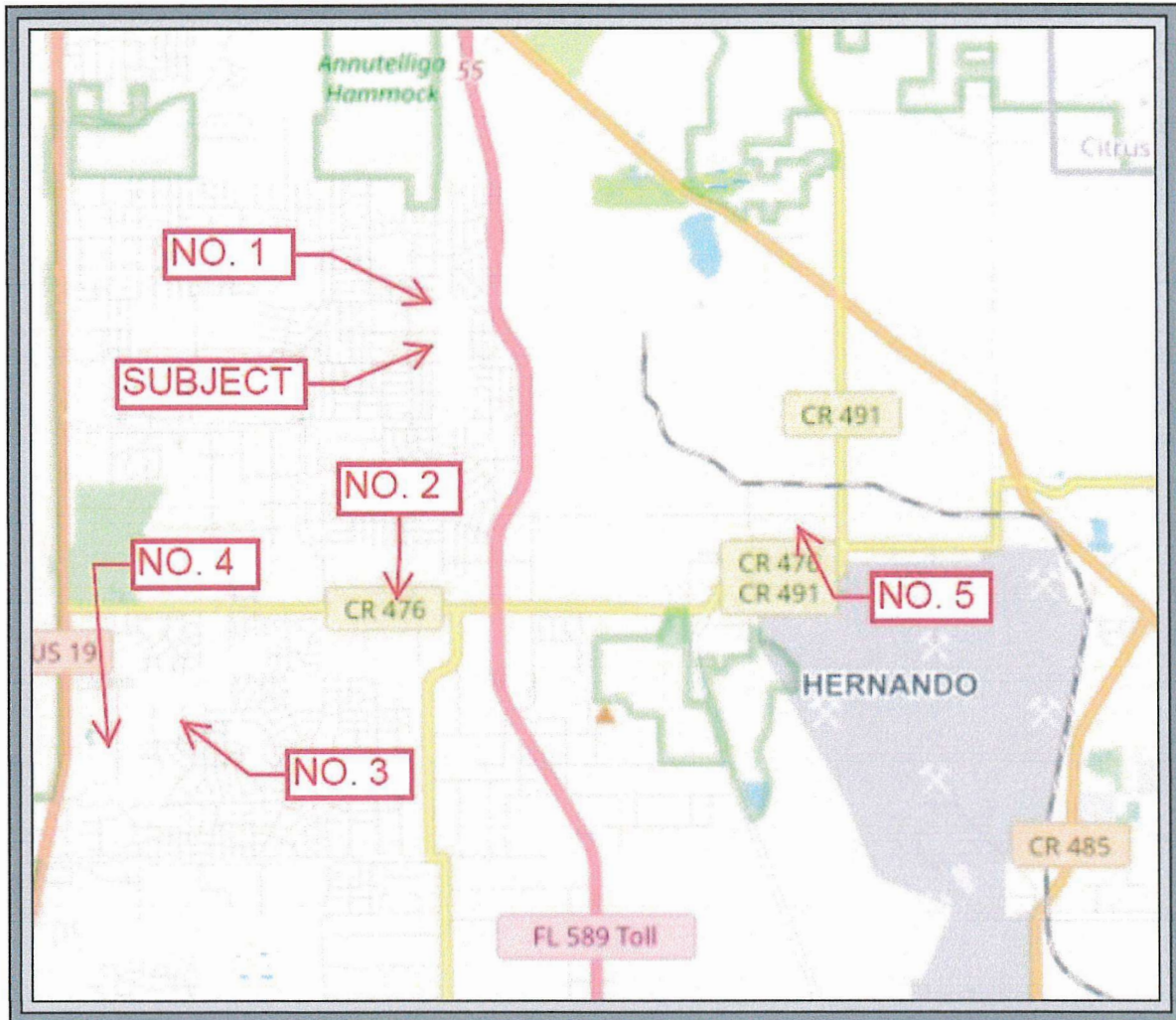


Property Type:	Acreage Home Site
Date of Sale:	April 17, 2023
OR Book/Page:	4286/1221
Sale Price:	\$150,000
Gross SF:	348,480.00
Gross AC:	8.00
Price/Gross SF:	\$0.43
Price/Gross AC:	\$18,750

Location:	South side of Budowski Road East of Brooksville Rock Road, Brooksville, Hernando County, Florida
Tax Id No./Brief Legal:	834002/Portions of Section 25, Township 21 South, Range 18 East
Grantor:	Betty J Dillon
Grantee:	Jeffery Hameroff and Savanna Rae Hameroff
Zoning/Land Use:	R1A, Residential
Terms:	Cash to seller with buyer obtaining Conventional financing
Verification:	Robb Harrison, Roberts Real Estate Inc, MLS# OM652384, 352-547-5762, By: Bradley C. Page, MAI, October 2023
Highest & Best Use:	Development with a Single Family Home
Property Description:	This property included a wooded parcel that has 60 feet of frontage on Budowski Road and is irregular in shape. The property is wooded with rolling topography. The majority of the property is in flood zone AE with areas of the southern portion of the site in flood zone X. The elevation ranges from 88 to 95 feet. Well and septic are required.
Conditions of Sale:	Negotiated arm's length sale
Comments:	The asking price was \$150,000 and the property was on the market for 15 days before selling for the asking price.
Sale History 5 Years:	No arm's length transactions over the past five years



Following is the comparable location map.



The sales used in this analysis are considered to be the most comparable and reflective sales available for comparison to the subject. The unit of comparison used in this analysis is the price per gross acre.

ELEMENTS OF COMPARISON

Property Rights - The comparables are all fee simple sales, and no adjustments are supported.

Financing - The sales are all cash or cash to seller sales, and no adjustments are required. No. 2 included a PMM with 20% down. The seller financing was at market interest rates and facilitated the sale.

Condition of Sale - The comparables all represented negotiated, arm's length transactions. Therefore, no adjustments were required.

Date of Sale - The comparables sold between April and July 2023 and are considered reflective of current market conditions. No date of sale adjustments are required.

In this case, quantitative adjustments are noted in the summary grid. After all comparisons have been made, quantitative adjustments are applied based on the market evidence.

Comparable No. 1 - This is a 2.31 acre property that abuts the subject on the south side of Albany Road. This is a platted lot that was acquired for residential development. The location is considered similar. The property is wooded like the subject and includes similar elevations. The property is 100% within flood zone AE while the subject includes areas both within and outside the 100 year flood plain. The comparison is similar overall. The size is smaller at 2.31 acres and is superior. Based on comparison with the remaining comparables, a downward \$9,000 per acre adjustment is supported after other factors such as shape are considered. The subject is a long narrow property while the comparable has a more desirable shape. Based on comparison of Comparables No. 1 thru 4 with No. 5, a very irregular shaped property, a downward \$3,000 per acre adjustment is applied. The comparable's zoning is similar to the subject's. The FLUE is considered similar. Therefore, the zoning and land use are considered similar. This property includes no improvements and is considered similar to the subject. The adjusted indicator for this comparable is \$20,468 per gross acre.

Comparable No. 2 - This property fronts Centralia Road. Based on comparison with the remaining sales, this location on a main arterial for the area did not have an impact on the indicator, and the location is considered similar. The size is larger at 9.5 acres, yet is considered similar. The shape is superior and as discussed above, a downward adjustment is applied. The zoning is similar as is the land use, and the comparison is similar. The property has no improvements, and the comparison is similar. The comparable is within flood zone X. This, based on paired sales, had no quantifiable impact on the indicator. The flood plain comparison is similar. The adjusted indicator for this sale is \$19,632 per gross acre.

Comparable No. 3 - This sale is a 9.5 acre property accessed by a private dirt road. The property sold in June and is a wooded acreage home site. Since the purchase, the buyer has installed fencing and gates. The location is similar to the subject's. The size, like No. 2, is similar. The shape is superior, and a downward adjustment is made as discussed above. The zoning, improvements and flood plain are all considered similar. The adjusted indicator per gross acre is \$28,568.

Comparable No. 4 - This property is located on a paved road and a dirt road to the east of No. 3. The properties are similar in size, yet No. 3, on a private dirt road has a much higher indicator than this property on both a dirt road and a paved road. The location is considered similar. The size is considered similar. The downward shape adjustment is applied as this property is superior. The zoning, improvements and flood plain are all similar. The adjusted indicator is \$19,917 per gross acre.

Comparable No. 5 - This property is located east of the subject on Budowski Road. The location is considered similar. This property's size at 8 acres is similar to the subject's 7.9 acres. This property has 60 feet of road frontage and is very irregular in shape. Its shape is considered similar

to the subject's long narrow shape. The zoning and future land use are similar. There are no improvements and the comparison is similar. This property includes areas inside and outside the 100 year flood plain and is considered similar to the subject. The adjusted indicator for this sale is \$18,750 per gross acre.

A summary of the comparables and their comparison to the subject is as follows:

Summary and Adjustment Table

Comp No.	1	2	3	4	5
Date of Sale	Apr-23	Jul-23	Jun-23	Apr-23	Apr-23
Sale Price	\$75,000	\$215,000	\$299,900	\$220,000	\$150,000
Adjustment to Normalize	\$0	\$0	\$0	\$0	\$0
Normalized Price	\$75,000	\$215,000	\$299,900	\$220,000	\$150,000
Size AC	2.31	9.5	9.5	9.6	8.0
Price/AC	\$32,468	\$22,632	\$31,568	\$22,917	\$18,750
Location	+0	+0	+0	+0	+0
Size	-9,000	+0	+0	+0	+0
Shape	-3,000	-3,000	-3,000	-3,000	+0
Zoning/FLUE	+0	+0	+0	+0	+0
Improvements	+0	+0	+0	+0	+0
Flood Plain/Wetlands	+0	+0	+0	+0	+0
Adjusted \$/AC	\$20,468	\$19,632	\$28,568	\$19,917	\$18,750

After all adjustments, the range of indicators supported by the sales is from a low of \$18,750 per acre to a high of \$28,568 per gross acre. In the final analysis, Comparable No. 3 is considered an outlier and is given the least weight as its indicator is much higher than the remaining comparables. The upper end of the range supported by the remaining comparables is \$20,468 per gross acre. The remaining sales each have their own merit and are given equal weight. Therefore, \$20,000 per gross acre is the appropriate indicator for the subject. The unencumbered Market Value as of October 6, 2023 is as follows:

Site Size (AC)		Price \$/AC		Market Value
7.9	x	\$20,000	=	\$158,000
			(RD)	\$160,000

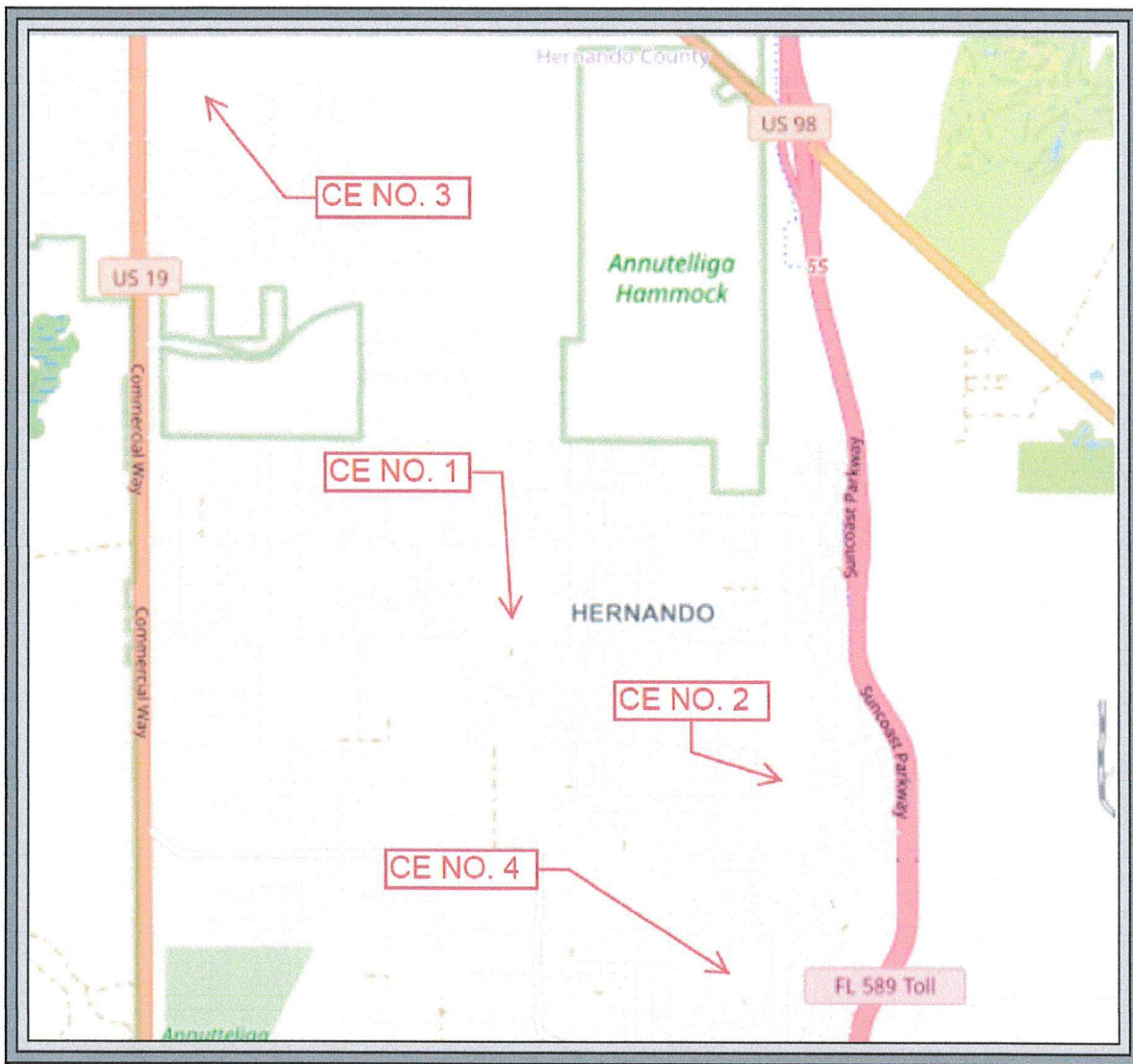
The conclusion of \$160,000 is for the fee simple interest in the subject. The problem being addressed is the value of the subject as if encumbered by the proposed deed restriction. Therefore, further analysis is required. The most recent transfers of properties subject to conservation easements and their factors based on fee simple sales are presented in the following summary table.

Recent Sales of Properties Subject to Conservation Easements

Comp No.	1	2	3	4
Date of Sale	Dec-21	Mar-22	Mar-22	Dec-22
Sale Price	\$129,900	\$500,250	\$718,750	\$220,000
Adjustment to Normalize	\$0	\$0	\$0	\$0
Normalized Price	\$129,900	\$500,250	\$718,750	\$220,000
Size AC	15.87	110.67	151.49	40.00
Price/AC	\$8,185	\$4,520	\$4,745	\$5,500
Fee Simple Indicator	\$16,000	\$13,000	\$13,000	\$12,950
FACTOR	51.16%	34.77%	36.50%	42.47%

The fee simple indicators for comparison are based on the market sales included herein as well as well as the sales found in the previous appraisal of the conservation easement properties with the client and intended user of this report being familiar with the comparables.

A location map for the conservation easement properties follows:



The comparables include No. 1, a property that was purchased by an individual for a home site and recreational uses with a factor of over 51% to three sites that were acquired for gopher tortoise mitigation sites with factors that range from 34.77 to 42.47% of the fee indicator estimates. The gopher mitigation sites have no residential motivation. The subject is a property that cannot be a home site as encumbered. Based on the data, the appropriate factor to be applied to the fee simple indication of value is 38%. Therefore, the market value of the subject as if encumbered by the proposed conservation easement is as follows:

Site Size (AC)		Price \$/AC		Market Value
7.9	x	\$20,000	=	\$158,000
Factor		38%		38%
7.9	x	\$7,600	=	\$60,040
			(RD)	\$60,000

Based on the data and analysis, the market value of the subject as if encumbered by the proposed deed restriction is \$60,000.

RECONCILIATION AND FINAL VALUE CONCLUSION

A review of the value conclusion for the subject property indicated by the Sales Comparison Approach is as follows:

Sales Comparison Approach	\$60,000
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SALES COMPARISON APPROACH - This approach is centered around a good deal of pertinent data relative to transactions involving similar properties in the northwestern Hernando County market area. This approach represents the actions of buyers and sellers and is the method that is considered the most appropriate in the valuation of vacant land. The analysis considers recent purchases of properties encumbered by conservation easements to establish the appropriate factor to be applied to the fee simple indicator for the analysis of the subject. This approach represents the best available data for comparison and analysis for the subject.

After careful consideration to all of the known factors and influences that could affect the valuation of the subject, it is my opinion that the Market Value as if encumbered by the proposed deed restriction as of October 6, 2023 is:

MARKET VALUE AS IF ENCUMBERED BY DEED RESTRICTION - \$60,000

Based upon my conversation with local brokers and the data for the comparables ranging from of 16 to 307 days on market, it is my opinion that the exposure time associated with the market value conclusion is six months. Further, it is my opinion that this reflects both the exposure time as well as the appropriate marketing time for the subject. There is no allocation to improvements for the subject.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- I have performed an appraisal regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to accept this assignment.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- This appraisal report complies with the Southwest Florida Management District's Minimum Appraisal Requirements.
- As of the date of this report, Bradley C. Page, MAI, IFA has met the requirements of the continuing education program of the Appraisal Institute, as well as certification by the State of Florida's Department of Business and Professional Regulation.
- My opinion of the value of the property described herein is certified as of October 6, 2023 to be:

MARKET VALUE - \$60,000

The property is appraised based on the hypothetical condition it is encumbered by a deed restriction.

Reviewed/Inspected by:

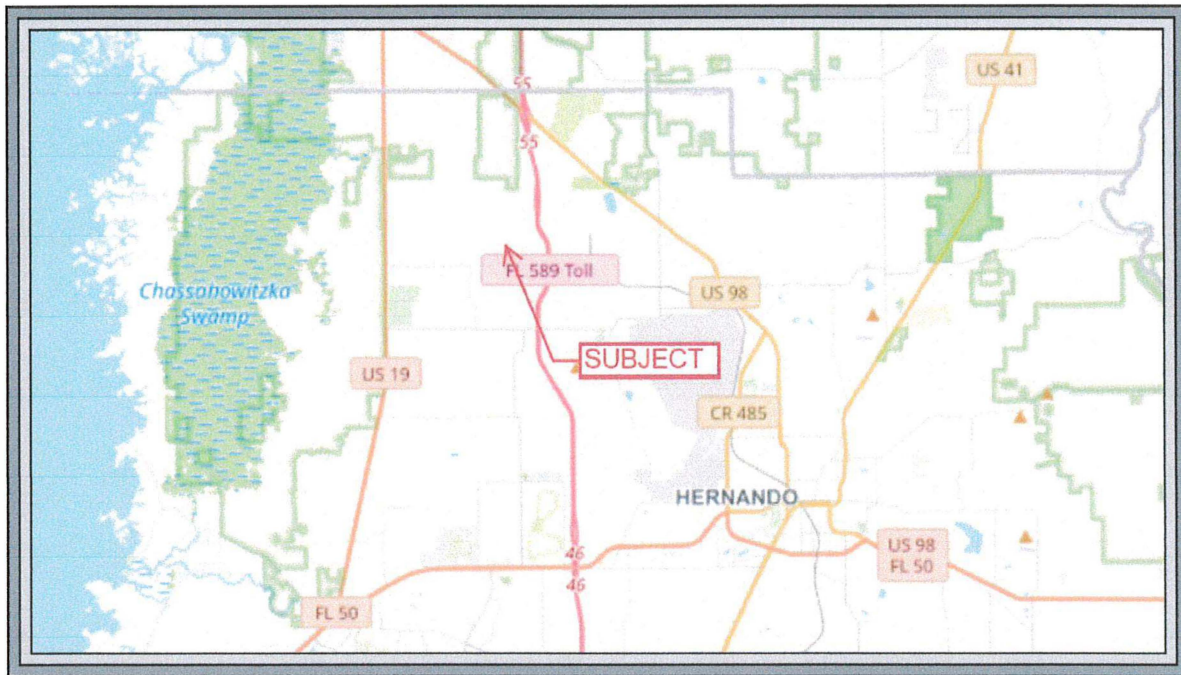


Bradley C. Page, MAI
Certificate No. 10,521
President
State-Certified General Real Estate Appraiser
RZ1535

PART FIVE - ADDENDA

NEIGHBORHOOD/REGIONAL AREA ANALYSIS

The subject property is located in the Annuteliga Hammock area of Northwestern Hernando County. The subject is located at the eastern end of Albany, Seneca and Barnevelde Roads. Following is a location map for the subject.



The subject consists of a vacant 7.9 acres that are currently owned by SWFWMD. The subject is a surplus parcel that is to be sold subject to a proposed deed restriction. The subject area is known as Weeki Wachee, and the neighborhood boundaries include Cortez Road to the south, Commercial Way, US Highway 19 to the west, Citrus Way to the East and the Hernando/Citrus county line to the north. U.S. Highway 19 and the Suncoast Parkway are the primary north south corridors. Cortez Road, Centralia Way are the primary east/west corridors. The closest commercial support uses for the subject include Dollar General, Family Dollar, a Publix Anchored Shopping along Commercial Way and a Winn Dixie Anchored shopping center at the corner of Cortez Road and Commercial Way. Newer middle and High Schools have been developed along Commercial Way in the neighborhood.

Natural features of the subject area include the Chasahowitzka River with the Chasahowitzka Wildlife Refuge located to the west of Commercial Way. The Withlacoochee State Forest is in the north and western portions of the neighborhood. The subject's more immediate area is dominated by the Royal Highlands subdivisions and several small subdivisions. These include thousands of platted $\frac{1}{2}$ and 1.0 acre and larger lots. These lots had been acquired by the thousands to connect the Chasahowitzka Wildlife area to the Withlacoochee State Forest; however, the latest boom cycles saw

NEIGHBORHOOD/AREA ANALYSIS (CONTINUED)

demand for new home development on these lots at record rates. Many of the lots owned for conservation are now being sold with restrictions rather than being held by the government for preservation.

Homes development and sales have been very active in the area. The following statistics are from the Stellar MLS Matrix service over the last 180 days.

Market Analysis

Minimum, Maximum, Average, & Median statistics results are calculated by column, not by row.

Status: Active (32)

	Beds	Baths	SqFt Heated	List Price	LP / SqFt	Close Price	SP / SqFt	Days to Contract	Days To Close	ADOM	CDOM	SP/LP Ratio
Min	2	2	1,056	\$225,000	\$127.33	-	-	-	-	6	6	-
Max	6	5	4,060	\$609,999	\$312.44	-	-	-	-	314	314	-
Avg	4	2	1,983	\$404,656	\$208.23	-	-	-	-	90	90	-
Median	3	2	1,894	\$384,990	\$204.26	-	-	-	-	28	28	-

Status: Pending (12)

	Beds	Baths	SqFt Heated	List Price	LP / SqFt	Close Price	SP / SqFt	Days to Contract	Days To Close	ADOM	CDOM	SP/LP Ratio
Min	3	2	1,379	\$291,990	\$130.85	-	-	5	-	5	5	-
Max	4	3	3,029	\$549,000	\$282.74	-	-	283	-	282	282	-
Avg	4	2	1,997	\$395,565	\$203.14	-	-	106	-	98	98	-
Median	4	2	2,113	\$409,450	\$202.82	-	-	96	-	89	89	-

Status: Sold (74)

	Beds	Baths	SqFt Heated	List Price	LP / SqFt	Close Price	SP / SqFt	Days to Contract	Days To Close	ADOM	CDOM	SP/LP Ratio
Min	2	1	864	\$185,000	\$122.27	\$175,000	\$115.91	-761	-	-	-	.88
Max	7	5	4,082	\$650,000	\$274.60	\$605,000	\$268.41	228	286	221	221	1.05
Avg	4	2	1,862	\$356,020	\$194.00	\$351,137	\$191.54	29	100	45	52	.99
Median	3	2	1,847	\$346,200	\$191.25	\$344,000	\$188.81	23	82	17	28	1

Status: All (118)

	Beds	Baths	SqFt Heated	List Price	LP / SqFt	Close Price	SP / SqFt	Days to Contract	Days To Close	ADOM	CDOM	SP/LP Ratio
Min	2	1	864	\$185,000	\$122.27	\$175,000	\$115.91	-761	-	-	-	.88
Max	7	5	4,082	\$650,000	\$312.44	\$605,000	\$268.41	283	286	314	314	1.05
Avg	4	2	1,908	\$373,231	\$198.79	\$351,137	\$191.54	40	100	62	67	.99
Median	3	2	1,887	\$357,000	\$199.73	\$344,000	\$188.81	30	82	29	30	1

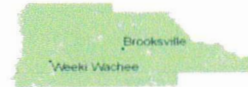
The lowest home price was \$175,000 while the highest sale was \$605,000 for closed sales. This compares with the minimum asking price of \$225,000, pending asking price of \$291,990 and highest listing price of \$609,990 and highest pending asking price of \$650,000. The average days to close for sold properties was 100 with the median being 82 days.

The Suncoast Parkway has been extended further north to SR 44 and connects the subject area to the north and south to include facilitating access to employment areas in Tampa. The area to the east of the subject neighborhood is dominated by mining operations along Citrus Way, Highway 98 and Lake Lindsey Road.

The demographics for the larger Hernando County follow:

Hernando County

Florida's 27th most populous county
with 0.9% of Florida's population



Population

Census Population	Hernando County	Florida
1980 Census	44,469	9,746,961
1990 Census	101,115	12,938,071
2000 Census	130,802	15,982,824
2010 Census	172,778	18,801,332
2020 Census	194,515	21,538,187
% change 2010-2020	12.6%	14.6%
Age		
% Under 18 years of age	18.4%	19.5%
Race (alone) & Ethnicity		
% Not Hispanic-White	74.1%	51.5%
% Not Hispanic-Black or African American	4.9%	14.5%
% Not Hispanic-American Indian and Alaska Native	0.3%	0.2%
% Not Hispanic-Asian	1.3%	2.9%
% Not Hispanic-Native Hawaiian and Other Pacific Islander	0.0%	0.1%
% Not Hispanic-Some Other Race	0.4%	0.6%
% Not Hispanic-Two or More Races	4.0%	3.7%
% Hispanic or Latino (of any race)	14.9%	26.5%

Real Gross Domestic Product

Real GDP (Thousands of Chained 2012 Dollars)	Hernando County	Florida
2015 GDP	3,473,046	852,242,411
Percent of the State	0.4%	
2016 GDP	3,541,729	881,539,238
Percent of the State	0.4%	
2017 GDP	3,689,479	912,687,386
Percent of the State	0.4%	
2018 GDP	3,898,798	941,626,696
Percent of the State	0.4%	
2019 GDP	3,946,336	965,672,478
Percent of the State	0.4%	
2020 GDP	3,996,594	950,164,387
Percent of the State	0.4%	
2021 GDP	4,298,015	1,029,575,591
Percent of the State	0.4%	

Population by Housing Type

	Hernando County	Florida
Household Population	192,398	21,073,604
Household Population per Occupied Housing Unit	2.41	2.47
Group Quarters Population	2,117	464,583

Population Estimates

	Hernando County	Florida
2021 Estimate	196,540	21,898,945
% change 2020-2021	1.0%	1.7%
2022 Estimate	199,207	22,276,132
% change 2020-2022	2.4%	3.4%
Based on 2022 Estimate		
2025	206,810	23,218,811
2030	217,516	24,598,452
2035	226,396	25,675,568
2040	233,499	26,537,878
2045	239,289	27,270,041
2050	244,492	27,953,598

Housing

	Hernando County	Florida
Housing units, 2020 Census	89,165	9,865,350
Occupied	79,773	8,529,067
Vacant	9,392	1,336,283

Building Permits

	Hernando County	Florida
Units Permitted		
2000	1,326	155,269
2010	242	38,679
2020	1,100	164,074
2021	1,905	213,494
2022	1,786	211,962

Population Characteristics

	Hernando County	Florida
Language spoken at home other than English		
Persons aged 5 and over	11.7%	29.8%
Place of birth		
Foreign born	7.2%	21.0%
Veteran status		
Civilian population 18 and over	12.0%	8.2%

Density

	Hernando County	Florida
Persons per square mile		
2000	273.5	296.4
2010	365.6	350.6
2020	411.3	401.4
2022	415.5	408.2

Migration

Residence 1 Year Ago	Hernando County	Florida
Persons aged 1 and over		
Same house	86.7%	85.2%
Different house in the U.S.	13.0%	13.8%
Same county in Florida	4.9%	7.9%
Different county in Florida	5.0%	3.1%
Different county in another state	3.1%	2.9%
Abroad	0.4%	0.9%

Households and Family Households

	Hernando County	Florida
Households		
Total households, 2000 Census	55,425	6,338,075
Family households, 2000 Census	40,019	4,210,760
% with own children under 18	30.1%	42.3%
Total households, 2010 Census	71,745	7,420,802
Family households, 2010 Census	49,313	4,835,475
% with own children under 18	32.6%	40.0%
Average Household Size, 2010 Census	2.38	2.48
Average Family Size, 2010 Census	2.82	3.01

According to Census definitions, a household includes all of the people who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated people who share living quarters. A family includes a householder and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption.
Census counts may be corrected for Census Count Question Resolution (CCQR).

Employment and Labor Force

Establishments 2021	Hernando County	Florida	Establishments % of All Industries, 2021	Hernando County	Florida
All Industries	4,234	820,313	All Industries	4,234	820,313
Natural Resource & Mining	42	5,545	Natural Resource & Mining	1.0%	0.7%
Construction	586	78,395	Construction	13.8%	9.6%
Manufacturing	125	22,795	Manufacturing	3.0%	2.8%
Trade, Transportation and Utilities	806	151,294	Trade, Transportation and Utilities	19.0%	18.4%
Information	65	16,928	Information	1.5%	2.1%
Financial Activities	425	89,810	Financial Activities	10.0%	10.9%
Professional & Business Services	794	205,828	Professional & Business Services	18.8%	25.1%
Education & Health Services	616	92,489	Education & Health Services	14.5%	11.3%
Leisure and Hospitality	374	63,682	Leisure and Hospitality	8.8%	7.8%
Other Services	286	57,817	Other Services	6.8%	7.0%
Government	49	5,893	Government	1.2%	0.7%

Average Annual Employment % of All Industries, 2021	Hernando County	Florida	Average Annual Wage 2021	Hernando County	Florida
All Industries	45,717	8,659,818	All Industries	\$43,331	\$60,299
Natural Resource & Mining	0.4%	0.8%	Natural Resource & Mining	\$33,864	\$42,128
Construction	7.1%	6.5%	Construction	\$43,291	\$59,088
Manufacturing	5.0%	4.4%	Manufacturing	\$53,018	\$69,997
Trade, Transportation and Utilities	23.9%	20.7%	Trade, Transportation and Utilities	\$37,873	\$53,762
Information	0.7%	1.6%	Information	\$50,716	\$104,461
Financial Activities	3.0%	6.9%	Financial Activities	\$57,377	\$93,945
Professional & Business Services	9.4%	16.5%	Professional & Business Services	\$46,974	\$74,787
Education & Health Services	21.6%	15.0%	Education & Health Services	\$54,625	\$59,043
Leisure and Hospitality	13.3%	12.7%	Leisure and Hospitality	\$20,535	\$31,029
Other Services	3.1%	3.0%	Other Services	\$31,182	\$44,107
Government	12.4%	11.8%	Government	\$51,426	\$61,210

Industries may not add to the total due to confidentiality and unclassified.

Labor Force as Percent of Population Aged 18 and Older	Hernando County	Florida	Unemployment Rate	Hernando County	Florida
2000	47.2%	64.2%	2000	4.4%	3.8%
2010	47.5%	61.8%	2010	13.1%	10.8%
2020	45.8%	58.7%	2020	8.4%	8.1%
2021	46.0%	59.3%	2021	5.2%	4.6%
2022	47.3%	60.6%	2022	3.6%	2.9%

Income and Financial Health

Personal Income (\$000s)	Hernando County	Florida	Per Capita Personal Income	Hernando County	Florida
2000	\$3,161,915	\$472,851,789	2000	\$24,065	\$29,466
2010	\$5,319,870	\$732,457,478	2010	\$30,767	\$38,872
% change 2000-2010	68.2%	54.9%	% change 2000-2010	27.8%	31.9%
2020	\$8,325,700	\$1,235,793,410	2020	\$42,585	\$57,292
% change 2010-2020	56.5%	68.7%	% change 2010-2020	38.4%	47.4%
2021	\$9,245,435	\$1,356,318,587	2021	\$46,080	\$62,270
% change 2020-2021	11.0%	9.8%	% change 2020-2021	8.2%	8.7%

Earnings by Place of Work (\$000s)	Hernando County	Florida	Median Income	Hernando County	Florida
2000	\$1,155,109	\$308,751,767	Median Household Income	\$53,301	\$61,777
2010	\$1,776,848	\$438,983,914	Median Family Income	\$62,450	\$74,237
% change 2000-2010	53.8%	42.2%			
2020	\$2,769,789	\$686,243,741	Percent in Poverty, 2021		
% change 2010-2020	55.9%	56.3%	All ages in poverty	12.0%	13.2%
2021	\$3,056,472	\$764,483,116	Under age 18 in poverty	18.0%	18.4%
% change 2020-2021	10.4%	11.4%	Related children age 5-17 in families in poverty	17.5%	17.5%

Workers Aged 16 and Over	Hernando County	Florida	Personal Bankruptcy Filing Rate (per 1,000 population)	Hernando County	Florida
Place of Work in Florida			12-Month Period Ending December 31, 2021	1.85	1.38
Worked outside county of residence	35.4%	17.8%	12-Month Period Ending December 31, 2022	1.24	1.10
Travel Time to Work			State Rank	5	NA
Mean travel time to work (minutes)	29.4	27.9			

NonBusiness Chapter 7 & Chapter 13

Reported County Government Revenues and Expenditures

Revenue 2020-21	Hernando County	Florida*	Expenditures 2020-21	Hernando County	Florida*
Total - All Revenue Account Codes (\$000s)	\$495,278.7	\$81,512,347.2	Total - All Expenditure Account Codes (\$000s)	\$446,095.19	\$77,064,319.71
Per Capita \$	\$2,519.99	\$3,903.45	Per Capita \$	\$2,269.74	\$3,690.44
% of Total	100.0%	100.0%	% of Total	100.0%	100.0%
Taxes (\$000s)	\$108,088.1	\$28,700,395.9	General Government Services** (\$000s)	\$183,577.28	\$30,930,327.83
Per Capita \$	\$549.95	\$1,374.40	Per Capita \$	\$934.05	\$1,481.19
% of Total	21.8%	35.2%	% of Total	41.2%	40.1%
Permits, Fee, and Special Assessments (\$000s)	\$61,741.8	\$3,079,751.7	Public Safety (\$000s)	\$112,253.21	\$13,640,661.35
Per Capita \$	\$314.14	\$147.48	Per Capita \$	\$571.15	\$653.22
% of Total	12.5%	3.8%	% of Total	25.2%	17.7%
Intergovernmental Revenues (\$000s)	\$40,671.5	\$9,164,789.4	Physical Environment (\$000s)	\$52,239.25	\$5,265,524.83
Per Capita \$	\$206.94	\$438.88	Per Capita \$	\$265.79	\$252.15
% of Total	8.2%	11.2%	% of Total	11.7%	6.8%
Charges for Services (\$000s)	\$228,999.5	\$23,760,013.8	Transportation (\$000s)	\$32,043.54	\$5,650,946.87
Per Capita \$	\$1,165.15	\$1,137.82	Per Capita \$	\$163.04	\$270.61
% of Total	46.2%	29.1%	% of Total	7.2%	7.3%
Judgments, Fines, and Forfeits (\$000s)	\$1,764.4	\$338,738.4	Economic Environment (\$000s)	\$5,956.82	\$1,975,239.15
Per Capita \$	\$8.98	\$16.22	Per Capita \$	\$30.31	\$94.59
% of Total	0.4%	0.4%	% of Total	1.3%	2.6%
Miscellaneous Revenues (\$000s)	\$11,416.7	\$4,467,076.4	Human Services (\$000s)	\$7,676.48	\$4,694,300.07
Per Capita \$	\$58.09	\$213.92	Per Capita \$	\$39.06	\$224.80
% of Total	2.3%	5.5%	% of Total	1.7%	6.1%
Other Sources (\$000s)	\$42,596.8	\$12,001,581.6	Culture / Recreation (\$000s)	\$17,153.64	\$1,794,823.73
Per Capita \$	\$216.73	\$574.73	Per Capita \$	\$87.28	\$85.95
% of Total	8.6%	14.7%	% of Total	3.8%	2.3%
			Other Uses and Non-Operating (\$000s)	\$20,278.44	\$10,103,703.21
			Per Capita \$	\$103.18	\$483.84
			% of Total	4.5%	13.1%
			Court-Related Expenditures (\$000s)	\$14,916.54	\$3,008,792.67
			Per Capita \$	\$75.90	\$144.08
			% of Total	3.3%	3.9%

* All County Governments Except Duval - The consolidated City of Jacksonville / Duval County figures are included in municipal totals rather than county government totals.

** (Not Court-Related)

Quality of Life

	Hernando County	Florida
Crime		
Crime rate, 2020 (index crimes per 100,000 population)	1,449.1	2,158.0
Admissions to prison FY 2021-22	332	25,362
Admissions to prison per 100,000 population FY 2021-22	166.7	113.9

State Infrastructure

	Hernando County	Florida
Transportation		
State Highway		
Centerline Miles	124.8	12,123.4
Lane Miles	478.2	45,337.5
State Bridges		
Number	37	7,079

State Facilities

Buildings/Facilities (min. 300 Square Feet)		
Number	151	9,426
Square Footage	519,191	65,539,144

Conservation Land (land acres only)

State-Owned (includes partially-owned)	80,416	5,689,323
% of Total Conservation Land (CL)	92.0%	54.9%
% of Total Area Land	26.6%	16.6%
% of Florida State-Owned CL	1.4%	

Health Insurance Status

	Hernando County	Florida
Percent Insured by Age Group		
Under 65 years	84.3%	84.5%
Under 19 years	93.9%	93.0%
18 to 64 years	81.0%	81.6%

State and Local Taxation

	Hernando County	Florida
2022		
County	7.9105	1.0239
School	6.5250	
Municipal		0.2766
Special Districts	0.2260	

*MSTU included in Not County-Wide "County" category

Education

	Hernando County	Florida
Public Education Schools		
Traditional Setting (2022-23)		
Total (state total includes special districts)	26	3,780
Elementary	11	1,878
Middle	6	569
Senior High	5	725
Combination	4	608

Educational attainment

	Hernando County	Florida
Persons aged 25 and older		
% HS graduate or higher	89.0%	89.0%
% bachelor's degree or higher	19.4%	31.5%

Prepared by:
Florida Legislature
Office of Economic and Demographic Research
111 W. Madison Street, Suite 574
Tallahassee, FL 32399-6588
(850) 487-1402 <http://edr.state.fl.us>



June 2023

PRINCIPLES AND TERMINOLOGY USED IN THIS REPORT

Fee Simple Estate - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

According to USPAP 2020-21, Market Value is defined as follows:

Market Value: a type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in the appraisal.

The conditions relative to the opinion of Market Value considered in this appraisal are as follows:

Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition complies with Sections 12CFR Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994.

The previous definitions were taken from The Dictionary of Real Estate, 5th edition, The Appraisal of Real Estate, 14th edition, and The Uniform Standards of Professional Appraisal Practice 2020-21.

QUALIFICATIONS OF THE APPRAISER

QUALIFICATIONS

Bradley C. Page, MAI

EDUCATION:

Graduate of University of West Florida, Pensacola, Florida
Bachelor of Science Degree

PROFESSIONAL AFFILIATIONS:

- MAI - Member of Appraisal Institute, Member Number 10,521
- State-Certified General Appraiser, State of Florida RZ 0001535
- Associate Instructor for the Appraisal Institute
- Broker's License, State of Florida BK 0541288
- Charter Member of the New Tampa Rotary Club

EXPERT WITNESS TESTIMONY

- Hillsborough County Court
- Pasco County Court
- Sarasota County Court
- Federal Bankruptcy Court
- Federal Tax Court

PROFESSIONAL EDUCATION:

College Courses

- Real Estate Law
- Real Estate Investment Analysis
- Real Estate Marketing

Courses completed under the direction of the Appraisal Institute:

- Real Estate Principles, 1A1
- Standards of Professional Appraisal Practice - Part A
- Standards of Professional Appraisal Practice - Part B
- Basic Valuation Procedures, 1A2
- Capitalization & Theory Techniques Part A
- Capitalization & Theory Techniques Part B
- Case Studies in Real Estate Valuation, 2-1
- Report Writing and Valuation Analysis, 2-2
- Uniform Standards of Professional Appraisal Practice
- Business Practices and Ethics

Seminars

- Maximizing the "Value" of an Appraisal Practice
- The Comprehensive Appraisal Workshop
- Fair Lending and The Appraiser
- The Internet and Appraising
- Tree Trunk Formula
- USPAP/Core Law Update for Appraisers
- Data Confirmation &
- Appraisal Consultation

- Real Estate Investment Analysis
- Real Estate Brokerage/Management
- Condemnation Appraising - Basic Principles & Applications
- Condemnation Appraising - Advanced Topics & Applications
- PLAM Seminars sponsored by FDEP
- Attacking & Defending an Appraisal in Litigation
- Conservation Easements
- GIS Mapping and Valuation Tools
- Instructor Leadership & Development Conference

PROFESSIONAL EXPERIENCE:

Currently, President of Valuation Advisors

Senior Appraiser with Trigg, Catlett & Associates, Tampa, Florida

Researcher with M. Eugene Presley, MAI & Associates, Inc., Pensacola Florida

TYPE OF APPRAISALS:

Less Than Fee Appraisals, Conservation Easements, Remainder Interests, Appraisals for Litigation Issues including Eminent Domain, Title Issues, Bankruptcy, Partnership disputes, Appraisals for Estate Planning and IRS disputes to include minority interest analysis, Appraisal of Spring Influenced and Watershed Protection Properties, Appraisal of Mines and Properties with Mineral Reserves, Apartment Complexes, Hotels/Resorts, Acreage Tracts Including Ranches and Development Properties, Industrial Buildings, Commercial Buildings, Day Cares, Warehouses, Large Manufacturing Facilities, Leased Fee Interests, Leasehold Interest, Vacant Land, Office Buildings, Condominiums, Private Schools, Stand Alone Retail Buildings, Shopping Centers, Cold Storage Facilities, Subdivision Developments Including the Analysis of a Community Development District Interest, Restaurants, Residential Properties, and Appraisal Reviews

CONSULTATIONS:

Analysis of Internal Rate of Return for Investments, Highest and Best Use Studies, and Specialized Market Studies to Include Market Surveys, as well as Analysis of Value Impacting Issues Ranging from Special Investor Criteria to Impacts of External Factors on Existing Properties

PURCHASE ORDER

PURCHASE ORDER



SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

VENDOR CONTACT: Bradley Page, President
813-333-5817
VENDOR: PAGE REALTY ADVISORS, INC.
16057 Tampa Palms Blvd., #355
Tampa FL 33647

PURCHASE ORDER NUMBER:

23PO0000533

Modification Number:

ORDER TOTAL: \$4,000.00

ORDER DATE: 09/18/23

EXPIRATION DATE: 11/30/23

SHIP To: Real Estate Services
Amy Foxson
2379 Broad Street
Building 6
Brooksville, FL 34604-6899

BILL To: Accounts Payable
P.O. Box 15436
Brooksville, Florida 34604-5436
Or Email to: invoices@watermatters.org

PROCUREMENT

DEPT. CONTACT: Allison Mayer
352-448-6003, ext.

CONTACT: Melodie Miler
352-231-8404, ext.

FOB: FOB Dest, Freight Allowed

Delivery Hours: Monday through Friday 9:00 a.m.-12:00 p.m./12:30 p.m.-3:30 p.m.

Shipping Instructions: The Purchase Order number must appear on all packages, packing lists, invoices, and correspondence.

COMMODITY / SERVICE INFORMATION

Line	Quantity	UOM	Unit Price	Service Amount	Line Total
1	0.00		\$0.00	\$4,000.00	\$4,000.00

RFQ Title: Annutteliga Hammock Surplus Project - AH2 / Appraisal Reports on SWFWMD parcels: 15-228-1355S and 15-228-1358S signed and dated 09/01/2023.

Appraisal reports on Annutteliga Hammock SWF Parcel Nos. 15-228-1355S and 15-228-1358S. Appraisal reports may be on a standard form report with any Addenda you believe is necessary. Each report must include write-ups of each sale utilized. The report is expected to comply with District Minimum Appraisal Standards and with the Uniform Standards of Professional Appraisal Practice (USPAP).

- Appraisal Restricted Acreage: 2 @ \$2,000.00 = \$4,000.00

This purchase order is in accordance with the Southwest Florida Water Management District PO Terms and Conditions, and Addendum to PO Terms and Conditions.

PO Total: \$4,000.00

BILLING INSTRUCTIONS

1. STATE SALES TAX EXEMPTION NO. 85-8013700387C-6
2. All vendors are encouraged to authorize the District to send payments electronically. To request payments via ACH, please send the request via email to VendorRegistration@WaterMatters.org.

VENDOR ACKNOWLEDGMENT AND INSTRUCTIONS

The Vendor acknowledges that terms and conditions have been read and agreed upon per this Purchase Order, including those printed on the attached Terms and Conditions page. BY ACCEPTANCE OF THIS PURCHASE ORDER YOU GUARANTEE THAT AS A VENDOR SERVING THE DISTRICT, YOU WILL PERFORM YOUR OBLIGATIONS UNDER THIS PURCHASE ORDER IN ACCORDANCE WITH ALL APPLICABLE STATE AND FEDERAL LAWS INCLUDING, BUT NOT LIMITED TO, THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA).

Authorized Signature

Georgia D. Hudson

Page Number: 1 of 3
Date Printed: September 19, 2023

PURCHASE ORDER TERMS AND CONDITIONS

This Purchase Order issued by the Southwest Florida Water Management District (District) constitutes a binding contract under the terms and conditions contained herein and on attachments hereto when accepted by the Vendor/Contractor named on this Purchase Order, either by acknowledgment or by shipment or by commencement of work.

1. Vendor/Contractor will allow public access to documents and materials made or received by Vendor/Contractor in connection with this transaction in accordance with the Public Records Act, Chapter 119, Florida Statutes (F.S.).
2. All invoices must include this Purchase Order number and be mailed to the "Bill To" address on the face of this Purchase Order. Payment will be made in accordance with the Local Government Prompt Payment Act, Part VII of Chapter 218, F.S. The District's payment and performance under this Purchase Order are contingent upon the District's Governing Board appropriating funds.
3. Time is of the essence. This Purchase Order may be terminated by the District without cause by providing ten (10) days written notice to the Vendor/Contractor. If Vendor/Contractor fails to comply with any provision of this Purchase Order, the District will provide Vendor/Contractor with written notice of default and Vendor/Contractor will have ten (10) calendar days, or such other time as stated in the notice, to cure the default. If the default is not cured within the stated timeframe, this Purchase Order will terminate and the District will be entitled to recover re-procurement costs, attorneys' fees and costs, and any other expenses and costs incurred by the District. The District reserves the right to cancel this Purchase Order or any part hereof, without obligation, if Vendor/Contractor fails to complete delivery or performance within the specified time period. The rights and remedies in this paragraph are in addition to any other rights and remedies provided by law or under this Purchase Order. The District's waiver of any obligation of Vendor/Contractor will not be construed as the District's waiver of any other obligation of Vendor/Contractor.
4. Vendor/Contractor agrees to indemnify and hold harmless the District and all District agents, employees and officers from and against all liabilities, claims, damages, expenses or actions, either at law or in equity, including attorneys' fees and costs and attorneys' fees and costs on appeal, caused or incurred, in whole or in part, as a result of any act or omission by the Vendor/Contractor, its agents, employees, subcontractors, assigns, heirs or anyone for whose acts or omissions any of these persons or entities may be liable during Vendor/Contractor's performance under this Purchase Order. Vendor/Contractor also agrees to defend all actions or claims brought against the District and hold harmless the District from all losses, costs or damages related to actual or alleged infringement of any patent, trademark or copyright. Vendor/Contractor's obligations contained in this paragraph will survive acceptance of the goods or services by the District.
5. Vendor/Contractor agrees to comply with all applicable federal, state and local laws relating to performance under this Purchase Order. The Vendor/Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, handicap, disability, marital status or national origin.
6. All aspects of this Purchase Order are subject to and governed by Florida laws, including without limitation, Section 768.28, F.S., and the provisions of the Uniform Commercial Code, Chapters 671 and 672, F.S. Any dispute arising from or related to this Purchase Order will be resolved in a court of competent jurisdiction in the State of Florida and venue will lie in Hernando County.
7. In accordance with Sections 287.133(2)(a) and 287.134(2)(a), F.S., Vendor/Contractor warrants that it is not currently on the convicted vendor list or the discriminatory vendor list, it has not been placed on a convicted vendor list in the past 36 months, and agrees to notify the District if placement on either of these lists occurs. If subcontracting is allowed under this Purchase Order, Vendor/Contractor agrees to include this provision in all subcontracts issued as a result of this Purchase Order.
8. Vendor/Contractor providing services to the District will obtain and maintain commercial general liability insurance, vehicle liability insurance, and workers' compensation coverage to the District's satisfaction. Vendor/Contractor will also require the same insurance from any subcontractor; otherwise such coverage will be afforded to the subcontractor by the Vendor/Contractor's insurance policies. Such insurance will be available for District review upon request.
9. Unless otherwise provided herein, no party may assign or delegate any of its rights and obligations under this Purchase Order, voluntarily or involuntarily, whether by merger, consolidation, dissolution, operation of law, or any other manner without the prior written consent of the other party and the parties agree that any unauthorized assignment is null and void.
10. This Purchase Order constitutes the entire agreement between the parties and any changes must be mutually agreed to in writing by authorized representatives of the parties. This Purchase Order shall be binding upon and inure to the benefits of the parties hereto and their respective heirs, successors, assigns, executors, administrators, and legal representatives where permitted.
11. All materials, drawings or other items provided by the District to Vendor/Contractor will remain the property of the District and will be returned to the District upon demand. All containers, reels or pallets shipped with goods by Vendor are to remain the property of the District unless otherwise agreed.
12. Materials will be properly packaged and marked with the Purchase Order number.
13. Inspection of items will be made at the destination, unless otherwise specified, and before payment is due. The District reserves the right to reject any goods which are defective or not in accordance with specifications as to quality or performance. Title to property passes only after inspection and acceptance by the District. Rejected materials will be returned to the Vendor at the Vendor's risk and expense.
14. All prices must be F.O.B. destination unless otherwise agreed in writing by the District. Where a specific purchase is negotiated F.O.B shipping point, the Vendor will prepay shipping charges and include them on the invoice.
15. Quantities and prices specified herein are not to be exceeded unless authorized in writing in accordance with paragraph 10 of this Purchase Order. The Vendor's price will be the lowest prevailing market price and under no circumstances will the price be higher than specified herein without the express written authorization of the District.
16. Vendor agrees to furnish the District with a current Material Safety Data Sheet (MSDS) on or before delivery of each and every hazardous chemical or substance purchased. Appropriate labels and MSDSs shall be provided for all shipments.
17. Vendor warrants that the goods will conform to the specifications, drawings, and descriptions listed in the offering document or the sample(s) furnished.

SERVICES - ADDITIONAL TERMS AND CONDITIONS

18. The Contractor will perform as an Independent Contractor and not as an employee, representative or agent of the District. If subcontracting is permitted under this Purchase Order, nothing herein will be construed to create or be implied to create, any relationship between the District and any subcontractor of Contractor.
19. The Contractor, upon request, will permit the District to examine or audit all records and documents related to the services performed under this Purchase Order during or following completion of the services. The Contractor will maintain all such records and documents for at least three (3) years following completion of the services and final payment by the District. The Contractor and any subcontractors understand and will comply with their duty, pursuant to Section 20.055(5), F.S., to cooperate with the inspector general in any investigation, audit, inspection, review, or hearing.
20. All documents, including reports, drawings, estimates, programs, manuals, specifications, and all goods or products, including intellectual property and rights thereto, purchased under this Purchase Order with District funds or developed in connection with this Purchase Order will be and will remain the property of the District.
21. In the event of any national, state or local emergency which significantly affects Vendor/Contractor's ability to perform, such as hurricanes, tornados, floods, acts of God, acts of war, or other such catastrophes, or other man-made emergencies beyond the control of the Vendor/Contractor such as labor strikes or riots, then the Vendor's/Contractor's obligation to complete said work within the time frames required by this Purchase Order will be suspended for the period of time the condition continues to exist. The foregoing will constitute the Vendor/Contractor's sole remedy or excuse with respect to the delay and no claim for damages, other than for an extension of time, will be asserted against the District.

ALTERNATIVE TERMS AND CONDITIONS

If Vendor/Contractor is a public entity, the following provision shall replace paragraph 4 of this Purchase Order:

22. Each party hereto agrees to indemnify and hold the other harmless, to the extent allowed under Section 768.28, F.S., from all claims, loss, damage and expense, including attorney fees and costs and attorney fees and costs on appeal, arising from the negligent acts or omissions of the indemnifying party's officers, employees, contractors and agents related to its performance under this Agreement. This provision does not constitute a waiver of either party's sovereign immunity or any lawful defenses or extend either party's liability beyond the limits established in Section 768.28, F.S. The obligations contained in this paragraph will survive acceptance of the goods or services by the District.

The District expects the Contractor to make good faith efforts to ensure that disadvantaged business enterprises, which are qualified under either federal or state law, have the maximum practicable opportunity to participate in contracting opportunities under this Purchase Order. Invoice documentation submitted to the District under this Purchase Order must include information relating to the amount of expenditures made to disadvantaged businesses by the Contractor in relation to this Purchase Order, to the extent the Contractor maintains such information.

If Contractor is a design professional under 725.08, F.S., the following provision shall replace paragraph 4 of this Purchase Order:

23. Contractor's liability is limited as provided in this Section 23. Contractor agrees to indemnify and hold harmless the District and all District officers and employees, from liabilities, damages, losses, and costs, either at law or in equity, including, but not limited to reasonable attorney fees and costs and attorney fees and costs on appeal, as a result of any negligent or reckless act or omission or any intentionally wrongful conduct by the Contractor and other persons employed or utilized by the Contractor in the performance of this Purchase Order in accordance with Section 725.08, F.S. Contractor's obligations contained in this paragraph will survive acceptance of the services by the District.

ADDENDUM TO PURCHASE ORDER
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

This Addendum is hereby incorporated into and made a part of this Purchase Order.

1. Paragraph 1 of the Purchase Order Terms and Conditions is hereby replaced with the following:

PROJECT RECORDS AND DOCUMENTS

1.1 The VENDOR/CONTRACTOR, upon request, shall permit the DISTRICT to examine or audit all SERVICES related records and documents during or following completion of the SERVICES at no cost to the DISTRICT. These records shall be available at all reasonable times for inspection, review, or audit. "Reasonable" shall be construed according to circumstances, but ordinarily shall mean normal business hours of 8:00 a.m. to 5:00 p.m., local time, Monday through Friday. In the event any work is subcontracted, the 2D PARTY shall similarly require each subcontractor to maintain and allow access to such records for inspection, review, or audit purposes. Payments made to the VENDOR/CONTRACTOR under this Agreement shall be reduced for amounts found to be not allowable under this Agreement by an audit. If an audit is undertaken by the DISTRICT, all required records shall be maintained until the audit has been completed and all questions arising from it are resolved. The VENDOR/CONTRACTOR shall maintain all such records and documents for at least five (5) years following completion of the SERVICES. If an audit has been initiated and audit findings have not been resolved at the end of the five (5) years, the records shall be retained until resolution of the audit findings, which would include an audit follow-up by the inspector general if the findings result from an external auditor, or any litigation. The 2D PARTY and any subcontractors understand and will comply with their duty, pursuant to Section 20.055(5), F.S., to cooperate with the inspector general in any investigation, audit, inspection, review, or hearing.

1.2 Each party shall allow public access to the SERVICES documents and materials made or received by either party in accordance with the Public Records Act, Chapter 119, F.S. To the extent required by Section 119.0701, F.S., the VENDOR/CONTRACTOR shall (1) keep and maintain public records required by the DISTRICT to perform the SERVICES; (2) upon request from the DISTRICT'S custodian of public records, provide the DISTRICT with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided by law; (3) ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the term of this Agreement and following completion of the Agreement if the VENDOR/CONTRACTOR does not transfer the records to the DISTRICT; and (4) upon completion of this Agreement, transfer, at no cost to the DISTRICT, all public records in possession of the VENDOR/CONTRACTOR or keep and maintain public records in possession of the VENDOR/CONTRACTOR to keep and maintain public records required by the DISTRICT to perform the SERVICES. If the VENDOR/CONTRACTOR transfers all public records to the DISTRICT upon completion of this Agreement, the VENDOR/CONTRACTOR shall destroy any duplicate public records that are exempt or confidential and exempt from public records requirements. If the VENDOR/CONTRACTOR keeps and maintains public records upon completion of this Agreement, the VENDOR/CONTRACTOR shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the DISTRICT, upon request from the DISTRICT'S custodian of public records, in a format that is compatible with the information technology systems of the DISTRICT.

1.3 IF THE VENDOR/CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE VENDOR/CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS by telephone at 352-205-8482, by email at RecordsCustodian@Watermatters.org, or at the following mailing address:

Public Records Custodian
Southwest Florida Water Management District
2379 Broad Street
Brooksville, Florida 34604-6899

Any changes to the above contact information will be provided to the VENDOR/CONTRACTOR in writing.

1.4 This Paragraph, including all subparagraphs, shall survive the expiration or termination of this Agreement.

Page Number: 3 of 3

OPERATIONS, LANDS, AND RESOURCE MONITORING COMMITTEE**January 23, 2024****Discussion: Action Item: Offer for Surplus Lands – Annutteliga Hammock (AH-2), SWF Parcel No. 15-228-1358S***Purpose*

Recommend the Governing Board approve the Contract for Sale and Purchase for this surplus parcel which is attached as Exhibit 1. Location and Site maps are attached as Exhibits 2 and 3 respectively.

Background and History

The Annutteliga Hammock properties owned by the District are within the area of the Royal Highlands subdivision in Hernando County. The District actively acquired properties in this area between 1999 and 2003; however, the ability for meaningful consolidation of the entire project area was determined to be very limited given the continued rise in property values and the ongoing scattered development of privately owned lots.

In May 2015, the Governing Board recognized these challenges and designated 1,021 lots within Annutteliga Hammock as surplus. Most lots are small lots valued at less than \$25,000, however, some larger tracts do exist. On January 24, 2017, the Operations, Lands and Resource Monitoring Committee met with the intent of developing a strategy to sell these numerous properties and determined that all of this surplus property falls within the Priority Focus Area (PFA) of the Chassahowitzka River Springshed. Because of this determination, the decision was made to place restrictions on the property to be offered for sale in order to reduce the potential for new pollutant loads within the PFA. To further address this concern, the small lots are currently being offered to adjoining property owners with a deed restriction prohibiting septic tanks. The properties that are from 10 to 20 acres in size are being offered subject to deed restrictions that limit development while the properties greater than 20 acres are being offered subject to a conservation easement. In August of 2023, the Governing Board declared an additional 307 lots as surplus and these lots will be sold using the same criteria as the original 1,021 lots.

This parcel comprises approximately 4.2 acres and will be sold with a deed restriction prohibiting the installation of a septic tank or other device for the sanitary disposal of waste.

As required by statute for the sale of surplus property, a notice of intent to sell this property was published in a newspaper.

Summary of Value and Offer

The most recent appraisal of the property was prepared by Valuation Advisors, Bradley C. Page, MAI, and is valued at \$39,000. See appraisal attached as Exhibit 4. The highest and best use for the property was determined to be assemblage with abutting buildable site, recreation, agricultural and mitigation purposes. The current offer of \$39,000 from Hernando County Water & Sewer District is for the full appraised value which is consistent with the District's policy for sale of surplus property.

The District's title to the property includes the subsurface rights. Any sale would include the interest in all phosphate, minerals, metals, and petroleum that may be in, on or under the property.

Sale Terms

- The District will deliver title to the buyer by Quit Claim Deed. The Deed will include a restriction that no septic system or other system for the sanitary disposal of waste shall be installed.
- The purchase price is fixed without adjustment provisions.
- The Buyer will make a deposit of five percent (5%) of the contract price, or \$1,950, with a closing to occur no more than 60 days after the effective date of the Contract for Sale and Purchase.
- The buyer will bear all expenses of the transaction except for the appraisal.

Benefit/Costs

The proceeds from the sales of surplus lands allow the District to acquire lands that are more environmentally significant. Funds derived from the sale of surplus land are used for the purchase of other lands, resulting in the ability to meet the District's core mission more effectively.

Staff Recommendation:

- 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.

Presenter:

Mike Singer, Manager, Land Resources Bureau

CONTRACT FOR SALE AND PURCHASE

THIS Contract for Sale and Purchase ("Contract") is made this 12th day of December, 2023, by and between the Southwest Florida Water Management District, a public corporation of the State of Florida, having an address of 2379 Broad Street, Brooksville, Florida 34604 ("District"), and Hernando County Water & Sewer District, a dependent special district of Hernando County, a political subdivision of the State of Florida, by and through its Board of County Commissioners, whose address is 15470 Flight Path Drive, Brooksville, Florida 34604 ("Buyer"), as follows:

1. **AGREEMENT TO SELL:** The District hereby agrees to sell and Buyer hereby agrees to buy, in accordance with this Contract, the real property that is more particularly described in Exhibit "A," attached hereto and incorporated herein by this reference ("Property").

2. **TIME FOR ACCEPTANCE:** Upon execution of this Contract by Buyer, Buyer's offer shall be binding for Forty-five (45) days after such execution by Buyer. If this Contract is not executed by the District on or before Forty-five (45) days after execution of this Contract by Buyer, Buyer's offer contained in this Contract is withdrawn and this Contract shall terminate.

3. **EFFECTIVE DATE:** The effective date of this contract shall be the date of execution by the District.

4. **APPROVAL:** This Contract is subject to approval by the District's Governing Board. If the District's Governing Board does not approve this Contract and all the terms and conditions hereof, the District will notify the Buyer in writing and this Agreement shall terminate.

5. **PURCHASE PRICE:** The total purchase price for the Property shall be Thirty-Nine Thousand dollars (\$ 39,000), which shall be paid in the following manner:

a. **Deposit:** Concurrent with the execution by Buyer of this Contract, Buyer shall deposit five percent (5%) of the purchase price in the form of a certified or cashier's check from a financial institution as defined in Section 655.005, Florida Statutes ("F.S."), made payable to the escrow agent for closing designated by the District, as earnest money ("Deposit"). In the event this Contract is terminated under Paragraphs 2, 4, or 12 of this Contract the District shall return the Deposit to the Buyer.

b. **Balance:** The balance of the purchase price shall be paid at the time of closing by wire transfer from a financial institution as defined in Section 655.005, F.S., to the closing agent designated by the District.

6. **CLOSING, EXPENSE AND POSSESSION:** This Contract shall be closed no later than Sixty (60) days from the effective date referenced in Paragraph 3, unless this Contract is terminated pursuant to Paragraphs 2 or 4. The following are additional details of closing:

a. **Time and Place:** The date, time and place of closing shall be set by the District.

Contract for Sale and Purchase

Revised 6/8/2018

Parcel Name: AH-2-S

SWF Parcel No.: 15-228-1358S

b. **Conveyance**: At closing, the District will deliver to Buyer a fully executed quit claim deed, conveying the Property and improvements in "AS IS, WHERE IS CONDITION," without warranties or representations.

c. **Expenses**: Buyer shall be responsible for paying all closing costs associated with the Property including, but not limited to, Buyer's survey costs, documentary stamp tax on the deed, recording fees, abstract or title insurance fees, and Buyer's attorneys' fees. The District has designated Gulf Coast Title Co., Inc. having an address of 111 N Main St, Brooksville, FL 34601 as the escrow agent for closing. The Buyer shall pay any costs charged by such company or agent for this closing service. If Buyer obtains a survey of the Property, nothing contained therein shall affect the purchase price or terms of this Contract.

7. **REAL ESTATE TAXES, EASEMENTS, RESTRICTIONS, AND ENCUMBRANCES**: Buyer agrees to take title to the Property subject to any outstanding taxes, special liens or assessments including real estate taxes, if any; comprehensive land use plans, zoning, restrictions, prohibitions and other requirements imposed by governmental authority; restrictions, qualifications and matters appearing on the plat or otherwise common to the subdivision, restrictive covenants, public utility easements and all outstanding easements, reservations and other interests.

8. **RESTRICTIVE COVENANT**: Buyer agrees to accept title to the Property with a deed restriction that will prohibit any new septic system or other device for the sanitary disposal of waste on the Property.

9. **CONDITION OF THE PROPERTY**: Buyer agrees to accept the Property in "AS IS, WHERE IS CONDITION." The District makes no warranties or representations whatsoever as to the condition of the Property or the improvements located thereon, or the fitness of either for any particular use or purpose.

10. **EVIDENCE OF TITLE**: Buyer may, at Buyer's expense, obtain evidence of title. Buyer understands that District may only convey title by Quit Claim Deed and Buyer agrees that this will not be an objection to title.

11. **SURVEY**: If the Buyer chooses to obtain a survey of the Property, the Buyer agrees to provide the District with a certified copy of the survey.

12. **DEFAULT**: If Buyer fails to close within Sixty (60) days from the effective date referenced in Paragraph 3, the District shall retain the Deposit, this Contract shall terminate, and the District and Buyer shall be relieved of all rights and obligations under this Contract. If the District fails to deliver the quit claim deed to Buyer within Sixty (60) days from the effective date referenced in Paragraph 3, the District shall return the Deposit to Buyer, this Contract shall terminate, and Buyer and the District shall be relieved of all rights and obligations under this Contract.

13. **ATTORNEYS' FEES AND COSTS:** In any claim or controversy arising out of or relating to this Contract, each party agrees to bear its own attorney fees and costs.

14. **NOTICES:** All notices will be in writing and may be delivered by mail, overnight courier, or personal delivery. The parties agree to send all notices to the addresses specified in the introductory clause; and as to the District, such notice will be sent to the attention of its Office of General Counsel. Notice is effective upon receipt.

15. **SUCCESSORS:** Upon execution of this Contract by Buyer, this Contract shall be binding upon and inure to the benefit of Buyer, Buyer's heirs, successors, or assigns.

16. **RECORDING:** Neither this Contract nor any notice of it may be recorded in any county by any person.

17. **ASSIGNMENT:** This Contract shall not be assigned by Buyer without the prior written consent of the District.

18. **TIME OF ESSENCE:** Time is of the essence in the performance of this Contract.

19. **AMENDMENTS:** This Contract contains the entire agreement and all representations of the parties. No amendment will be effective except when reduced to writing signed by all parties. Notwithstanding the foregoing, the parties acknowledge that the description of the Property is without the benefit of a current survey. The parties agree that if, in the opinion of the District, it becomes necessary to amend the description to correct errors, to more properly describe the Property, or to otherwise revise the description of the Property, the description to be used in the survey (if any) and in the closing instruments required by this Contract for the Property shall be revised by or at the direction of the District and shall be subject to the final approval of the District. Anything to the contrary hereinabove notwithstanding, such a revision of the description of the Property shall not require a written amendment to this Contract. In such event, the District's execution and delivery of the closing instruments containing the revised description and the Buyer's acceptance of said instruments and of the final survey (if any) containing the revised description shall constitute a full and complete ratification and acceptance of the revised description of the Property by the parties.

20. **SURVIVAL:** Paragraphs 6c, and 13 of this Contract will survive delivery and recording of deed and possession of the Property.

21. **ELECTRONIC/FACIMILE SIGNATURE:** The District agrees that this Agreement may be executed by the Buyer by electronic signature in a manner that complies with Chapter 688, F.S. This Agreement and any documents relating to it may be executed and transmitted to any other party by facsimile, which facsimile shall be deemed to be, and utilized in all respects as, an original, manually executed document.

22. **MINERAL RIGHTS:** The Buyer, by signature of this Agreement, hereby requests that all mineral interests owned by the District in the Property be transferred to the Buyer as provided in Section 270.11(3), F.S.

Contract for Sale and Purchase

Parcel Name: AH-2-S

SWF Parcel No.: 15-228-1358S

Revised 6/8/2018

23 **DOCUMENTS:** The following documents are attached and made a part of this Agreement. In the event of a conflict of contract terminology, priority will first be given to the language in the body of this Agreement.

Exhibit "A" Legal Description

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

COPY

IN WITNESS WHEREOF, the parties have caused the Contract to be executed on the day and year set forth below.

DISTRICT:

Southwest Florida Water Management District, a public corporation of the State of Florida

By: _____

Print Name: Brian J. Armstrong, P.G.

Title: Executive Director

Date: _____

BUYER:

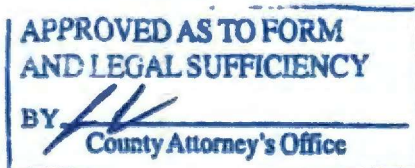
Hernando County Water & Sewer District, a dependent special district of Hernando County, a political subdivision of the State of Florida, by and through its Board of County Commissioners

By: Elizabeth Narverud
(Signature)

Print Name: Elizabeth Narverud

Title: Chairperson

Date: December 12, 2023



By: _____
(Signature)

Print Name: _____

Title: _____

Date: _____

Contract for Sale and Purchase
Parcel Name: AH-2-S
SWF Parcel No.: 15-228-1358S

Revised 6/8/2018

Exhibit "A"
Legal Description

SWF Parcel 15-228-1358S (Annutteliga Hammock)

All that land lying West of Florida Power Corporation right-of-way location in the Southwest ¼ of Section 22, Township 21 South, Range 18 East, Hernando County, Florida,

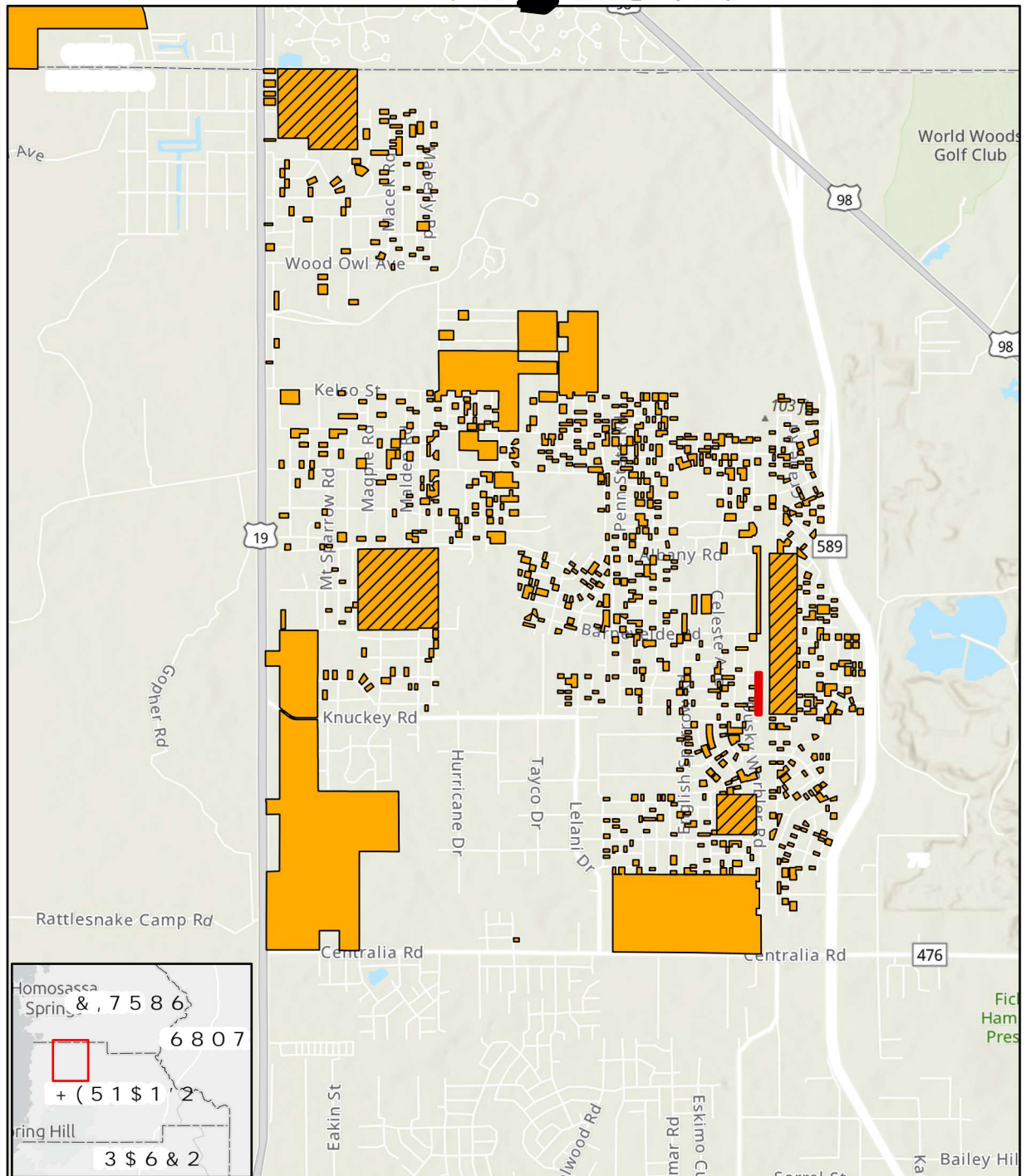
LESS the following:

All that land lying West of Florida Power Corporation right-of-way location in the portion of Southwest ¼ of Section 22, Township 21 South, Range 18 East, Hernando County, Florida, more particularly described as follows: Commencing at the Southwest corner of said Section 22, thence North 00°03'02" West along the West line of said Section 22 1355.38 feet to the POINT OF BEGINNING, thence continue North 00°03'02" West 1305.39 feet, thence South 89°13'36" East along the East-West ¼ line of said Section 22 to the Westerly right-of-way line of the Florida Power Easement 133.66 feet, thence South 00°11'27" East along said Westerly line of the Florida Power Easement 1305.39 feet, thence North 89°14'51" West 136.85 feet to the POINT OF BEGINNING.

Hernando County Parcel ID R22 421 18 0000 0050 0010

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 Southwest Florida
Water Management District

Exhibit 3
Annutteliga Hammock
SWF Parcel No. 15-228-1358S, Surplus ID AH-2-1358S
Site Map



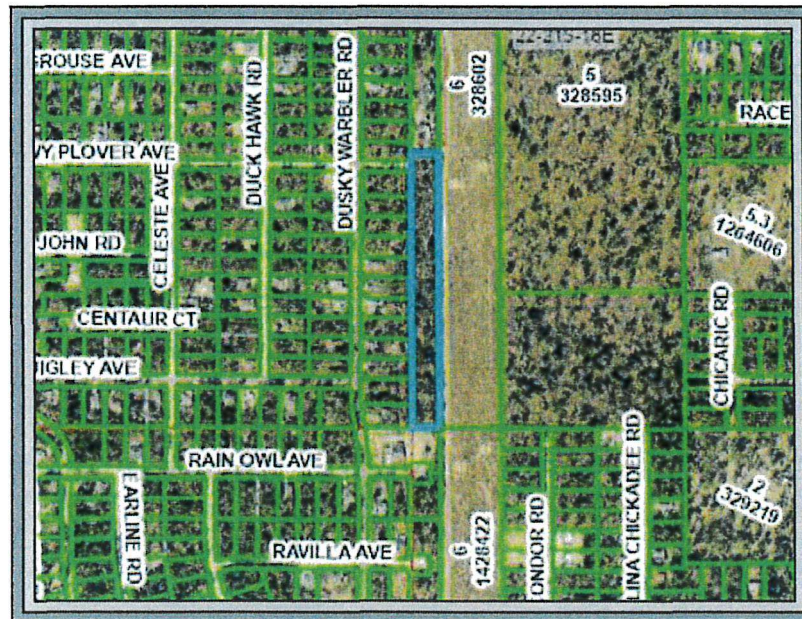
Southwest Florida Water Management District, Esri Community Maps Contributors, Hernando County, FDEP, © OpenStreetMap, Microsoft, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA

- SWF Parcel No. 15-228-1358S (Surplus ID AH-2-1358S)
 - District Owned Lands Fee Simple
 - District Owned Land Easements
- 0 150 300
Feet





16057 Tampa Palms Boulevard, #355
Tampa, Florida 33647



**Annuteliga Hammock Surplus, SZ00
SWF 15-228-1358S**

**Eastern End of Snowy Plover Avenue East of Celeste Avenue,
Weeki Wachee, FL**

All that land lying West of the Florida Power Corporation right-of-way in the Southwest 1/4 of Section 22, Township 21 South, Range 18 East, Hernando County, Florida.

LESS the following:

All that land lying West of Florida Power Corporation right-of-way location in the portion of the Southwest 1/4 of Section 22, Township 21 South, Range 18 East, Hernando County, Florida, more particularly described as follows: Commencing at the Southwest corner of said Section 22, thence North 00°03'02" West along the West line of said Section 22 1355.38 feet to the POINT OF BEGINNING, thence continue North 00°03'02" West 1305.39 feet, thence South 89°13'36" East along the East-West 1/4 line of said Section 22 to the Westerly right-of-way line of the Florida Power Easement 133.66 feet, thence South 00°11'27" East along said Westerly line of the Florida Power Easement 1305.39 feet, thence North 89°14'51" West 136.85 feet to the POINT OF BEGINNING.

Southwest Florida Water Management District - PO 23PO0000533

VA File No. 11588-2

Valuation Date - October 6, 2023

PART ONE - INTRODUCTION



Bradley C. Page, MAI
State-Certified General Real Estate Appraiser 1535
President

October 23, 2023

Southwest Florida Water Management District
2379 Broad Street, Building 6
Brooksville, FL 34604-6899
Allison Mayer
Senior Real Estate Specialist

RE: Annuteliga Hammock Surplus, SZ00
SWF 15-228-1358S
Eastern End of Snowy Plover Avenue East of
Celeste Road, Weeki Wachee, FL
File No. 11588-2

Dear SWFWMD:

In accordance with your authorization, I have personally inspected and appraised the above captioned properties in order to render an opinion of the Market Value of the entire property combined. The value conclusions contained in this report are applicable to the effective date of value, October 6, 2023. Please note the assumptions and limiting conditions as they have a bearing on the report and value conclusions.

The fee simple interest is appraised. This Appraisal Report has been rendered in compliance with the Uniform Standards of Professional Appraisal Practice, the Standards of Professional Appraisal Practice and the Code of Professional Ethics of the Appraisal Institute, and District Minimum Appraisal Standards including the use of a standard land form appraisal. Based upon all the known factors and influences that could affect the valuation of the subject property, it is my opinion that the following values as of October 6, 2023 are applicable.

Market Value As Encumbered by a Deed Restriction - \$39,000

Deed Restriction - No Septic Tank or other device for the sanitary disposal of waste shall be installed on the property conveyed hereby.



SWFWMD
October 23, 2023

The value conclusions are based on an exposure time of six months. Based on current market influences, a similar marketing period is considered reasonable. The comparable data considered for this appraisal included days of market from 53 to 266. No. 1, a 2.31 acre property, was on the market 103 days. No. 2, a 9.5 acre property, was on the market 307 days. No. 3, a 9.5 acre property, was on the market 18 days. No. 4, a 9.6 acre property, was on the market 37 days, and No. 5, an 8.0 acre property, was on the market 16 days.

Should you have any questions pertaining to the property or my valuation thereof, please feel free to contact the undersigned.

Respectfully Submitted,

Bradley C. Page, MAI
President
State-Certified General Real Estate Appraiser
RZ1535

TABLE OF CONTENTS

PART ONE - INTRODUCTION	ii
SUMMARY OF SALIENT FACTS/FINAL ESTIMATE OF VALUE.....	1
PART TWO - PREMISES OF THE APPRAISAL	4
PURPOSE OF THE APPRAISAL	5
PROPERTY RIGHTS APPRAISED	5
EFFECTIVE DATE OF VALUE	5
DATE OF REPORT	5
INTENDED USE/USER OF THE REPORT	5
APPRAISAL DEVELOPMENT & REPORTING PROCESS - SCOPE OF WORK	5
COMPETENCY PROVISION	5
ASSUMPTIONS AND LIMITING CONDITIONS	6
PART THREE - PRESENTATION OF DATA	8
LEGAL DESCRIPTION	9
OWNERSHIP/SALES HISTORY	9
PROPERTY TAX INFORMATION	9
SITE ANALYSIS	10
PROPOSED CONSERVATION EASEMENT.....	13
PART FOUR - ANALYSIS OF DATA & CONCLUSIONS.....	14
HIGHEST & BEST USE	15
THE APPRAISAL PROCESS	18
SALES COMPARISON APPROACH.....	19
RECONCILIATION AND FINAL VALUE CONCLUSION	36
CERTIFICATION.....	37
PART FIVE - ADDENDA	38
NEIGHBORHOOD/REGIONAL AREA ANALYSIS.....	39
PRINCIPLES AND TERMINOLOGY USED IN THIS REPORT	42
QUALIFICATIONS OF THE APPRAISER	43
PO	46

SUMMARY OF SALIENT FACTS/FINAL ESTIMATE OF VALUE

Project Identification: Annuteliga Hammock surplus, SZ00

Parcel Identification: SWF 15-228-1358S Surplus AH2

Appraiser: Bradley C. Page, MAI
State-Certified General Real Estate Appraiser RZ1535

Site Visit Date: October 6, 2023

Effective Date of Value: October 6, 2023

Date of Report: October 23, 2023

Interest Appraised: Fee Simple Encumbered by Proposed Deed Restriction

Estate Existing As of Appraisal Date: Fee Simple

Parcel Size:

Upland Acres	4.26	10.00%
Wetland Acres	<u>0.00</u>	0.00%
Total Acres	42.6	100.00%

History of the Property: There have been no transfers of the subject property over the past five years. The subject was recently advertised for sale as surplus lands.

Parcel Access: The subject is accessed via the eastern end of Snowy Plover Avenue, East of Dusky Warbler Road. Snowy Plover Avenue dead ends at the subject and provides legal and physical access.

Zoning: AG, Agricultural

Future Land Use Classification: Conservation

Typical Legal Uses: Continued agricultural uses, acreage home site and speculation of appreciation of land values

Utilities: Withlacoochee River Electric provides electric

service. Water and sewer require the use of well and septic. Cable and phone services are available through Spectrum and Frontier.

Flood Zone Information:

According to FEMA map(s) see map info following this section, the subject property is 100% within flood zone X. Flood zone X indicates areas outside the 100 year flood plain.

Mineral Rights:

The mineral rights are assumed to be in the bundle of rights being appraised unless specifically reported otherwise.

Easements:

None noted in date available.

Other Encumbrances:

None

Highest and Best Use:

Acreage Home site providing privacy and recreational uses as well as agricultural uses in fee simple and recreation, mitigation, agriculture and assemblage with buildable property as encumbered with proposed deed restriction.

Present Use:

Vacant land utilized for preservation

Opinion of Market Value:

\$39,000 as encumbered by proposed deed restriction

Special Assumptions & Limiting Conditions:

The property is appraised under the hypothetical condition the property is encumbered by a deed restriction. Specifically, the deed restriction proposed: No septic tank or other device for the sanitary disposal of waste shall be installed on the property conveyed hereby.

Exposure Time:

Six months

Marketing Time:

Six months

Owner Contact/Property Site Visit:

The site visit of the subject was made by Bradley C. Page as the property is vacant.

PART TWO - PREMISES OF THE APPRAISAL

PURPOSE OF THE APPRAISAL - The object of this report is to render an opinion of the current Market Value for the subject property under the hypothetical condition the property is encumbered by a proposed deed restriction.

PROPERTY RIGHTS APPRAISED - This property has been valued on a encumbered fee simple interest basis as if the property is subject to the terms of the proposed conservation easement.

EFFECTIVE DATE OF VALUE - The valuation conclusions contained herein are applicable to market conditions that existed on October 6, 2023.

DATE OF REPORT - The date of this report is October 23, 2023.

INTENDED USE/USER OF THE REPORT - It is my understanding that this report is to be used by the Southwest Florida Water Management District in establishing a fair price to be paid for the surplus property as if encumbered by the proposed conservation easement.

APPRAISAL DEVELOPMENT & REPORTING PROCESS - SCOPE OF WORK - In preparing this appraisal, the appraiser performed all of those procedures necessary to apply each of the applicable approaches to value. These procedures included but were not limited to the following:

- Inspected the subject site and surrounding market area
- Gathered and reviewed specific data such as appraisal mapping, the proposed deed restriction was reviewed, public record information, and historic data relative to the analysis of the subject
- Gathered relevant data pertaining to the neighborhood from a personal site visit of the surrounding areas, as well as local publications and real estate journals
- Discussed market conditions and trends with local brokers, managers, developers, financial institutions and appropriate governmental agencies
- Estimated subject's most probable and likely utilization under the basic real estate valuation Principle of Highest & Best Use
- Gathered market information pertaining to vacant land sales, listings, and contracts for both fee simple and encumbered property sales

COMPETENCY PROVISION - I have appraised numerous tracts of land that have similar characteristics and similar highest and best uses in this region over the past twenty-five plus years. For a list of additional property types appraised, please refer to the appraisers' qualifications found in the addendum.

ASSUMPTIONS AND LIMITING CONDITIONS

Hypothetical Condition

1. The property was visited on October 6, 2023. At that time, the property is owned in Fee Simple. A proposed deed restriction was provided to the appraiser by SWFWMD. The market value is based on the hypothetical condition the property is encumbered by the deed restriction: No septic tank or other device for the sanitary disposal of waste shall be installed on the property conveyed hereby.

This appraisal has been made with the following assumptions and limiting conditions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. Maps, plats and exhibits included in the report are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys, or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from the report.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. Subsurface rights (mineral and oil) were not considered in making this report unless otherwise stated.
8. For those tracts that according to survey, map or plat indicate riparian rights and/or littoral rights, these rights are assumed to go with the property unless easements or deeds of record were found by the appraisers to the contrary.
9. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
10. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal report.
11. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
12. The date of value to which the conclusions and opinions expressed in this report apply is set forth in the letter of transmittal. Further, the dollar amount of any value opinion rendered was based upon the purchasing power of the American dollar existing on that date.
13. The appraisers assume no responsibility for economic or physical factors which may affect the opinions in this report which occur after the date of the letter transmitting the report.

ASSUMPTIONS & LIMITING CONDITIONS (CONTINUED)

14. The appraisers reserve the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.
15. No detailed soil studies or information relating to geologic conditions covering the subject property were available to the appraisers. Therefore, it was assumed that existing soil conditions are capable of supporting development and standard construction for the subject property to its assumed highest and best use without extraordinary foundation or soil remedial expense.
16. No opinion is expressed as to the independent value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.
17. Unless otherwise stated in this report, the existence of hazardous materials which may or may not be present on the property, was not observed by the appraiser. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. Further, should the client be in possession of or obtain an environmental study pertaining to the subject property in conjunction with this appraisal, it is the responsibility of the client to notify the appraiser of any environmental concerns identified for the subject. Further analysis beyond the scope of this assignment may be required and the results of this appraisal may be meaningless if environmental issues impacting value are identified.
18. Possession of this report, or a copy of it, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event only with proper written qualification and only in its entirety.
19. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
20. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
21. The liability of Valuation Advisors and the appraisers responsible for this report is limited to the client only. There is no accountability, obligation or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussion. The appraisers are in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property, physically, financially and/or legally.

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAI's who meet the minimum standards for this program are awarded periodic educational certifications. Bradley C. Page, MAI is certified under this program through December 31, 2024.

PART THREE - PRESENTATION OF DATA

LEGAL DESCRIPTION -

All that land lying West of the Florida Power Corporation right-of-way in the Southwest 1/4 of Section 22, Township 21 South, Range 18 East, Hernando County, Florida.

LESS the following:

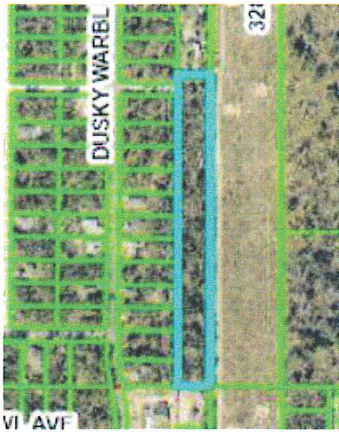
All that land lying West of Florida Power Corporation right-of-way location in the portion of the Southwest 1/4 of Section 22, Township 21 South, Range 18 East, Hernando County, Florida, more particularly described as follows: Commencing at the Southwest corner of said Section 22, thence North 00°03'02" West along the West line of said Section 22 1355.38 feet to the POINT OF BEGINNING, thence continue North 00°03'02" West 1305.39 feet, thence South 89°13'36" East along the East-West 1/4 line of said Section 22 to the Westerly right-of-way line of the Florida Power Easement 133.66 feet, thence South 00°11'27" East along said Westerly line of the Florida Power Easement 1305.39 feet, thence North 89°14'51" West 136.85 feet to the POINT OF BEGINNING.

OWNERSHIP/SALES HISTORY - The property is owned by Southwest Florida Water Management District, and the owner's address is 2379 Broad Street, Brooksville, Florida 34609-6809.

The subject was recently determined to be surplus lands.

PROPERTY TAX INFORMATION - According to the Hernando County Tax Collectors Office, the subject is not subject to taxation due to its ownership by the District.

SITE ANALYSIS



The subject property is located at the Eastern end of Snowy Plover Avenue east of Dusky Warbler Road. The subject is accessed from Snowy Plover Avenue. The properties surrounding the subject include preservation lands to the north and south, platted single family lots to the west and a 295' wide power line easement on the eastern side.

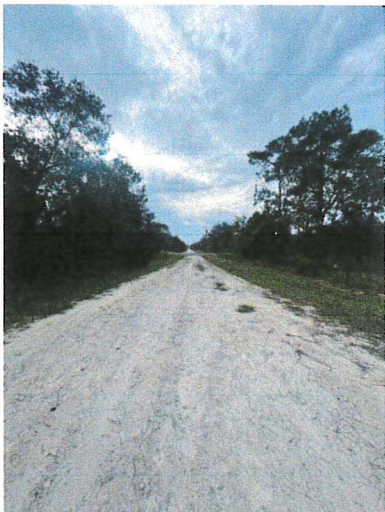
The subject is wooded and includes mostly sandy soils and longleaf pine habitat.



View of Subject Looking South from Snowy Plover Avenue



View Looking East At Subject from Snowy Plover Avenue



Westerly View on Snowy Plover Avenue

SITE ANALYSIS (CONTINUED)

The subject can be described in more detail as follows:

(Size/Dimensions) - The subject site is vacant and includes long leaf pines and xeric oak habitat. The size of the subject including the estimated uplands and wetlands is as follows:

	Size - Acres	Percentage of Total
Upland Acres	4.26	100.00%
Wetland Acres	<u>0.00</u>	<u>0.00%</u>
Total Acres/SF	4.26	100.00%

The site size was provided by SWFWMD and is subject to survey. There are no specific dimensions for the subject. It is a narrow rectangle that is between 125 and 140 feet wide. The actual size of the property is subject to survey. The subject is rectangular in shape.

(Zoning/Land Use Plan) - The subject property is zoned AG, Agricultural. A summary of requirements is as follows:

- (13) *AG Agricultural District:* This district is designed to promote and encourage the conservation and utilization of prime and productive agricultural land, as well as the preservation of the open character of certain land, which, by virtue of their topography, soil types, natural resources and/or relationship to other land use areas, should be carefully reviewed and evaluated prior to their possible development or else should continue to be developed at a relatively low-density to maintain their overall natural environment and unique character with the county.

The future land use classification for the subject is Conservation. The Conservation Future Land Use Element is summarized as follows:

Conservation Category

Objective 1.04F: The Conservation Category allows timbering (with a management plan) and limited resource-oriented recreational activities such as hiking, picnicking and fishing. Accessory residential units for security purposes may also be allowed.

If privately owned, the most likely land use would be Rural in my opinion.

(Utilities/Public Services) - The subject is served by Withlacoochee River Electric for electrical services and by Spectrum and Frontier for internet service. The site does not have the availability of public water and sewer services. Well and septic are required.

SITE ANALYSIS (CONTINUED)

(Ingress/Egress) - The subject is accessible via the eastern terminus of Albany, Seneca and Barnevelde Roads.

(Flood Data/Drainage) - The subject property is located in flood zone X. Flood zone X indicates areas outside the 100 year flood plain,

(Easements, Encroachments, Use Restrictions) - Based on a review of the appraisal mapping, the data provided, and my site visit of the subject property, there are no easements or encroachments that would have a detrimental effect on the valuation of the subject property. There are no use restrictions other than zoning and land use requirements. **The proposed deed restriction is as follows: No septic tank or other device for the sanitary disposal of waste shall be installed on the property conveyed hereby.**

(Topography) - The subject is slightly undulating with elevations ranging from 85 to 95 feet based on a review of the topography maps for the subject.

(Subsoils) - The subject includes Candler Fine Sands

(Environmental Concerns) - No endangered species or endangered habitats were noted during my site visit. No other environmental concerns were apparent at the time of the site visit; however, the appraisers are not trained experts in the identification of environmental problems, and an inspection by environmental specialists is recommended if there are any questions regarding such issues for the subject property. The subject property has been appraised as if no environmental hazards exist.

(Concurrency) - Given the ongoing improvements to the infrastructure, concurrency is not an issue for the subject.

(Surrounding Land Uses) - The area surrounding the subject is comprised mostly of platted single family home lots, acreage agricultural properties and the 295' wide power line easement

(Site Improvements) - None.

(Summary) - The subject is a 4.26 acre site based on the size provided. There are no specific dimensions available for the subject. The legal description does not provide dimensions. Therefore, the size of the subject is subject to a survey. Access to the property is from Snowy Plover Avenue and is good. The subject is in flood zone X.

PART FOUR - ANALYSIS OF DATA & CONCLUSIONS

HIGHEST & BEST USE

According to The Appraisal of Real Estate, the highest and best use is defined as

The reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal.

Alternatively, highest and best use is

The use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported and financially feasible that results in highest land value.

The highest and best use as vacant is analyzed under four criteria: (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive.

The subject site contains 4.26 gross acres. The site includes one legal parcel. The site is rectangular in shape and is unusually long and narrow. The site is accessed via Snowy Plover Avenue. The subject is located in northwestern Hernando County, Florida in an area known as the Annutelig Hammock. The constraints relating to the site as though vacant are discussed as follows:

Physically Possible - The size of the subject would accommodate many uses. The subject's area includes rural subdivisions and agricultural uses. The subject property is located flood zone X, areas outside the 100 year flood plain. The subject does not have any significant low lying areas that would create any problems for construction or layout.

Soils on the site are sandy and typical for the area, and the site is slightly undulating from a low of 85 feet in the central portion of the site to a high of 95 feet in the northern and southern portions of the site. The improvements on surrounding sites utilized normal construction techniques; therefore, it appears that development of the site would not require any special considerations.

Surrounding uses in the vicinity of the subject include small farms, preservation lands, residential acreage tracts, platted residential lots as well as the power line corridor.

The lack of atypical physically restrictive features allows any of a number of uses; therefore, I will examine additional constraints. Next, I will examine legal factors regarding the subject.

Legally Permissible - The zoning for the subject is AG, Agricultural, and the subject has a Conservation Future Land Use Element (FLUE). The legal uses permitted under the zoning range from agricultural uses and recreational uses to residential home development

It appears subdivision of the property would not be possible as the zoning requires a minimum size of 20 acres for consideration of subdivision.

HIGHEST AND BEST USE (CONTINUED)

The subject property is being considered for sale as surplus land after being held for preservation. The appraiser is not trained in the identification of endangered species or habitats. No endangered species or endangered habitats were noted during my site visit. No other environmental concerns were apparent at the time of the site visit.

The appraisers are not trained experts in the identification of environmental problems, and an inspection by environmental specialists is recommended if there are any questions regarding such issues for the subject property. The subject property has been appraised as if no environmental hazards exist.

Based on the physical and legally restrictive factor for the subject property, the most likely legally permissible uses are agriculture, recreation and residential home development.

Financially Feasible/Maximally Productive - Based upon my canvassing of the area and tracking of sales in this area of Hernando County, the site is well suited for the physical and legal uses identified above.

There is a good bit of activity in the market for properties like the subject. This is supported by the recent sales data found in this report as well as the listing of similar properties in the general area and the reported interest in these properties. The buyers of acreage home sites often desire privacy according to discussions with Realtors including Kimberly Pye.

Based on all of the data reported herein as well as my discussions with market participants, it is my opinion that development of the subject as an acreage home site and recreational and agricultural uses represents the Highest and Best Use unencumbered.

HIGHEST AND BEST USE ENCUMBERED

As encumbered by the proposed deed restriction that eliminates the use of a septic system or any other device for waste disposal. This results in a limit on uses to something other than residential. Agricultural, recreational and conservation uses remain. Many smaller properties subject to the same deed restriction have been sold to the abutting lot owners for assemblage with the home site. This is a possibility for the subject. Other properties subject to conservation easements or restrictions have sold for uses such as gopher tortoise mitigation sites. The subject is a smaller site than most of these properties.

According to my discussions with Dean Saunders, Zeb Griffin and owners of conservation easement properties to include Todd Mar, buyers are often interested in uses such as mitigation regarding gophers tortoises or wetlands as well as recreational uses.

HIGHEST AND BEST USE (CONTINUED)

Based on the data, the subject is best suited for assembling with a buildable site or with potential use for mitigation purposes. Again, the restriction eliminates use as an acreage home site without assemblage. Therefore, the highest and best use as encumbered by the proposed deed restriction includes assemblage with an abutting buildable site, recreation, agricultural and mitigation uses.

THE APPRAISAL PROCESS

The main purpose of an appraisal is to solve a problem of a specific property. The appraiser must define the problem, inspect the property, gather all pertinent data, analyze his findings to arrive at a solution, and then present all salient facts and conclusions to his client in the form of an appraisal report.

Since characteristics of real property vary widely, the appraiser must proceed in an orderly program by which he can make a thorough and accurate appraisal in an efficient manner.

During the past fifty years there has evolved a method of evaluating real estate known as "The Appraisal Process." The appraisal process involves three different approaches to value, the Cost Approach, the Sales Comparison Approach, and the Income Approach. However, since the subject property is vacant land, only the Sales Comparison Approach will be discussed.

As stated above, the subject is vacant land. There are no improvements, and the cost approach is not applicable as a result. Vacant sites like the subject are not often acquired as income producing investments. There is virtually no market data regarding market rental rates of such sites and no sales of leased sites like the subject to support appropriate multipliers or overall capitalization rates. As such, the income approach is not considered applicable. These approaches would not be reported by a majority of my peers and are not anticipated by the client.

The Sales Comparison Approach - In this approach the property appraised is compared to similar properties which have sold recently or are listed. The sale prices of the comparable properties are then adjusted to the property appraised to develop an indication of value.

A discussion of the process, fee simple land sales and their analysis follow. After the fee simple value of the subject, the sales encumbered by conservation easements are presented. These sales will be compared with the fee simple sales to establish the appropriate factor to be applied to the fee simple value to reach the conclusion as encumbered.

SALES COMPARISON APPROACH

In the Sales Comparison Approach market value is estimated by comparing the subject property to similar properties that have sold or for which offers to purchase have been made. A major premise of the Sales Comparison Approach is that the market value of a property is directly related to the prices of comparable competitive properties.

The principles of supply and demand, substitution, balance and externalities are the basis of this approach. When there is sufficient data to indicate value trends, the Sales Comparison Approach may provide the most direct and accurate approach to value.

The following system or procedure is used to apply the Sales Comparison Approach:

- 1) Research the market to extract data on sales that are similar to the subject property.
- 2) Verify the data for accuracy and arm's length considerations.
- 3) Select the units of comparison most commonly used by buyers and sellers.
- 4) Using the elements of comparison and physical characteristics, compare and adjust the comparable sales to the subject property.
- 5) Reconcile the values produced by the different units of comparison into a single value or range.

The land comparables are detailed on the following pages. The comparable sales utilized in this analysis are considered to be the most reflective and applicable for comparison to the subject. A grid format then summarizes the sale data and adjustments. After the grid summary, adjustments are explained and supported.

COMPARABLE NO. 1



Property Type:	Acreage Lot
Date of Sale:	April 7, 2023
OR Book/Page:	4288/991
Sale Price:	\$75,000
Overall SF:	100,773.00
Overall AC:	2.31
Price/SF:	\$0.74
Price/AC:	\$32,468

Location:	South side of Albany Road east of Celeste Avenue, Weeki Wachee, Hernando County, Florida
Tax Id No./Brief Legal:	73422/Portion of Section 21, Township 21 South, Range 18 East
Grantor:	Michael Marsh and Selena Marsh
Grantee:	Randal Hurley and Jody Hurly
Zoning/Future Land Use:	R1C, Residential
Terms:	Cash to Seller
Verification:	Nick D. Giovinazzi, Tropic Shores Realty, LLC, MLS# W7853393, 352-346-7850, By: Bradley C. Page, MAI, October 2023
Highest & Best Use:	Marketed for Residential development to include acreage home site adjacent to preservation land.
Property Description:	This property includes a 2.31 acre parcel at the end of Albany Road east of Celeste Avenue. The road is limerock and the property has an elevation of 59 to 60 feet. The property appears to be uplands and the entire property is in flood zone AE. Electrical and internet services are available. Well and septic are required for residential uses. The property is wooded with rolling topography that is below grade with Albany Road at its road frontage with the higher elevation being on the southern part of this property.
Conditions of Sale:	Negotiated, arms-length sale.

Comments:

The property was on the market 26 days prior to going under contract. The asking price was \$85,000 prior to the sale for \$75,000 or 88% of asking.

Sale History 5 Years:

The buyers acquired this property for re sale in December of 2022 for \$57,500. The asking price had been \$75,000 prior to this sale.

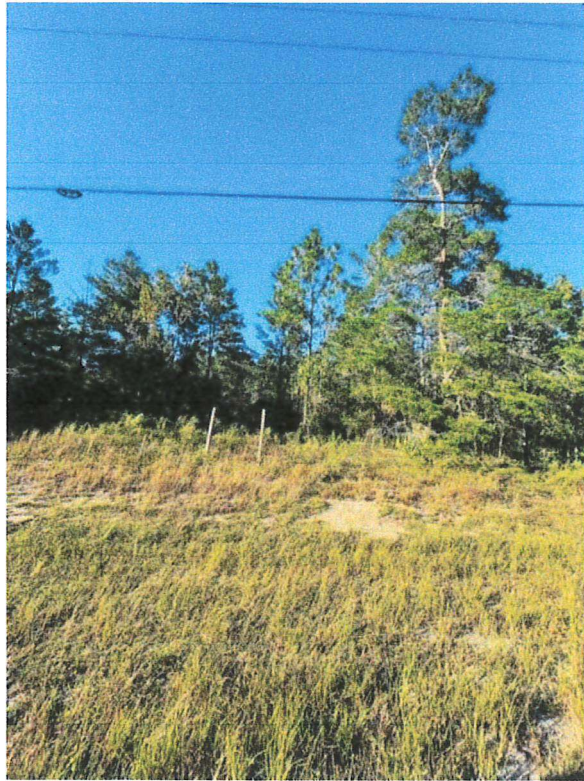


COMPARABLE NO. 2



Property Type:	Acreage
Date of Sale:	July 6, 2023
OR Book/Page:	4318/16
Sale Price:	\$215,000
Gross SF:	413,800.00
Gross AC:	9.50
Price/Overall SF:	\$0.52
Price/Overall AC:	\$22,632

Location:	North Side of Centralia Road West of Harris Hawk Road, Week Wachee, Hernando County, Florida
Tax Id No./Brief Legal:	329834/Portions of Section 32, Township 21 South, Range 18 East
Grantor:	Robert F Farr and Donna C Farr individually and as Trustees
Grantee:	Christopher Carollo
Zoning/Land Use:	AG, Agricultural/Rural
Terms:	\$43,000 down with PMM of \$172,000 at 6%. Considered Cash Equivalent
Verification:	Tracy Maler, KW Realty Elite Partners, MLS# W7846853, 352-848-5401, By: Bradley C. Page, MAI, October 2023
Highest & Best Use:	Agriculture, Acreage Estate Homesite, Recreation and Development
Property Description:	This property fronts Centralia Road with 330 mol feet or frontage, and 1,255 mol feet of depth. Centralia Road is a paved arterial road. The property is mostly re forested uplands. The elevations range from 45 to 55 feet with gently rolling topography. The property is rectangular in shape. 100% of this property is flood zone X. The property requires a well and septic for residential use.
Conditions of Sale:	Negotiated arm's length sale.
Comments:	This property was on the market 307 days before being placed under contract. The asking price was \$249,900 and the property sold at 86% of its asking price. The Seller financing facilitated the transaction and was considered cash equivalent.
Sale History 5 Years:	No arm's length transactions over the past five years

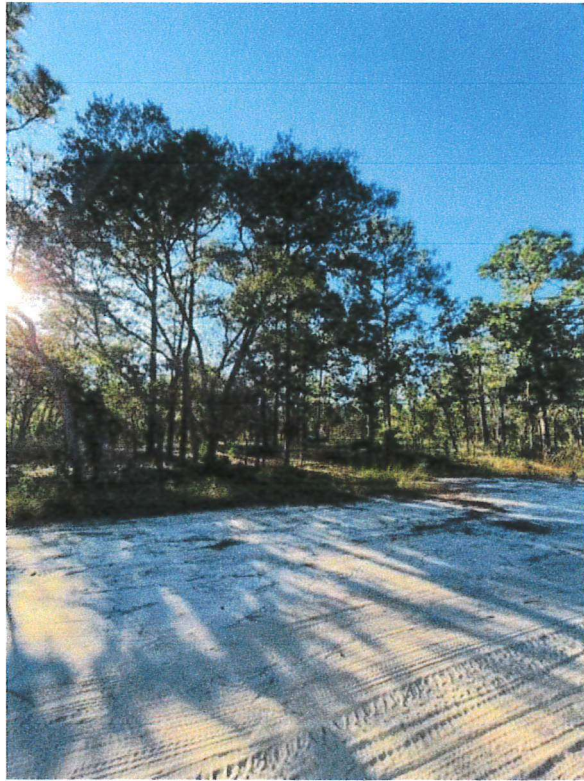


COMPARABLE NO. 3



Property Type:	Acreage Home Site
Date of Sale:	June 23, 2023
OR Book/Page:	4315/566
Sale Price:	\$299,900
Gross SF:	413,820.00
Gross AC:	9.50
Price/Gross SF:	\$0.72
Price/Gross AC:	\$31,568

Location:	West side of Robina Road North of Pheasant Avenue, Week Wachee, Hernando County, Florida
Tax Id No./Brief Legal:	1385520/Portion of Section 6, Township 22 South, Range 18 East
Grantor:	Edward D Tschantre and Donna L Tschantre
Grantee:	James T Callerie
Zoning/Land Use:	AG, Agricultural/Rural
Terms:	Cash to seller with buyer obtaining Conventional Financing
Verification:	Cathy Finelli, Realty Executives America, Inc., MLS# W78539243, 352-585-1828, By: Bradley C. Page, MAI, October 2023
Highest & Best Use:	Recreation, Agriculture and Acreage Residential Site
Property Description:	This is a wooded parcel fronting on a dirt Robina Road, a private easement road shared by six parcel owners. The property is rectangular in shape with 665 mol feet along Robina Road and a depth of 623 mol feet. The property wooded with rolling topography ranging from 24 to 38 feet in elevation. The entire property is in flood zone X and X500. Well and septic are required for development.
Conditions of Sale:	Negotiated arms-length
Comments:	The property had been listed for 17 days with an asking price os \$299,900 and sold for the asking price.
Sale History 5 Years:	No arms-length transfers

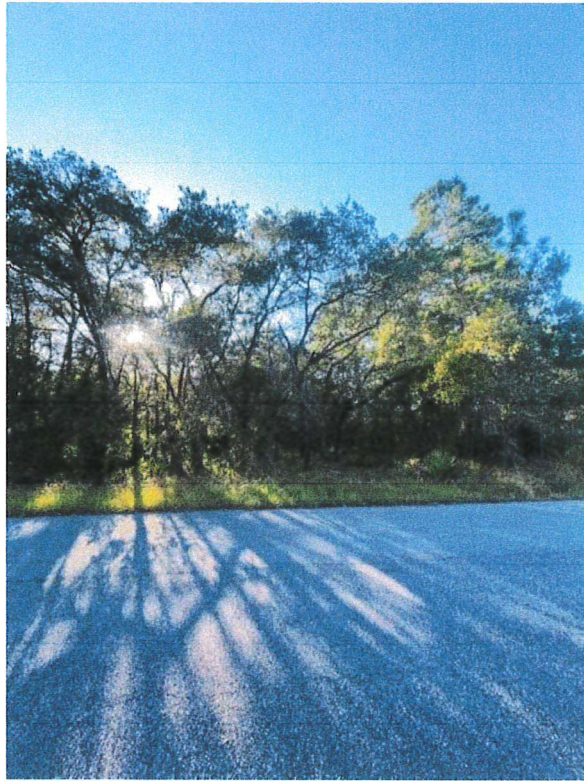


COMPARABLE NO. 4



Property Type:	Acreage Home Site
Date of Sale:	April 24, 2023
OR Book/Page:	4294/1018
Sale Price:	\$220,000
Gross SF:	418,176.00
Gross AC:	9.60
Price/Gross SF:	\$0.53
Price/Gross AC:	\$22,917

Location:	West side of Eakin Street and East side of Wimbleton Avenue North of Atlanta Avenue, Weeki Wachee, Hernando County, Florida
Tax Id No./Brief Legal:	103934/Portions of Section 6, Township 22 South, Range 18 East
Grantor:	Anthony Renna, Michael J Renna and Thomas Renna, individually and as trustees
Grantee:	Anthony J Qualtiere
Zoning/Land Use:	AR, Agricultural Residential
Terms:	Cash
Verification:	Anthony Kanaris, BHHS Florida Properties Group, MLS# W7852802, 352-585-3872, By: Bradley C. Page, MAI, October 2023
Highest & Best Use:	Development with a Single Family Home and agricultural uses
Property Description:	This property included a wooded parcel that fronts both Wimbleton Avenue and Eakin Road north of Atlanta Avenue. The property includes frontage of Eakin Street, a paved road, and Wimbleton Avenue, a dirt road. The property is heavily wooded, and is at road grade with gently rolling topography, and the elevation ranges from 21 to 31 feet. Well and septic are required. The entire property is in Flood Zone X.
Conditions of Sale:	Negotiated arm's length sale
Comments:	The asking price was \$225,000 and the property was on the market for 21 days before selling for \$220,000 or 98%.
Sale History 5 Years:	No arm's length transactions over the past five years



COMPARABLE NO. 5



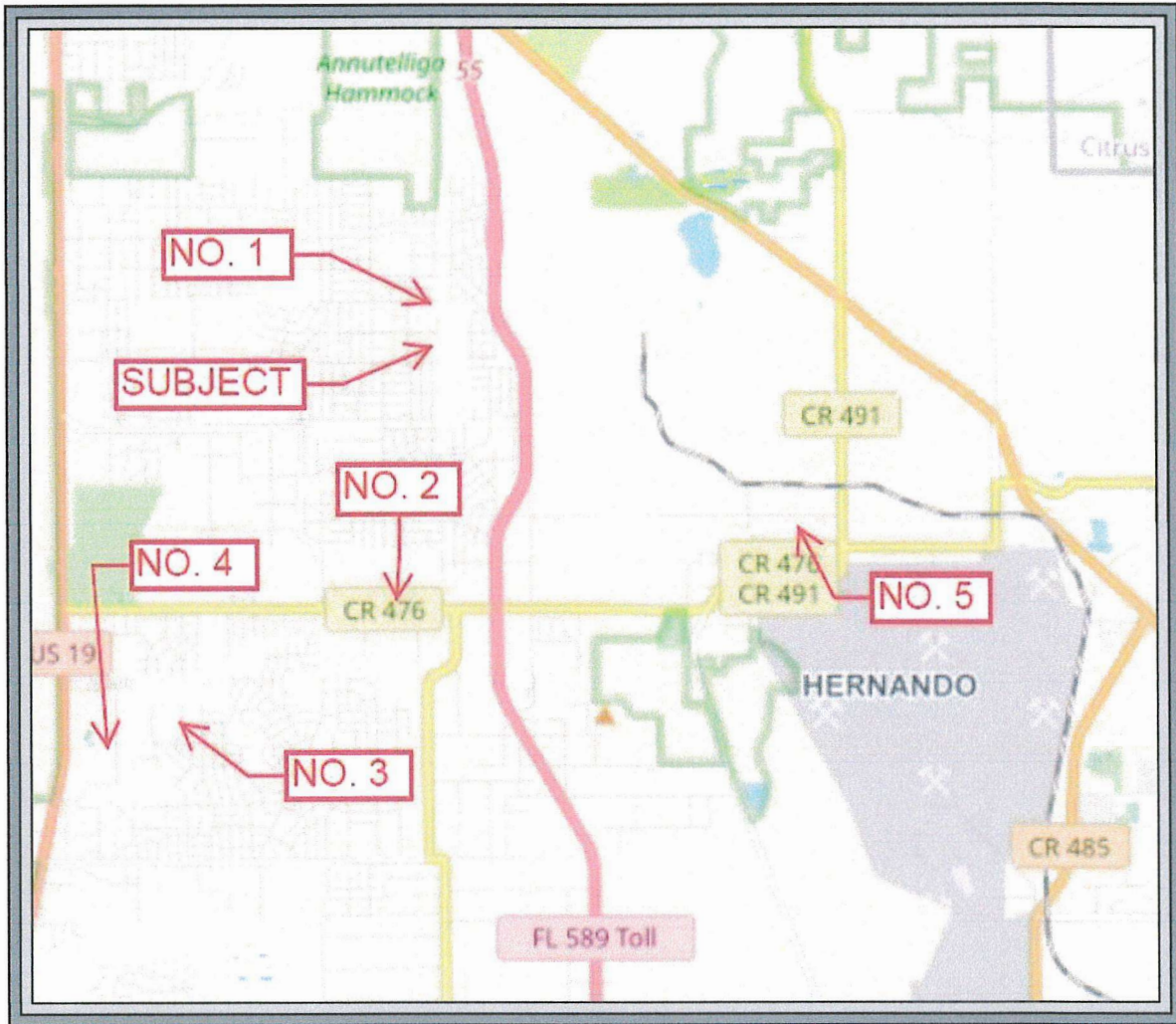
Property Type:	Acreage Home Site
Date of Sale:	April 17, 2023
OR Book/Page:	4286/1221
Sale Price:	\$150,000
Gross SF:	348,480.00
Gross AC:	8.00
Price/Gross SF:	\$0.43
Price/Gross AC:	\$18,750

Location:	South side of Budowski Road East of Brooksville Rock Road, Brooksville, Hernando County, Florida
Tax Id No./Brief Legal:	834002/Portions of Section 25, Township 21 South, Range 18 East
Grantor:	Betty J Dillon
Grantee:	Jeffery Hameroff and Savanna Rae Hameroff
Zoning/Land Use:	R1A, Residential
Terms:	Cash to seller with buyer obtaining Conventional financing
Verification:	Robb Harrison, Roberts Real Estate Inc, MLS# OM652384, 352-547-5762, By: Bradley C. Page, MAI, October 2023

Highest & Best Use:	Development with a Single Family Home
Property Description:	This property included a wooded parcel that has 60 feet of frontage on Budowski Road and is irregular in shape. The property is wooded with rolling topography. The majority of the property is in flood zone AE with areas of the southern portion of the site in flood zone X. The elevation ranges from 88 to 95 feet. Well and septic are required.
Conditions of Sale:	Negotiated arm's length sale
Comments:	The asking price was \$150,000 and the property was on the market for 15 days before selling for the asking price.
Sale History 5 Years:	No arm's length transactions over the past five years



Following is the comparable location map.



The sales used in this analysis are considered to be the most comparable and reflective sales available for comparison to the subject. The unit of comparison used in this analysis is the price per gross acre.

ELEMENTS OF COMPARISON

Property Rights - The comparables are all fee simple sales, and no adjustments are supported.

Financing - The sales are all cash or cash to seller sales, and no adjustments are required. No. 2 included a PMM with 20% down. The seller financing was at market interest rates and facilitated the sale.

Condition of Sale - The comparables all represented negotiated, arm's length transactions. Therefore, no adjustments were required.

Date of Sale - The comparables sold between April and July 2023 and are considered reflective of current market conditions. No date of sale adjustments are required.

In this case, quantitative adjustments are noted in the summary grid. After all comparisons have been made, quantitative adjustments are applied based on the market evidence.

Comparable No. 1 - This is a 2.31 acre property that is north of the subject. This is a platted lot that was acquired for residential development. The location is considered similar. The property is wooded like the subject and includes similar elevations. The property is 100% within flood zone AE while the subject includes flood zone X. This comparable has the highest indicator and even after size considerations, no flood zone adjustment is supported. The size is smaller at 2.31 acres and is superior. Based on comparison with the remaining comparables, a downward \$5,000 per acre adjustment is supported for this sale with upward adjustments supported for the larger properties. The subject is a long narrow property while the comparable has a more desirable shape. Based on comparison of Comparables No. 1 thru 4 with No. 5, a very irregular shaped property, a downward \$3,000 per acre adjustment is applied. The comparable's zoning is similar to the subject's. The FLUE is considered similar. Therefore, the zoning and land use are considered similar. This property includes no improvements and is considered similar to the subject. The adjusted indicator for this comparable is \$24,468 per gross acre.

Comparable No. 2 - This property fronts Centralia Road. Based on comparison with the remaining sales, this location on a main arterial for the area did not have an impact on the indicator, and the location is considered similar. The size is larger at 9.5 acres, yet is considered inferior. Based on comparison of No. 1, the smallest comparables with the remaining larger comparables, size adjustments are supported. An upward \$4,000 adjustment is applied. The shape is superior, and as discussed above, a downward adjustment is applied. The zoning is similar as is the land use, and the comparison is similar. The property has no improvements, and the comparison is similar. The comparable is within flood zone X, and is similar. The adjusted indicator for this sale is \$23,632 per gross acre.

Comparable No. 3 - This sale is a 9.5 acre property accessed by a private dirt road. The property sold in June and is a wooded acreage home site. Since the purchase, the buyer has installed fencing and gates. The location is similar to the subject's. The size, like No. 2, is inferior, and the comparable is adjusted upward. The shape is superior, and a downward adjustment is made as discussed above. The zoning, improvements and flood plain are all considered similar. The adjusted indicator per gross acre is \$32,568.

Comparable No. 4 - This property is located on a paved road and a dirt road to the east of No. 3. The properties are similar in size, yet No. 3, on a private dirt road has a much higher indicator than this property on both a dirt road and a paved road. The location is considered similar. The size is considered superior and adjusted upward as discussed above. The downward shape adjustment is applied as this property is superior. The zoning, improvements and flood plain are all similar. The adjusted indicator is \$23,917 per gross acre.

Comparable No. 5 - This property is located east of the subject on Budowski Road. The location is considered similar. This property's size at 8 acres is inferior, and the comparable is adjusted upward. This property has 60 feet of road frontage and is very irregular in shape. Its shape is considered similar to the subject's long narrow shape. The zoning and future land use are similar. There are no improvements and the comparison is similar. This property includes areas inside and outside the 100 year flood plain and is considered similar to the subject. The adjusted indicator for this sale is \$22,750 per gross acre.

A summary of the comparables and their comparison to the subject is as follows:

Summary and Adjustment Table

Comp No.	1	2	3	4	5
Date of Sale	Apr-23	Jul-23	Jun-23	Apr-23	Apr-23
Sale Price	\$75,000	\$215,000	\$299,900	\$220,000	\$150,000
Adjustment to Normalize	\$0	\$0	\$0	\$0	\$0
Normalized Price	\$75,000	\$215,000	\$299,900	\$220,000	\$150,000
Size AC	2.31	9.5	9.5	9.6	8.0
Price/AC	\$32,468	\$22,632	\$31,568	\$22,917	\$18,750
Location	+0	+0	+0	+0	+0
Size	-5,000	+4,000	+4,000	+4,000	+4,000
Shape	-3,000	-3,000	-3,000	-3,000	+0
Zoning/FLUE	+0	+0	+0	+0	+0
Improvements	+0	+0	+0	+0	+0
Flood Plain/Wetlands	+0	+0	+0	+0	+0
Adjusted \$/AC	\$24,468	\$23,632	\$32,568	\$23,917	\$22,750

After all adjustments, the range of indicators supported by the sales is from a low of \$22,750 per acre to a high of \$32,568 per gross acre. In the final analysis, Comparable No. 3 is considered an outlier and is given the least weight as its indicator is much higher than the remaining comparables. The upper end of the range supported by the remaining comparables is \$24,468 per gross acre. The remaining sales each have their own merit and are given equal weight. Therefore, \$24,000 per gross acre is the appropriate indicator for the subject. The unencumbered Market Value as of October 6, 2023 is as follows:

Site Size (AC)		Price \$/AC		Market Value
4.26	x	\$24,000	=	\$102,240
			(RD)	\$100,000

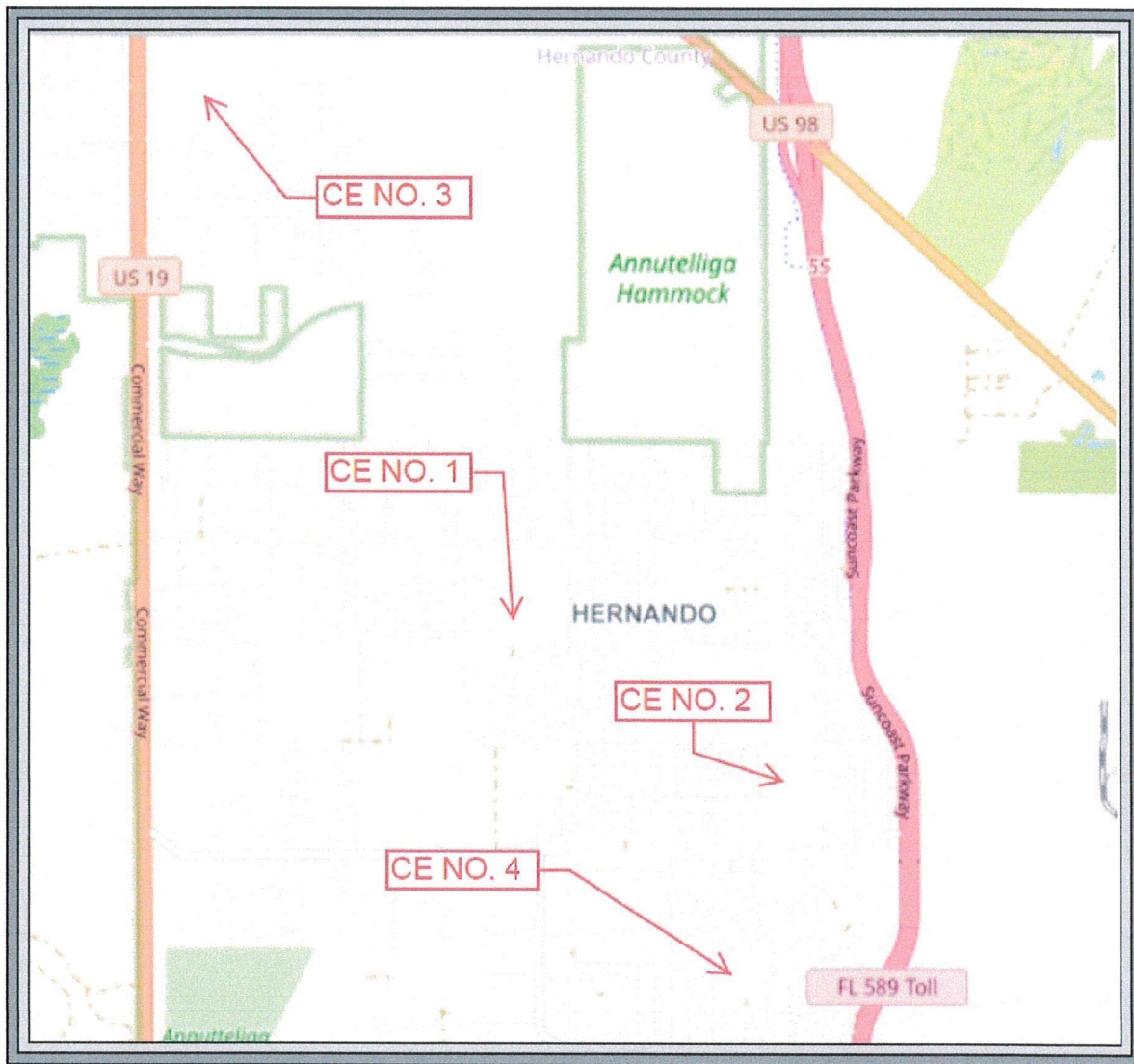
The conclusion of \$100,000 is for the fee simple interest in the subject. The problem being addressed is the value of the subject as if encumbered by the proposed deed restriction. Therefore, further analysis is required. The most recent transfers of properties subject to conservation easements and their factors based on fee simple sales are presented in the following summary table.

Recent Sales of Properties Subject to Conservation Easements

Comp No.	1	2	3	4
Date of Sale	Dec-21	Mar-22	Mar-22	Dec-22
Sale Price	\$129,900	\$500,250	\$718,750	\$220,000
Adjustment to Normalize	\$0	\$0	\$0	\$0
Normalized Price	\$129,900	\$500,250	\$718,750	\$220,000
Size AC	15.87	110.67	151.49	40.00
Price/AC	\$8,185	\$4,520	\$4,745	\$5,500
Fee Simple Indicator	\$16,000	\$13,000	\$13,000	\$12,950
FACTOR	51.16%	34.77%	36.50%	42.47%

The fee simple indicators for comparison are based on the market sales included herein as well as well as the sales found in the previous appraisal of the conservation easement properties with the client and intended user of this report being familiar with the comparables.

A location map for the conservation easement properties follows:



The comparables include No. 1, a property that was purchased by an individual for a home site and recreational uses with a factor of over 51% to three sites that were acquired for gopher tortoise mitigation sites with factors that range from 34.77 to 42.47% of the fee indicator estimates. The gopher mitigation sites have no residential motivation. The subject is a property that cannot be a home site as encumbered. Based on the data, the appropriate factor to be applied to the fee simple indication of value is 38%. Therefore, the market value of the subject as if encumbered by the proposed conservation easement is as follows:

Site Size (AC)		Price \$/AC		Market Value
4.26	x	\$24,000	=	\$102,240
Factor		38%		38%
4.26	x	\$9,120	=	\$38,851
			(RD)	\$39,000

Based on the data and analysis, the market value of the subject as if encumbered by the proposed deed restriction is \$39,000.

RECONCILIATION AND FINAL VALUE CONCLUSION

A review of the value conclusion for the subject property indicated by the Sales Comparison Approach is as follows:

Sales Comparison Approach	\$39,000
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SALES COMPARISON APPROACH - This approach is centered around a good deal of pertinent data relative to transactions involving similar properties in the northwestern Hernando County market area. This approach represents the actions of buyers and sellers and is the method that is considered the most appropriate in the valuation of vacant land. The analysis considers recent purchases of properties encumbered by conservation easements to establish the appropriate factor to be applied to the fee simple indicator for the analysis of the subject. This approach represents the best available data for comparison and analysis for the subject.

After careful consideration to all of the known factors and influences that could affect the valuation of the subject, it is my opinion that the Market Value as if encumbered by the proposed deed restriction as of October 6, 2023 is:

MARKET VALUE AS IF ENCUMBERED BY DEED RESTRICTION - \$39,000

Based upon my conversation with local brokers and the data for the comparables ranging from of 16 to 307 days on market, it is my opinion that the exposure time associated with the market value conclusion is six months. Further, it is my opinion that this reflects both the exposure time as well as the appropriate marketing time for the subject. There is no allocation to improvements for the subject.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- I have performed an appraisal regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to accept this assignment.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- This appraisal report complies with the Southwest Florida Management District's Minimum Appraisal Requirements.
- As of the date of this report, Bradley C. Page, MAI, IFA has met the requirements of the continuing education program of the Appraisal Institute, as well as certification by the State of Florida's Department of Business and Professional Regulation.
- My opinion of the value of the property described herein is certified as of October 6, 2023 to be:

MARKET VALUE - \$39,000

The property is appraised based on the hypothetical condition it is encumbered by a deed restriction.

Reviewed/Inspected by:

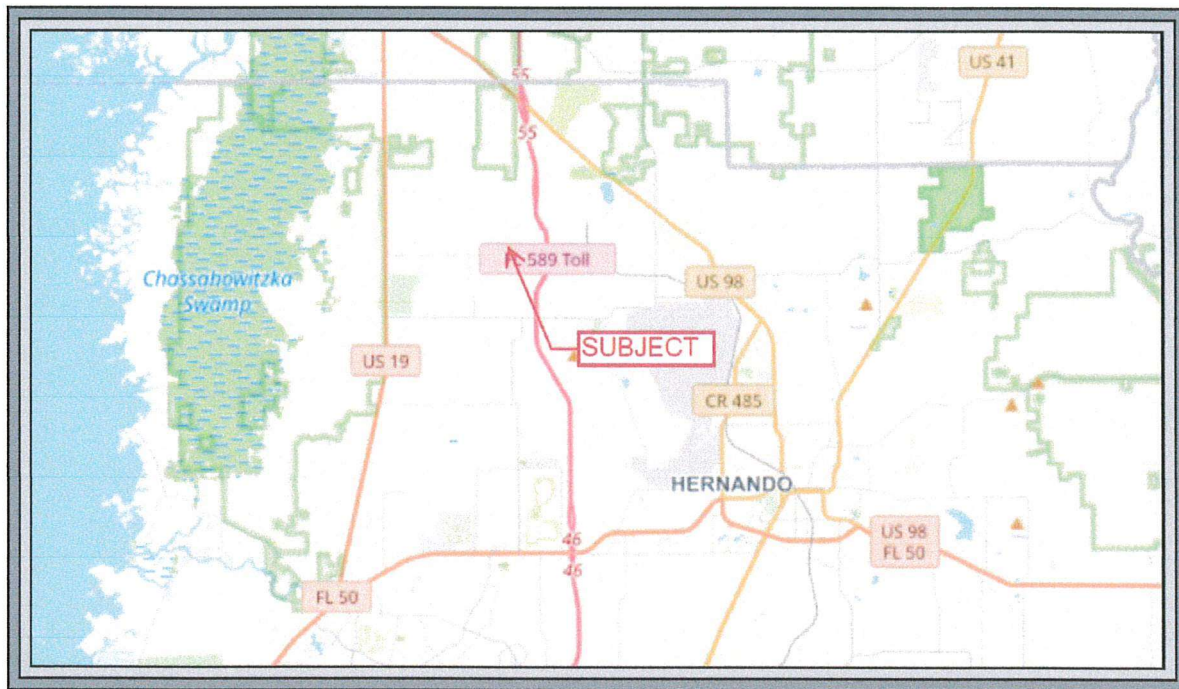


Bradley C. Page, MAI
Certificate No. 10,521
President
State-Certified General Real Estate Appraiser
RZ1535

PART FIVE - ADDENDA

NEIGHBORHOOD/REGIONAL AREA ANALYSIS

The subject property is located in the Annuteliga Hammock area of Northwestern Hernando County. The subject is located at the eastern end of Snowy Plover Avenue east of Dusky Warbler Road. Following is a location map for the subject.



The subject consists of a vacant 4.26 acre site that is currently owned by SWFWMD. The subject is a surplus parcel that is to be sold subject to a proposed deed restriction. The subject area is known as Weeki Wachee, and the neighborhood boundaries include Cortez Road to the south, Commercial Way, US Highway 19 to the west, Citrus Way to the East and the Hernando/Citrus county line to the north. U.S. Highway 19 and the Suncoast Parkway are the primary north south corridors. Cortez Road, Centralia Way are the primary east/west corridors. The closest commercial support uses for the subject include Dollar General, Family Dollar, a Publix Anchored Shopping along Commercial Way and a Winn Dixie Anchored shopping center at the corner of Cortez Road and Commercial Way. Newer middle and High Schools have been developed along Commercial Way in the neighborhood.

Natural features of the subject area include the Chasahowitzka River with the Chasahowitzka Wildlife Refuge located to the west of Commercial Way. The Withlacoochee State Forest is in the north and western portions of the neighborhood. The subject's more immediate area is dominated by the Royal Highlands subdivisions and several small subdivisions. These include thousands of platted ½ and 1.0 acre and larger lots. These lots had been acquired by the thousands to connect the

NEIGHBORHOOD/AREA ANALYSIS (CONTINUED)

Chasahowitzka Wildlife area to the Withlacoochee State Forest; however, the latest boom cycles saw demand for new home development on these lots at record rates. Many of the lots owned for conservation are now being sold with restrictions rather than being held by the government for preservation.

Homes development and sales have been very active in the area. The following statistics are from the Stellar MLS Matrix service over the last 180 days.

Market Analysis

Minimum, Maximum, Average, & Median statistics results are calculated by column, not by row.

Status: Active (32)

	Beds	Baths	SqFt Heated	List Price	LP / SqFt	Close Price	SP / SqFt	Days to Contract	Days To Close	ADOM	CDOM	SP/LP Ratio
Min	2	2	1,056	\$225,000	\$127.33	-	-	-	-	6	6	-
Max	6	5	4,060	\$609,999	\$312.44	-	-	-	-	314	314	-
Avg	4	2	1,983	\$404,656	\$208.23	-	-	-	-	90	90	-
Median	3	2	1,894	\$384,990	\$204.26	-	-	-	-	28	28	-

Status: Pending (12)

	Beds	Baths	SqFt Heated	List Price	LP / SqFt	Close Price	SP / SqFt	Days to Contract	Days To Close	ADOM	CDOM	SP/LP Ratio
Min	3	2	1,379	\$291,990	\$130.85	-	-	5	-	5	5	-
Max	4	3	3,029	\$549,000	\$282.74	-	-	283	-	282	282	-
Avg	4	2	1,997	\$398,565	\$203.14	-	-	106	-	98	98	-
Median	4	2	2,113	\$409,450	\$202.82	-	-	96	-	89	89	-

Status: Sold (74)

	Beds	Baths	SqFt Heated	List Price	LP / SqFt	Close Price	SP / SqFt	Days to Contract	Days To Close	ADOM	CDOM	SP/LP Ratio
Min	2	1	864	\$185,000	\$122.27	\$175,000	\$115.91	-761	-	-	-	.88
Max	7	5	4,082	\$650,000	\$274.60	\$605,000	\$268.41	228	286	221	221	1.05
Avg	4	2	1,862	\$356,020	\$194.00	\$351,137	\$191.54	29	100	45	52	.99
Median	3	2	1,847	\$346,200	\$191.25	\$344,000	\$188.81	23	82	17	28	1

Status: All (118)

	Beds	Baths	SqFt Heated	List Price	LP / SqFt	Close Price	SP / SqFt	Days to Contract	Days To Close	ADOM	CDOM	SP/LP Ratio
Min	2	1	864	\$185,000	\$122.27	\$175,000	\$115.91	-761	-	-	-	.88
Max	7	5	4,082	\$650,000	\$312.44	\$605,000	\$268.41	283	286	314	314	1.05
Avg	4	2	1,908	\$373,231	\$198.79	\$351,137	\$191.54	40	100	62	67	.99
Median	3	2	1,887	\$357,000	\$199.73	\$344,000	\$188.81	30	82	29	30	1

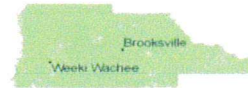
The lowest home price was \$175,000 while the highest sale was \$605,000 for closed sales. This compares with the minimum asking price of \$225,000, pending asking price of \$291,990 and highest listing price of \$609,990 and highest pending asking price of \$650,000. The average days to close for sold properties was 100 with the median being 82 days.

The Suncoast Parkway has been extended further north to SR 44 and connects the subject area to the north and south to include facilitating access to employment areas in Tampa. The area to the east of the subject neighborhood is dominated by mining operations along Citrus Way, Highway 98 and Lake Lindsey Road.

The demographics for the larger Hernando County follow:

Hernando County

Florida's 27th most populous county
with 0.9% of Florida's population



Population

Census Population	Hernando County	Florida
1980 Census	44,469	9,746,961
1990 Census	101,115	12,938,071
2000 Census	130,802	15,982,824
2010 Census	172,778	18,801,332
2020 Census	194,515	21,538,187
% change 2010-2020	12.6%	14.6%
Age		
% Under 18 years of age	18.4%	19.5%
Race (alone) & Ethnicity		
% Not Hispanic-White	74.1%	51.5%
% Not Hispanic-Black or African American	4.9%	14.5%
% Not Hispanic-American Indian and Alaska Native	0.3%	0.2%
% Not Hispanic-Asian	1.3%	2.9%
% Not Hispanic-Native Hawaiian and Other Pacific Islander	0.0%	0.1%
% Not Hispanic-Some Other Race	0.4%	0.6%
% Not Hispanic-Two or More Races	4.0%	3.7%
% Hispanic or Latino (of any race)	14.9%	26.5%

Real Gross Domestic Product

Real GDP (Thousands of Chained 2012 Dollars)	Hernando County	Florida
2015 GDP	3,473,046	852,242,411
Percent of the State	0.4%	
2016 GDP	3,541,729	881,539,238
Percent of the State	0.4%	
2017 GDP	3,689,479	912,687,386
Percent of the State	0.4%	
2018 GDP	3,898,798	941,626,696
Percent of the State	0.4%	
2019 GDP	3,946,336	965,672,478
Percent of the State	0.4%	
2020 GDP	3,996,594	950,164,387
Percent of the State	0.4%	
2021 GDP	4,298,015	1,029,575,591
Percent of the State	0.4%	

Population by Housing Type

	Hernando County	Florida
Household Population	192,398	21,073,604
Household Population per Occupied Housing Unit	2.41	2.47
Group Quarters Population	2,117	464,583

Population Estimates

	Hernando County	Florida
2021 Estimate	196,540	21,898,945
% change 2020-2021	1.0%	1.7%
2022 Estimate	199,207	22,276,132
% change 2020-2022	2.4%	3.4%
Based on 2022 Estimate		
2025	206,810	23,218,811
2030	217,516	24,588,452
2035	226,396	25,675,568
2040	233,499	26,537,878
2045	239,289	27,270,041
2050	244,492	27,953,598

Housing

Housing Counts	Hernando County	Florida
Housing units, 2020 Census	89,165	9,865,350
Occupied	79,773	8,529,067
Vacant	9,392	1,336,283

Building Permits

Units Permitted	Hernando County	Florida
2000	1,326	155,269
2010	242	38,679
2020	1,100	164,074
2021	1,905	213,494
2022	1,786	211,962

Population Characteristics

	Hernando County	Florida
Language spoken at home other than English		
Persons aged 5 and over	11.7%	29.8%
Place of birth		
Foreign born	7.2%	21.0%
Veteran status		
Civilian population 18 and over	12.0%	8.2%

Density

Persons per square mile	Hernando County	Florida
2000	273.5	296.4
2010	365.6	350.6
2020	411.3	401.4
2022	415.5	408.2

Migration

Residence 1 Year Ago	Hernando County	Florida
Persons aged 1 and over		
Same house	86.7%	85.2%
Different house in the U.S.	13.0%	13.8%
Same county in Florida	4.9%	7.9%
Different county in Florida	5.0%	3.1%
Different county in another state	3.1%	2.9%
Abroad	0.4%	0.9%

Households and Family Households

Households	Hernando County	Florida
Total households, 2000 Census	55,425	6,338,075
Family households, 2000 Census	40,019	4,210,760
% with own children under 18	30.1%	42.3%
Total households, 2010 Census	71,745	7,420,802
Family households, 2010 Census	49,313	4,835,475
% with own children under 18	32.6%	40.0%
Average Household Size, 2010 Census	2.38	2.48
Average Family Size, 2010 Census	2.82	3.01

According to Census definitions, a household includes all of the people who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated people who share living quarters. A family includes a householder and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption.
Census counts may be corrected for Census Count Question Resolution (CCQR).

Employment and Labor Force

Establishments

2021

	Hernando County	Florida
All Industries	4,234	820,313
Natural Resource & Mining	42	5,545
Construction	586	78,395
Manufacturing	125	22,795
Trade, Transportation and Utilities	806	151,294
Information	65	16,928
Financial Activities	425	89,810
Professional & Business Services	794	205,628
Education & Health Services	616	92,489
Leisure and Hospitality	374	63,682
Other Services	286	57,817
Government	49	5,893

Average Annual Employment

% of All Industries, 2021

	Hernando County	Florida
All Industries	45,717	8,859,818
Natural Resource & Mining	0.4%	0.8%
Construction	7.1%	6.5%
Manufacturing	5.0%	4.4%
Trade, Transportation and Utilities	23.9%	20.7%
Information	0.7%	1.6%
Financial Activities	3.0%	6.9%
Professional & Business Services	9.4%	16.5%
Education & Health Services	21.6%	15.0%
Leisure and Hospitality	13.3%	12.7%
Other Services	3.1%	3.0%
Government	12.4%	11.8%

Industries may not add to the total due to confidentiality and unclassified.

Labor Force as Percent of Population

Aged 18 and Older

	Hernando County	Florida
2000	47.2%	64.2%
2010	47.5%	61.8%
2020	45.8%	58.7%
2021	46.0%	59.3%
2022	47.3%	60.6%

Establishments

% of All Industries, 2021

	Hernando County	Florida
All Industries	4,234	820,313
Natural Resource & Mining	1.0%	0.7%
Construction	13.8%	9.6%
Manufacturing	3.0%	2.8%
Trade, Transportation and Utilities	19.0%	18.4%
Information	1.5%	2.1%
Financial Activities	10.0%	10.9%
Professional & Business Services	18.8%	25.1%
Education & Health Services	14.5%	11.3%
Leisure and Hospitality	8.8%	7.8%
Other Services	6.8%	7.0%
Government	1.2%	0.7%

Average Annual Wage

2021

	Hernando County	Florida
All Industries	\$43,331	\$60,299
Natural Resource & Mining	\$33,864	\$42,128
Construction	\$43,291	\$59,088
Manufacturing	\$53,018	\$69,997
Trade, Transportation and Utilities	\$37,873	\$53,762
Information	\$50,716	\$104,461
Financial Activities	\$57,377	\$93,945
Professional & Business Services	\$46,974	\$74,787
Education & Health Services	\$54,625	\$59,043
Leisure and Hospitality	\$20,535	\$31,029
Other Services	\$31,182	\$44,107
Government	\$51,426	\$61,210

Income and Financial Health

Personal Income (\$000s)

	Hernando County	Florida
2000	\$3,161,915	\$472,851,789
2010	\$5,319,870	\$732,457,478
% change 2000-2010	68.2%	54.9%
2020	\$8,325,700	\$1,235,793,410
% change 2010-2020	56.5%	68.7%
2021	\$9,245,435	\$1,356,318,587
% change 2020-2021	11.0%	9.8%

Earnings by Place of Work (\$000s)

	Hernando County	Florida
2000	\$1,155,109	\$308,751,767
2010	\$1,776,848	\$438,983,914
% change 2000-2010	53.8%	42.2%
2020	\$2,769,769	\$686,243,741
% change 2010-2020	55.9%	56.3%
2021	\$3,056,472	\$764,483,116
% change 2020-2021	10.4%	11.4%

Workers Aged 16 and Over

	Hernando County	Florida
Place of Work in Florida		
Worked outside county of residence	35.4%	17.8%
Travel Time to Work		
Mean travel time to work (minutes)	29.4	27.9

Per Capita Personal Income

	Hernando County	Florida
2000	\$24,065	\$29,466
2010	\$30,767	\$38,872
% change 2000-2010	27.8%	31.9%
2020	\$42,585	\$57,292
% change 2010-2020	38.4%	47.4%
2021	\$46,080	\$62,270
% change 2020-2021	8.2%	8.7%

Median Income

	Hernando County	Florida
Median Household Income	\$53,301	\$61,777
Median Family Income	\$62,450	\$74,237

Percent in Poverty, 2021

	Hernando County	Florida
All ages in poverty	12.0%	13.2%
Under age 18 in poverty	18.0%	18.4%
Related children age 5-17 in families in poverty	17.5%	17.5%

Personal Bankruptcy Filing Rate

	Hernando County	Florida
(per 1,000 population)		
12-Month Period Ending December 31, 2021	1.85	1.38
12-Month Period Ending December 31, 2022	1.24	1.10
State Rank	5	NA

NonBusiness Chapter 7 & Chapter 13

Reported County Government Revenues and Expenditures

Revenue 2020-21	Hernando County	Florida*	Expenditures 2020-21	Hernando County	Florida*
Total - All Revenue Account Codes (\$000s)	\$495,278.7	\$81,512,347.2	Total - All Expenditure Account Codes (\$000s)	\$446,095.19	\$77,064,319.71
Per Capita \$	\$2,519.99	\$3,903.45	Per Capita \$	\$2,269.74	\$3,690.44
% of Total	100.0%	100.0%	% of Total	100.0%	100.0%
Taxes (\$000s)	\$108,088.1	\$28,700,395.9	General Government Services** (\$000s)	\$183,577.28	\$30,930,327.83
Per Capita \$	\$549.95	\$1,374.40	Per Capita \$	\$934.05	\$1,481.19
% of Total	21.8%	35.2%	% of Total	41.2%	40.1%
Permits, Fee, and Special Assessments (\$000s)	\$61,741.8	\$3,079,751.7	Public Safety (\$000s)	\$112,253.21	\$13,640,661.35
Per Capita \$	\$314.14	\$147.48	Per Capita \$	\$571.15	\$653.22
% of Total	12.5%	3.8%	% of Total	25.2%	17.7%
Intergovernmental Revenues (\$000s)	\$40,671.5	\$9,164,789.4	Physical Environment (\$000s)	\$52,239.25	\$5,265,524.83
Per Capita \$	\$206.94	\$438.88	Per Capita \$	\$265.79	\$252.15
% of Total	8.2%	11.2%	% of Total	11.7%	6.8%
Charges for Services (\$000s)	\$228,999.5	\$23,760,013.8	Transportation (\$000s)	\$32,043.54	\$5,650,946.87
Per Capita \$	\$1,165.15	\$1,137.82	Per Capita \$	\$163.04	\$270.61
% of Total	46.2%	29.1%	% of Total	7.2%	7.3%
Judgments, Fines, and Forfeits (\$000s)	\$1,764.4	\$338,738.4	Economic Environment (\$000s)	\$5,956.82	\$1,975,239.15
Per Capita \$	\$8.98	\$16.22	Per Capita \$	\$30.31	\$94.59
% of Total	0.4%	0.4%	% of Total	1.3%	2.6%
Miscellaneous Revenues (\$000s)	\$11,416.7	\$4,467,076.4	Human Services (\$000s)	\$7,676.48	\$4,694,300.07
Per Capita \$	\$58.09	\$213.92	Per Capita \$	\$39.06	\$224.80
% of Total	2.3%	5.5%	% of Total	1.7%	6.1%
Other Sources (\$000s)	\$42,596.8	\$12,001,581.6	Culture / Recreation (\$000s)	\$17,163.64	\$1,794,823.73
Per Capita \$	\$216.73	\$574.73	Per Capita \$	\$87.28	\$85.95
% of Total	8.6%	14.7%	% of Total	3.8%	2.3%
			Other Uses and Non-Operating (\$000s)	\$20,278.44	\$10,103,703.21
			Per Capita \$	\$103.18	\$483.84
			% of Total	4.5%	13.1%
			Court-Related Expenditures (\$000s)	\$14,916.54	\$3,008,792.67
			Per Capita \$	\$75.90	\$144.08
			% of Total	3.3%	3.9%

* All County Governments Except Duval - The consolidated City of Jacksonville / Duval County figures are included in municipal totals rather than county government totals.

** (Not Court-Related)

Quality of Life

	Hernando County	Florida
Crime		
Crime rate, 2020 (Index crimes per 100,000 population)	1,449.1	2,158.0
Admissions to prison FY 2021-22	332	25,362
Admissions to prison per 100,000 population FY 2021-22	166.7	113.9

State Infrastructure

	Hernando County	Florida
Transportation		
State Highway		
Centerline Miles	124.8	12,123.4
Lane Miles	478.2	45,337.5
State Bridges		
Number	37	7,079

State Facilities

Buildings/Facilities (min. 300 Square Feet)		
Number	151	9,426
Square Footage	519,191	65,539,144

Conservation Land (land acres only)

State-Owned (includes partially-owned)	80,416	5,689,323
% of Total Conservation Land (CL)	92.0%	54.9%
% of Total Area Land	26.6%	16.6%
% of Florida State-Owned CL	1.4%	

Health Insurance Status

	Hernando County	Florida
Percent Insured by Age Group		
Under 65 years	84.3%	84.5%
Under 19 years	93.9%	93.0%
18 to 64 years	81.0%	81.6%

State and Local Taxation

	Hernando County	Florida
2022		
County	7.9105	1.0239
School	6.5250	
Municipal		0.2766
Special Districts	0.2260	

*MSTU included in Not County-Wide "County" category

Education

	Hernando County	Florida
Public Education Schools		
Traditional Setting (2022-23)		
Total (state total includes special districts)	26	3,780
Elementary	11	1,878
Middle	6	569
Senior High	5	725
Combination	4	608

Educational attainment

	Hernando County	Florida
Persons aged 25 and older		
% HS graduate or higher	89.0%	89.0%
% bachelor's degree or higher	19.4%	31.5%

Prepared by:
Florida Legislature
Office of Economic and Demographic Research
111 W. Madison Street, Suite 574
Tallahassee, FL 32399-6588
(850) 487-1402 <http://edr.state.fl.us>



June 2023

PRINCIPLES AND TERMINOLOGY USED IN THIS REPORT

Fee Simple Estate - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

According to USPAP 2020-21, Market Value is defined as follows:

Market Value: a type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in the appraisal.

The conditions relative to the opinion of Market Value considered in this appraisal are as follows:

Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition complies with Sections 12CFR Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994.

The previous definitions were taken from The Dictionary of Real Estate, 5th edition, The Appraisal of Real Estate, 14th edition, and The Uniform Standards of Professional Appraisal Practice 2020-21.

QUALIFICATIONS OF THE APPRAISER

QUALIFICATIONS

Bradley C. Page, MAI

EDUCATION:

Graduate of University of West Florida, Pensacola, Florida
Bachelor of Science Degree

PROFESSIONAL AFFILIATIONS:

- MAI - Member of Appraisal Institute, Member Number 10,521
- State-Certified General Appraiser, State of Florida RZ 0001535
- Associate Instructor for the Appraisal Institute
- Broker's License, State of Florida BK 0541288
- Charter Member of the New Tampa Rotary Club

EXPERT WITNESS TESTIMONY

- Hillsborough County Court
- Pasco County Court
- Sarasota County Court
- Federal Bankruptcy Court
- Federal Tax Court

PROFESSIONAL EDUCATION:

College Courses

- Real Estate Law
- Real Estate Investment Analysis
- Real Estate Marketing

Courses completed under the direction of the Appraisal Institute:

- Real Estate Principles, 1A1
- Standards of Professional Appraisal Practice - Part A
- Standards of Professional Appraisal Practice - Part B
- Basic Valuation Procedures, 1A2
- Capitalization & Theory Techniques Part A
- Capitalization & Theory Techniques Part B
- Case Studies in Real Estate Valuation, 2-1
- Report Writing and Valuation Analysis, 2-2
- Uniform Standards of Professional Appraisal Practice
- Business Practices and Ethics

Seminars

- Maximizing the "Value" of an Appraisal Practice
- The Comprehensive Appraisal Workshop
- Fair Lending and The Appraiser
- The Internet and Appraising
- Tree Trunk Formula
- USPAP/Core Law Update for Appraisers
- Data Confirmation &
- Appraisal Consultation

- Real Estate Investment Analysis
- Real Estate Brokerage/Management
- Condemnation Appraising - Basic Principles & Applications
- Condemnation Appraising - Advanced Topics & Applications
- PLAM Seminars sponsored by FDEP
- Attacking & Defending an Appraisal in Litigation
- Conservation Easements
- GIS Mapping and Valuation Tools
- Instructor Leadership & Development Conference

PROFESSIONAL EXPERIENCE:

Currently, President of Valuation Advisors
 Senior Appraiser with Trigg, Catlett & Associates, Tampa, Florida
 Researcher with M. Eugene Presley, MAI & Associates, Inc., Pensacola Florida

TYPE OF APPRAISALS:

Less Than Fee Appraisals, Conservation Easements, Remainder Interests, Appraisals for Litigation Issues including Eminent Domain, Title Issues, Bankruptcy, Partnership disputes, Appraisals for Estate Planning and IRS disputes to include minority interest analysis, Appraisal of Spring Influenced and Watershed Protection Properties, Appraisal of Mines and Properties with Mineral Reserves, Apartment Complexes, Hotels/Resorts, Acreage Tracts Including Ranches and Development Properties, Industrial Buildings, Commercial Buildings, Day Cares, Warehouses, Large Manufacturing Facilities, Leased Fee Interests, Leasehold Interest, Vacant Land, Office Buildings, Condominiums, Private Schools, Stand Alone Retail Buildings, Shopping Centers, Cold Storage Facilities, Subdivision Developments Including the Analysis of a Community Development District Interest, Restaurants, Residential Properties, and Appraisal Reviews

CONSULTATIONS:

Analysis of Internal Rate of Return for Investments, Highest and Best Use Studies, and Specialized Market Studies to Include Market Surveys, as well as Analysis of Value Impacting Issues Ranging from Special Investor Criteria to Impacts of External Factors on Existing Properties

PURCHASE ORDER

PURCHASE ORDER



SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

VENDOR CONTACT: Bradley Page, President
813-333-5817
VENDOR: PAGE REALTY ADVISORS, INC.
16057 Tampa Palms Blvd., #355
Tampa FL 33647

PURCHASE ORDER NUMBER:
23PO0000533

Modification Number:

ORDER TOTAL: \$4,000.00

ORDER DATE: 09/18/23

EXPIRATION DATE: 11/30/23

SHIP To: Real Estate Services
Amy Foxson
2379 Broad Street
Building 6
Brooksville, FL 34604-6899

BILL To: Accounts Payable
P.O. Box 15436
Brooksville, Florida 34604-5436
Or Email to: invoices@watermatters.org

PROCUREMENT

DEPT. CONTACT: Allison Mavor
352-448-6003, ext.

CONTACT: Melodie Miler
352-231-8404, ext.

FOB: FOB Dest, Freight Allowed

Delivery Hours: Monday through Friday 9:00 a.m.-12:00 p.m./12:30 p.m.-3:30 p.m.

Shipping Instructions: The Purchase Order number must appear on all packages, packing lists, invoices, and correspondence.

COMMODITY / SERVICE INFORMATION

Line	Quantity	UOM	Unit Price	Service Amount	Line Total
1	0.00		\$0.00	\$4,000.00	\$4,000.00

RFQ Title: Annutteliga Hammock Surplus Project - AH2 / Appraisal Reports on SWFWMD parcels: 15-228-1355S and 15-228-1358S signed and dated 09/01/2023.

Appraisal reports on Annutteliga Hammock SWF Parcel Nos. 15-228-1355S and 15-228-1358S. Appraisal reports may be on a standard form report with any Addenda you believe is necessary. Each report must include write-ups of each sale utilized. The report is expected to comply with District Minimum Appraisal Standards and with the Uniform Standards of Professional Appraisal Practice (USPAP).

- Appraisal Restricted Acreage: 2 @ \$2,000.00 = \$4,000.00

This purchase order is in accordance with the Southwest Florida Water Management District PO Terms and Conditions, and Addendum to PO Terms and Conditions.

PO Total: \$4,000.00

BILLING INSTRUCTIONS

1. STATE SALES TAX EXEMPTION NO. 85-8013700387C-6
2. All vendors are encouraged to authorize the District to send payments electronically. To request payments via ACH, please send the request via email to VendorRegistration@WaterMatters.org.

VENDOR ACKNOWLEDGMENT AND INSTRUCTIONS

The Vendor acknowledges that terms and conditions have been read and agreed upon per this Purchase Order, including those printed on the attached Terms and Conditions page. BY ACCEPTANCE OF THIS PURCHASE ORDER YOU GUARANTEE THAT AS A VENDOR SERVING THE DISTRICT, YOU WILL PERFORM YOUR OBLIGATIONS UNDER THIS PURCHASE ORDER IN ACCORDANCE WITH ALL APPLICABLE STATE AND FEDERAL LAWS INCLUDING, BUT NOT LIMITED TO, THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA).

Authorized Signature

Georgia D. Hudson

Page Number: 1 of 3
Date Printed: September 19, 2023

PURCHASE ORDER TERMS AND CONDITIONS

This Purchase Order issued by the Southwest Florida Water Management District (District) constitutes a binding contract under the terms and conditions contained herein and on attachments hereto when accepted by the Vendor/Contractor named on this Purchase Order, either by acknowledgement or by shipment or by commencement of work.

1. Vendor/Contractor will allow public access to documents and materials made or received by Vendor/Contractor in connection with this transaction in accordance with the Public Records Act, Chapter 119, Florida Statutes (F.S.).
2. All invoices must include this Purchase Order number and be mailed to the "Bill To" address on the face of this Purchase Order. Payment will be made in accordance with the Local Government Prompt Payment Act, Part VII of Chapter 218, F.S. The District's payment and performance under this Purchase Order are contingent upon the District's Governing Board appropriating funds.
3. Time is of the essence. This Purchase Order may be terminated by the District without cause by providing ten (10) days written notice to the Vendor/Contractor. If Vendor/Contractor fails to comply with any provision of this Purchase Order, the District will provide Vendor/Contractor with written notice of default and Vendor/Contractor will have ten (10) calendar days, or such other time as stated in the notice, to cure the default. If the default is not cured within the stated timeframe, this Purchase Order will terminate and the District will be entitled to recover re-procurement costs, attorneys' fees and costs, and any other expenses and costs incurred by the District. The District reserves the right to cancel this Purchase Order or any part hereof, without obligation, if Vendor/Contractor fails to complete delivery or performance within the specified time period. The rights and remedies in this paragraph are in addition to any other rights and remedies provided by law or under this Purchase Order. The District's waiver of any obligation of Vendor/Contractor will not be construed as the District's waiver of any other obligation of Vendor/Contractor.
4. Vendor/Contractor agrees to indemnify and hold harmless the District and all District agents, employees and officers from and against all liabilities, claims, damages, expenses or actions, either at law or in equity, including attorneys' fees and costs and attorneys' fees and costs on appeal, caused or incurred, in whole or in part, as a result of any act or omission by the Vendor/Contractor, its agents, employees, subcontractors, assigns, heirs or anyone for whose acts or omissions any of these persons or entities may be liable during Vendor/Contractor's performance under this Purchase Order. Vendor/Contractor also agrees to defend all actions or claims brought against the District and hold harmless the District from all losses, costs or damages related to actual or alleged infringement of any patent, trademark or copyright. Vendor/Contractor's obligations contained in this paragraph will survive acceptance of the goods or services by the District.
5. Vendor/Contractor agrees to comply with all applicable federal, state and local laws relating to performance under this Purchase Order. The Vendor/Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, handicap, disability, marital status or national origin.
6. All aspects of this Purchase Order are subject to and governed by Florida laws, including without limitation, Section 768.28, F.S., and the provisions of the Uniform Commercial Code, Chapters 671 and 672, F.S. Any dispute arising from or related to this Purchase Order will be resolved in a court of competent jurisdiction in the State of Florida and venue will lie in Hernando County.
7. In accordance with Sections 287.133(2)(a) and 287.134(2)(a), F.S., Vendor/Contractor warrants that it is not currently on the convicted vendor list or the discriminatory vendor list, it has not been placed on a convicted vendor list in the past 36 months, and agrees to notify the District if placement on either of these lists occurs. If subcontracting is allowed under this Purchase Order, Vendor/Contractor agrees to include this provision in all subcontracts issued as a result of this Purchase Order.
8. Vendor/Contractor providing services to the District will obtain and maintain commercial general liability insurance, vehicle liability insurance, and workers' compensation coverage to the District's satisfaction. Vendor/Contractor will also require the same insurance from any subcontractor; otherwise such coverage will be afforded to the subcontractor by the Vendor/Contractor's insurance policies. Such insurance will be available for District review upon request.
9. Unless otherwise provided herein, no party may assign or delegate any of its rights and obligations under this Purchase Order, voluntarily or involuntarily, whether by merger, consolidation, dissolution, operation of law, or any other manner without the prior written consent of the other party and the parties agree that any unauthorized assignment is null and void.
10. This Purchase Order constitutes the entire agreement between the parties and any changes must be mutually agreed to in writing by authorized representatives of the parties. This Purchase Order shall be binding upon and inure to the benefits of the parties hereto and their respective heirs, successors, assigns, executors, administrators, and legal representatives where permitted.
11. All materials, drawings or other items provided by the District to Vendor/Contractor will remain the property of the District and will be returned to the District upon demand. All containers, reels or pallets shipped with goods by Vendor are to remain the property of the District unless otherwise agreed.
12. Materials will be properly packaged and marked with the Purchase Order number.
13. Inspection of items will be made at the destination, unless otherwise specified, and before payment is due. The District reserves the right to reject any goods which are defective or not in accordance with specifications as to quality or performance. Title to property passes only after inspection and acceptance by the District. Rejected materials will be returned to the Vendor at the Vendor's risk and expense.
14. All prices must be F.O.B. destination unless otherwise agreed in writing by the District. Where a specific purchase is negotiated F.O.B shipping point, the Vendor will prepay shipping charges and include them on the invoice.
15. Quantities and prices specified herein are not to be exceeded unless authorized in writing in accordance with paragraph 10 of this Purchase Order. The Vendor's price will be the lowest prevailing market price and under no circumstances will the price be higher than specified herein without the express written authorization of the District.
16. Vendor agrees to furnish the District with a current Material Safety Data Sheet (MSDS) on or before delivery of each and every hazardous chemical or substance purchased. Appropriate labels and MSDSs shall be provided for all shipments.
17. Vendor warrants that the goods will conform to the specifications, drawings, and descriptions listed in the offering document or the sample(s) furnished.

SERVICES - ADDITIONAL TERMS AND CONDITIONS

18. The Contractor will perform as an Independent Contractor and not as an employee, representative or agent of the District. If subcontracting is permitted under this Purchase Order, nothing herein will be construed to create or be implied to create, any relationship between the District and any subcontractor of Contractor.
19. The Contractor, upon request, will permit the District to examine or audit all records and documents related to the services performed under this Purchase Order during or following completion of the services. The Contractor will maintain all such records and documents for at least three (3) years following completion of the services and final payment by the District. The Contractor and any subcontractors understand and will comply with their duty, pursuant to Section 20.055(5), F.S., to cooperate with the Inspector general in any investigation, audit, inspection, review, or hearing.
20. All documents, including reports, drawings, estimates, programs, manuals, specifications, and all goods or products, including intellectual property and rights thereto, purchased under this Purchase Order with District funds or developed in connection with this Purchase Order will be and will remain the property of the District.
21. In the event of any national, state or local emergency which significantly affects Vendor/Contractor's ability to perform, such as hurricanes, tornados, floods, acts of God, acts of war, or other such catastrophes, or other man-made emergencies beyond the control of the Vendor/Contractor such as labor strikes or riots, then the Vendor's/Contractor's obligation to complete said work within the time frames required by this Purchase Order will be suspended for the period of time the condition continues to exist. The foregoing will constitute the Vendor/Contractor's sole remedy or excuse with respect to the delay and no claim for damages, other than for an extension of time, will be asserted against the District.

ALTERNATIVE TERMS AND CONDITIONS

If Vendor/Contractor is a public entity, the following provision shall replace paragraph 4 of this Purchase Order:

22. Each party hereto agrees to indemnify and hold the other harmless, to the extent allowed under Section 768.28, F.S., from all claims, loss, damage and expense, including attorney fees and costs and attorney fees and costs on appeal, arising from the negligent acts or omissions of the indemnifying party's officers, employees, contractors and agents related to its performance under this Agreement. This provision does not constitute a waiver of either party's sovereign immunity or any lawful defenses or extend either party's liability beyond the limits established in Section 768.28, F.S. The obligations contained in this paragraph will survive acceptance of the goods or services by the District.

The District expects the Contractor to make good faith efforts to ensure that disadvantaged business enterprises, which are qualified under either federal or state law, have the maximum practicable opportunity to participate in contracting opportunities under this Purchase Order. Invoice documentation submitted to the District under this Purchase Order must include information relating to the amount of expenditures made to disadvantaged businesses by the Contractor in relation to this Purchase Order, to the extent the Contractor maintains such information.

If Contractor is a design professional under 725.08, F.S., the following provision shall replace paragraph 4 of this Purchase Order:

23. Contractor's liability is limited as provided in this Section 23. Contractor agrees to indemnify and hold harmless the District and all District officers and employees, from liabilities, damages, losses, and costs, either at law or in equity, including, but not limited to reasonable attorney fees and costs and attorney fees and costs on appeal, as a result of any negligent or reckless act or omission or any intentionally wrongful conduct by the Contractor and other persons employed or utilized by the Contractor in the performance of this Purchase Order in accordance with Section 725.08, F.S. Contractor's obligations contained in this paragraph will survive acceptance of the services by the District.

**ADDENDUM TO PURCHASE ORDER
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**

This Addendum is hereby incorporated into and made a part of this Purchase Order.

1. Paragraph 1 of the Purchase Order Terms and Conditions is hereby replaced with the following:

PROJECT RECORDS AND DOCUMENTS

1.1 The VENDOR/CONTRACTOR, upon request, shall permit the DISTRICT to examine or audit all SERVICES related records and documents during or following completion of the SERVICES at no cost to the DISTRICT. These records shall be available at all reasonable times for inspection, review, or audit. "Reasonable" shall be construed according to circumstances, but ordinarily shall mean normal business hours of 8:00 a.m. to 5:00 p.m., local time, Monday through Friday. In the event any work is subcontracted, the 2D PARTY shall similarly require each subcontractor to maintain and allow access to such records for inspection, review, or audit purposes. Payments made to the VENDOR/CONTRACTOR under this Agreement shall be reduced for amounts found to be not allowable under this Agreement by an audit. If an audit is undertaken by the DISTRICT, all required records shall be maintained until the audit has been completed and all questions arising from it are resolved. The VENDOR/CONTRACTOR shall maintain all such records and documents for at least five (5) years following completion of the SERVICES. If an audit has been initiated and audit findings have not been resolved at the end of the five (5) years, the records shall be retained until resolution of the audit findings, which would include an audit follow-up by the inspector general if the findings result from an external auditor, or any litigation. The 2D PARTY and any subcontractors understand and will comply with their duty, pursuant to Section 20.055(5), F.S., to cooperate with the inspector general in any investigation, audit, inspection, review, or hearing.

1.2 Each party shall allow public access to the SERVICES documents and materials made or received by either party in accordance with the Public Records Act, Chapter 119, F.S. To the extent required by Section 119.0701, F.S., the VENDOR/CONTRACTOR shall (1) keep and maintain public records required by the DISTRICT to perform the SERVICES; (2) upon request from the DISTRICT'S custodian of public records, provide the DISTRICT with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided by law; (3) ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the term of this Agreement and following completion of the Agreement if the VENDOR/CONTRACTOR does not transfer the records to the DISTRICT; and (4) upon completion of this Agreement, transfer, at no cost to the DISTRICT, all public records in possession of the VENDOR/CONTRACTOR or keep and maintain public records in possession of the VENDOR/CONTRACTOR to keep and maintain public records required by the DISTRICT to perform the SERVICES. If the VENDOR/CONTRACTOR transfers all public records to the DISTRICT upon completion of this Agreement, the VENDOR/CONTRACTOR shall destroy any duplicate public records that are exempt or confidential and exempt from public records requirements. If the VENDOR/CONTRACTOR keeps and maintains public records upon completion of this Agreement, the VENDOR/CONTRACTOR shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the DISTRICT, upon request from the DISTRICT'S custodian of public records, in a format that is compatible with the information technology systems of the DISTRICT.

1.3 IF THE VENDOR/CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE VENDOR/CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS by telephone at 352-205-8482, by email at RecordsCustodian@Watermatters.org, or at the following mailing address:

Public Records Custodian
Southwest Florida Water Management District
2379 Broad Street
Brooksville, Florida 34604-6899

Any changes to the above contact information will be provided to the VENDOR/CONTRACTOR in writing.

1.4 This Paragraph, including all subparagraphs, shall survive the expiration or termination of this Agreement.

Page Number: 3 of 3

Governing Board Meeting

January 23, 2024

6. REGULATION COMMITTEE

6.1	Consent Item(s) Moved to Discussion	280
6.2	Discussion: Action Item: Denials Referred to the Governing Board	281

REGULATION COMMITTEE

January 23, 2024

Discussion: Information Item: Consent Item(s) Moved to Discussion

Staff Recommendation:

This item is for the Board's information only, and no action is required.

Presenter:

Michelle Hopkins, P.E., Division Director, Regulation Division

REGULATION COMMITTEE

January 23, 2024

Discussion: Action Item: Denials Referred to the Governing Board

District Rule 40D-1.6051, Florida Administrative Code, provides that if District staff intends to deny a permit application, the applicant will be advised of the opportunity to request referral to the Governing Board for final action. Under these circumstances, if an applicant or petitioner requests their application or petition be referred to the Governing Board for final action, that application or petition will appear under this agenda item for consideration. As these items will be presented at the request of an outside party, specific information may not be available until just prior to the Governing Board meeting.

Staff Recommendation:

If any denials are requested to be referred to the Governing Board, these will be presented at the meeting.

Presenter:

Michelle Hopkins, P.E., Division Director, Regulation Division

Governing Board Meeting

January 23, 2024

7. GENERAL COUNSEL'S REPORT

7.1	Discussion: Information Item: Consent Item(s) Moved to Discussion	282
7.2	Discussion: Action Item: Affirm Governing Board Committee Actions	283

GENERAL COUNSEL'S REPORT

January 23, 2024

Discussion: Information Item: Consent Item(s) Moved to Discussion

Staff Recommendation:

This item is for the Board's information only, and no action is required.

Presenter:

Chris Tumminia, General Counsel, Office of General Counsel

GENERAL COUNSEL'S REPORT

January 23, 2024

Discussion: Action Item: Affirm Governing Board Committee Actions

The Governing Board has established four committees for conducting District business: the Finance/Outreach & Planning Committee; the Operations, Lands, & Resource Monitoring Committee; the Regulation Committee; and the Resource Management Committee. Each committee is a committee of the whole with all Governing Board members serving as committee members.

The Governing Board, sitting as a committee, considers and takes action on discussion agenda items during each Governing Board meeting. In order to clarify for the record that the Governing Board has taken action, the actions taken by the committees will be presented to the Board for affirmation.

Staff Recommendation:

Affirm the actions taken by the Governing Board Committees.

Presenter:

Christopher A. Tumminia, General Counsel, Office of General Counsel

COMMITTEE/LIAISON REPORTS

January 23, 2024

Discussion: Information Item: Agricultural and Green Industry Advisory Committee

Staff Recommendation:

This item is for the Board's information only, and no action is required.

Presenter:

Dustin Rowland, Board Member

EXECUTIVE DIRECTOR'S REPORT

January 23, 2024

Discussion: Information Item: Executive Director's Report

Staff Recommendation:

This item is for the Board's information only, and no action is required.

Presenter:

Brian J. Armstrong, P.G., Executive Director

CHAIR'S REPORT

January 23, 2024

Discussion: Information Item: Chair's Report

Staff Recommendation:

This item is for the Board's information only, and no action is required.

Presenter:

Ed Armstrong, Chair

CHAIR'S REPORT

January 23, 2024

Discussion: Information Item: Employee Milestones

Staff Recommendation:

This item is for the Board's information only, and no action is required.

Presenter:

Ed Armstrong, Chair

Years of Service	Seniority Date	Preferred Full Name	Position Title	Office Location	Bureau	Anniversary Year	Next Milestone
5	01/14/2019	Kim Kennan	IT Customer Liaison	Brooksville	Information Technology	2024	01/14/2024
5	01/14/2019	Miurel Brewer	Agricultural Project Manager	Sarasota	Water Resources	2024	01/14/2024
5	01/14/2019	Thomas Smith	Senior Tradesworker	Brooksville	General Services	2024	01/14/2024
5	01/22/2019	Shawn Daughtery	Facility Services Manager	Brooksville	General Services	2024	01/22/2024
5	01/22/2019	Tim Hughes	Tradesworker	Brooksville	General Services	2024	01/22/2024
25	01/11/1999	Scott White	Senior Application System Administrator	Tampa	Information Technology	2024	01/11/2024
25	01/20/1999	Bob Dasta	Lead Engineer	Tampa	Environmental Resource Permit	2024	01/20/2024
35	01/30/1989	Deborah Gillett	Senior GIS Analyst	Brooksville	Data Collection	2024	01/30/2024