

Governing Board Meeting

Agenda and Meeting Information

November 15, 2022

9:00 a.m.

Brooksville Office

2379 Broad Street • Brooksville, Florida
(352) 796-7211 • 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

An Equal
Opportunity
Employer

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) 269-3929 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

**NOVEMBER 15, 2022
9:00 AM**

**2379 BROAD STREET, BROOKSVILLE, FL 34604
(352) 796-7211**

All meetings are open to the public

- › Viewing of the Board meeting will be available through the District's website at www.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 (Fort King Highway)
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:** Knowledge Management: Approval of Governing Board Policy, Investments
- 2.2 **Resource Management Committee:** Peace River Manasota Regional Water Supply Authority – Phase 3C Interconnect (Q313)
- 2.3 **Resource Management Committee:** Peace River Manasota Regional Water Supply Authority – Phase 2B Interconnect (Q355)
- 2.4 **Operations, Lands and Resource Monitoring Committee:** Amendment to Lease, Green Swamp Highway 98 Cattle Lease, SWF Parcel No. 10-200-1287X
- 2.5 **General Counsel's Report:** Authorization to Issue Administrative Complaint and Order – Well Construction Violations – Carl Douglas, III – License Number 9544 – CT No. 421268 – Polk County
- 2.6 **General Counsel's Report:** Approval of Consent Order between SWFWMD and Rahuge, LLC/Smithfield Apartments Corp. – Unauthorized Construction Activities – CT Nos. 405388, 405263, and 419825 – Charlotte County
- 2.7 **Executive Director's Report:** Approve Governing Board Minutes – October 18, 2022

3. FINANCE/OUTREACH AND PLANNING COMMITTEE

- 3.1 **Discussion:** Information Item: Consent Item(s) Moved to Discussion
- 3.2 **Submit & File:** Information Item: Budget Transfer Report

4. RESOURCE MANAGEMENT COMMITTEE

- 4.1 **Discussion:** Information Item: Consent Item(s) Moved to Discussion

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 Surplus (AH-4), SWF Parcel No. 15-228-2108S

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

8. COMMITTEE/LIAISON REPORTS

8.1 **Discussion:** Information Item: Environmental 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

GOVERNING BOARD OFFICERS, COMMITTEES AND LIAISONS

Approved June 6, 2022

OFFICERS	
Chair	Joel Schleicher
Vice Chair	Ed Armstrong
Secretary	Michelle Williamson
Treasurer	John Mitten

OPERATIONS, LANDS AND RESOURCE MONITORING COMMITTEE
Jack Bispham
Kelly Rice
John Hall

RESOURCE MANAGEMENT COMMITTEE
Ashley Bell Barnett
Michelle Williamson
William Hogarth

REGULATION COMMITTEE
John Hall
Seth Weightman
Ashley Bell Barnett

FINANCE/OUTREACH AND PLANNING COMMITTEE
John Mitten
Jack Bispham
Ed Armstrong

** Board policy requires the Governing Board Treasurer to chair the Finance Committee.*

STANDING COMMITTEE LIAISONS	
Agricultural and Green Industry Advisory Committee	Kelly Rice
Environmental Advisory Committee	Michelle Williamson
Industrial Advisory Committee	Ashley Bell Barnett
Public Supply Advisory Committee	Ed Armstrong
Well Drillers Advisory Committee	Seth Weightman

OTHER LIAISONS	
Central Florida Water Initiative	John Hall
Spring Coast Steering Committee	Kelly Rice
Coastal & Heartland National Estuary Partnership Policy Committee	Jack Bispham
Sarasota Bay Estuary Program Policy Board	Joel Schleicher
Tampa Bay Estuary Program Policy Board	William Hogarth
Tampa Bay Regional Planning Council	Vacant

Southwest Florida Water Management District Schedule of Meetings Fiscal Year 2023

10/6/2022

Governing Board Meeting

October 18, 2022 – 9:00 a.m., Tampa Office
November 15, 2022 – 9:00 a.m., Brooksville Office
December 13, 2022 – 9:00 a.m., Brooksville Office
January 24, 2023 – 9:00 a.m., Tampa Office
February 28, 2023 – 9:00 a.m., Brooksville Office
March 28, 2023 – 9:00 a.m., Brooksville Office
April 25, 2023 – 9:00 a.m., Tampa Office
May 23, 2023 – 9:00 a.m., Tampa Office
June 27, 2023 – 9:00 a.m., Brooksville Office
July 25, 2023 – 9:00 a.m., Tampa Office
August 22, 2023 – 9:00 a.m., Brooksville Office
September 26, 2023 – 3:00 p.m., Tampa Office

Governing Board Workshop

November 15, 2022 – 10:30 a.m., Brooksville Office

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

2023 – September 12 & 26

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

2022 – December 6 (meeting replaced with December 16 field trip)
2023 – March 14, June 13, September 12

Environmental Advisory Committee – 10:00 a.m.

2022 – October 11 (canceled)
2023 – January 10, April 11, July 11

Industrial Advisory Committee – 10:00 a.m.

2022 – November 8
2023 – February 14, May 9, August 8

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

2022 – November 8 (canceled)
2023 – February 14, May 9, August 8

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

2022 – October 26, December 7
2023 – January 11, February 22, May 24, July 12

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

2022 – November 9
2023 – January 25, March 8, July 26

Cooperative Funding Initiative – all meetings begin at 10 a.m.

2023 – February 1 – Northern Region, Brooksville Office
2023 – February 2 – Southern Region, Sarasota County Commission Chambers
2023 – February 8 – TBD
2023 – February 9 – Tampa Bay Region, Tampa Office
2023 – April 5 – Northern Region, Brooksville Office
2023 – April 6 – Southern Region, Sarasota County Commission Chambers
2023 – April 12 – Heartland Region, Bartow City Hall
2023 – April 13 – Tampa Bay Region, Tampa Office

Meeting Locations

Brooksville Office – 2379 Broad St., Brooksville, FL 34604
Tampa Office – 7601 US Highway 301 North, Tampa, FL 33637
Bartow City Hall – 450 N. Wilson Ave., Bartow, FL 33830
Sarasota County Commission Chambers – 1660 Ringling Blvd., Sarasota, FL 34236

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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:

Joel A. Schleicher, Chair

CONVENE PUBLIC MEETING

November 15, 2022

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:

Joel A. Schleicher, Chair

CONVENE PUBLIC MEETING

November 15, 2022

Employee Recognition

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

Presenter:

Joel A. Schleicher, Chair

CONVENE PUBLIC MEETING

November 15, 2022

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

November 15, 2022

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:

Joel A. Schleicher, Chair

Governing Board Meeting

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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: Knowledge Management: Approval of Governing Board Policy, Investments	9
2.2	Resource Management Committee: Peace River Manasota Regional Water Supply Authority – Phase 3C Interconnect (Q313).....	46
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2.4	Operations, Lands and Resource Monitoring Committee: Amendment to Lease, Green Swamp Highway 98 Cattle Lease, SWF Parcel No. 10-200-1287X.....	50
2.5	General Counsel's Report: Authorization to Issue Administrative Complaint and Order – Well Construction Violations – Carl Douglas, III – License Number 9544 – CT No. 421268 – Polk County	55
2.6	General Counsel's Report: Approval of Consent Order between SWFWMD and Rahuge, LLC/Smithfield Apartments Corp. – Unauthorized Construction Activities – CT Nos. 405388, 405263, and 419825 – Charlotte County	57
2.7	Executive Director's Report: Approve Governing Board Minutes - October 18, 2022.....	68

CONSENT AGENDA

November 15, 2022

Finance/Outreach and Planning Committee: Knowledge Management: Approval of Governing Board Policy, Investments

Purpose

To approve the recommended updates to the District's Investment Policy. The Policy requires a review within sixty (60) days following the end of each fiscal year and approval by the Governing Board of any modifications made thereto.

Background

At the October 18, 2022 Governing Board meeting, a brief presentation was provided noting the recommended changes to the Policy. The Board members were encouraged to review the Policy and the recommended changes and contact Brandon Baldwin, Division Director of Business and Information Technology Services with any questions or additional recommended changes that they may have, if any.

The policy has been reviewed by management and the District's investment advisory firm and the following modifications have been incorporated:

1. Edits for clarity, readability, and comprehension
2. Modification of Performance Benchmarks
3. Addition of Two Investment Options to Portfolio
 - a. Asset Backed Securities -
 - b. Asset Backed Commercial Paper -

Benefits

By reviewing and updating the District's Investment Policy within sixty (60) days following the end of the - fiscal year, the Governing Board and management will be in compliance with the Investment Policy. -

Staff Recommendation: -

Approve and accept the recommended updates to the District's Investment Policy. -

Presenter: -

Brandon Baldwin, Division Director, Business and IT Services -

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

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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.

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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:

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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.

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(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.

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,

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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 (long-term portfolio) 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 Portfolio changes.

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 Investment Portfolio). Investments of reserves, project funds, and other non-operating funds ("Core Funds") shall have a final maturity appropriate to

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the need for funds, but in no event shall exceed five (5) years. The average duration of the Core Funds as a whole shall not exceed three (3) 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 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%

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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.

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.

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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 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.

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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.

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.

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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 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.

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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 POLICY ADOPTION:

This Policy shall be adopted by the Governing Board.

EXHIBIT

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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.

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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

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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.

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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.

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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.

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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

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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.

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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.

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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.

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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."

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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.

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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.

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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 investor’s investment holdings, reinvest the proceeds in permitted investments, and share 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 monies 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.

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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."

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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.”

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?

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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

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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

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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%.

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

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.

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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.**
 - 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)

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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.
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%).

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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.
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%).

GOVERNING BOARD POLICY

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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

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 36 of 36****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

Date

CONSENT AGENDA

November 15, 2022

Resource Management Committee: Peace River Manasota Regional Water Supply Authority – Phase 3C Interconnect (Q313)

Purpose

To request Board approval for authorizing Staff to consider early procurement of long-lead construction materials by the Peace River Manasota Regional Water Supply Authority as eligible construction cost reimbursable for the Phase 3C interconnect project, pending a favorable Third-Party Review and Governing Board approval to proceed beyond 30% design.

Background

The Governing Board approved funding in the amount of \$2,500,000 in FY2023 for the Peace River Manasota Regional Water Supply Authority (Authority) Regional Integrated Loop System Phase 3C interconnect project. This initial funding amount is for 30% design and Third-Party Review (TPR) of a potable water transmission interconnection to supply additional alternative water supply. Booster pump and underground storage tank are also included. This interconnect is part of the Regional Integrated Loop system to extend the system further north from its current terminus at Clark Road (SR-72) to Fruitville Road. This segment will be approximately 10 miles long and is expected to transmit a maximum day demand of 40 MGD. The pipeline will deliver only alternative water supply to the region.

On March 29, 2022, the Authority executed an Interlocal Agreement to construct a pipeline to supply the growing population within Sarasota County. Owing to the urgent public need for the completion of this project, the Authority is pursuing a Progressive Design Build (PDB) project delivery method for design and construction to complete the project within the timeframe needed to support anticipated demands.

The Authority informed District staff that due to supply chain constraints and long lead time associated with required construction materials, the Authority will need to initiate purchase of these long-lead materials before the completion of the TPR to ensure the project is completed on schedule. The long-lead materials have anticipated delivery dates of up to 40 weeks after initiating an order. The Authority requested that the early procurement of these materials be considered reimbursable pending a favorable TPR and Governing Board approval to proceed beyond 30% design. It is anticipated that the TPR will be completed by February 2023.

Governing Board authorization to consider the early procurement of long-lead materials by the Authority as reimbursable pending a favorable TPR review and Governing Board approval beyond the TPR task will be included in an amendment to the Cooperative Funding Agreement (CFA) for the Phase 3C interconnect project and will not commit the District to funding the purchase until after TPR and Governing Board approval to proceed beyond 30% design. Additionally, the District's CFA requires the commencement of construction prior to District reimbursement of any post-30% design work, including the purchase of construction materials.

Staff Recommendation:

Authorize staff to consider the early procurement of construction materials eligible for reimbursement, pending a favorable Third-Party Review and Governing Board approval to proceed beyond 30% design.

Presenter:

Jay Hoecker, PMP, Bureau Chief, Water Resources

CONSENT AGENDA

November 15, 2022

Resource Management Committee: Peace River Manasota Regional Water Supply Authority – Phase 2B Interconnect (Q355)

Purpose

To request Board approval for authorizing Staff to consider early procurement of long-lead construction materials by the Peace River Manasota Regional Water Supply Authority as eligible construction cost reimbursable for the Phase 2B interconnect project, pending a favorable Third-Party Review and Governing Board approval to proceed beyond 30% design.

Background

The Governing Board approved funding in the amount of \$1,500,000 in FY2023 for the Peace River Manasota Regional Water Supply Authority (Authority) Regional Integrated Loop System Phase 2B interconnect project. This initial funding amount is for 30% design and Third-Party Review (TPR) of a potable water transmission interconnection to supply additional alternative water supply. This interconnect is part of the Regional Integrated Loop system to extend the system from Serris Boulevard to Charlotte County's Gulf Cove Water Booster Pump Station. This segment will be approximately 13 miles long and is expected to transmit a maximum day demand of 40 MGD. The pipeline will deliver only alternative water supply to the region.

On March 29, 2022, the Authority executed an Interlocal Agreement to construct a pipeline to supply the growing population within Charlotte County. Owing to the urgent public need for the completion of this project, the Authority is pursuing a Progressive Design Build (PDB) project delivery method for design and construction to complete the project within the timeframe needed to support anticipated demands.

The Authority informed District staff that due to supply chain constraints and long lead time associated with required construction materials, the Authority will need to initiate purchase of these long-lead materials before the completion of the TPR to ensure the project is completed on schedule. The long-lead materials have anticipated delivery dates of up to 40 weeks after initiating an order. The Authority requested that the early procurement of these materials be considered reimbursable pending a favorable TPR and Governing Board approval to proceed beyond 30% design. It is anticipated that the TPR will be completed by June 2023.

Governing Board authorization to consider the early procurement of long-lead materials by the Authority as reimbursable pending a favorable TPR review and Governing Board approval beyond the TPR task will be included in an amendment to the Cooperative Funding Agreement (CFA) for the Phase 2B interconnect project and will not commit the District to funding the purchase until after TPR and Governing Board approval to proceed beyond 30% design. Additionally, the District's CFA requires the commencement of construction prior to District reimbursement of any post-30% design work, including the purchase of construction materials.

Staff Recommendation:

Authorize staff to consider the early procurement of construction materials eligible for reimbursement, pending a favorable Third-Party Review and Governing Board approval to proceed beyond 30% design.

Presenter:

Jay Hoecker, PMP, Bureau Chief, Water Resources

CONSENT AGENDA

November 15, 2022

Operations, Lands and Resource Monitoring Committee: Amendment to Lease, Green Swamp Highway 98 Cattle Lease, SWF Parcel No. 10-200-1287X

Purpose

The purpose of this item is to request Governing Board approval of an amendment to the Cattle Grazing Lease Agreement dated March 27, 2018 (Agreement) for the cattle lease located at Green Swamp in Polk County between the District and Diamond R Cattle (Lessee) attached as Exhibit 1 (Amendment). The Agreement provides for one (1) five (5) year extension which the Lessee has requested to exercise. In addition to formalizing the extension of the Agreement, the Amendment sets forth changes to sections regarding Prescribed Burns and General Operation and Management in addition to adding a prohibition against hunting. The Amendment makes the Agreement consistent with other more recent cattle grazing lease agreements the District has entered into.

Background

The Lessee has been a reliable tenant under the Agreement since March 27, 2018. The current lease term will expire on March 27, 2023. In accordance with paragraph 20 of the Agreement titled LESSORS OPTION TO RENEW, the Lessee has met the conditions required to extend the Agreement and provided timely written acceptance of the District's offer to renew for an additional five (5) years. The renewal is for an annual rental amount of \$21,542.50 per year for 1,231 acres or at the rate of \$17.50 per acre per year.

Benefit/Costs

The Agreement is a revenue generating lease in which the Lessee agrees to perform certain land management maintenance functions including maintaining fencing and treatment for exotic nuisance plant species with an emphasis on tropical soda apple within the leased area. The current Lessee has been a very good tenant and has upheld its responsibilities pursuant to the Agreement. It is a low-risk agreement. The District has the right to terminate the Agreement at any time for any material breach thereof.

Deliverables/Accountability

In accordance with the Agreement deliverables, Lessee will be responsible for fencing and exotic species control. Periodic inspections by staff will continue to be performed ensuring aforesaid responsibilities are being performed. Payment and proof of insurance coverage will continue to be provided by Lessee.

Staff Recommendation:

Approve the First Amendment to Cattle Grazing Lease and authorize the Chair to execute the First Amendment to Cattle Grazing Lease on behalf of the District.

Presenter:

Ellen Morrison, Bureau Chief, Land Resources

Green Swamp Highway 98 Cattle Lease
SWF Parcel No. 10-200-1287X
Approved by Attorney: _____

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (Agreement) is made and entered into by and between the Southwest Florida Water Management District, a public corporation, having an address of 2379 Broad Street, Brooksville, Florida 34604-6899, (Lessor), and Ryan Raburn and Richard Stanaland, D.B.A. Diamond R Cattle, having an address of 14546 Sweat Loop Road, Wimauma, Florida 33598, (Lessee), collectively referred to as the "Parties".

WHEREAS, Licensor owns and maintains land situated in Polk County, Florida, known as Green Swamp Wilderness Preserve – East Tract (Property); and

WHEREAS, Lessor and Lessee entered into an Agreement dated March 27, 2018, that authorized Lessee to use the Property for cattle grazing and hay production; and

WHEREAS, the Agreement provides that it may be renewed for one (1) additional five (5) year term in accordance with the provisions of Paragraph 20. LESSOR'S OPTION TO RENEW; and

WHEREAS, Lessee has met the conditions required to extend the Agreement and provided timely written acceptance of Lessor's offer to renew.

NOW THEREFORE, in consideration of the mutual terms, covenants and conditions set forth herein, Lessor and Lessee hereby agree to amend the Agreement under the same terms and conditions, except as modified below:

1. Pursuant to paragraph 2 titled TERM, the Agreement is extended for an additional five (5) years as set forth in paragraph 20 titled LESSORS OPTION. The extended term will commence on the date of execution by Lessor.
2. Paragraph 7(a) titled PRESCRIBED BURNS is hereby amended as follows:

Lessee may be responsible for planning and conducting prescribed burns on the Property. All burning on the Property must be conducted in accordance with Section 590.125, Florida Statutes (F.S.). As required by subsection 590.125(3)(b), F.S., a certified prescribed burn manager must be on site with a copy of the prescription from the time of ignition until the burn is completed. Prescribed burns conducted on the Property by Lessee that are not in compliance with the conditions described herein, will be considered a material breach of this Agreement for which Lessor may immediately terminate this Agreement.

3. Paragraph 11 titled GENERAL OPERATION AND MANAGEMENT is hereby amended as follows:

(a) Lessee will conduct all activities in accordance with all applicable rules and regulations. Lessee further agrees, when practicable, to conduct all activities in accordance with the most recent Water Quality Best Management Practices (BMPs),

including the Nutrient Application Record form, established by the Florida Department of Agriculture and Consumer Services, Office of Agricultural Water Policy (FDACS-OAWP).

The FDACS-QAWP Water Quality/Quantity Best Management Practices Manual is available from the FDACS-OAWP at:

https://www.fdacs.gov/ezs3download/download/25408/516287/Bmp_FloridaCowCalf2008.pdf

or:

FDACS-OAWP
1203 Governor's Sq. Blvd.
Suite 200
Tallahassee, FL 32301

Prior to conducting activities on the Property, Lessee will demonstrate its intent to implement practicable BMPs by signing the following FDACS-QAWP Notice of Intent to Implement Water Quality BMPs for Florida Cow/Calf Operations form, found within the FDACS-QAWP Water Quality/Quantity Best Management Practices Manual, and submitting them to FDACS-OAWP, with copies to Lessor.

(b) The LESSOR is required to manage invasive plant species on the PROPERTY consistent with Florida Statutes. The LESSEE shall not impede the LESSOR'S efforts to control invasive species on the PROPERTY. The LESSEE shall be solely responsible for maintaining effective control of tropical soda apple (TSA) using the Best Management Practices described in the University of Florida, Institute of Food and Agricultural Sciences Publication Number SS-AGR-77, and updates thereto at:

<http://edis.ifas.ufl.edu/uw097>

The LESSOR will ensure that there is less than 5% coverage of TSA on the PROPERTY at the time this Lease is executed. The LESSOR and the LESSEE will conduct an inspection of the PROPERTY following execution of this Lease, to document that TSA is under satisfactory control. The LESSEE'S failure to maintain acceptable control of TSA will constitute a material breach of this Lease for which the LESSOR may either immediately terminate this Lease or treat the PROPERTY. If the LESSOR chooses to treat the PROPERTY, the LESSEE is solely responsible for the cost of such treatment by the LESSOR and agrees to reimburse the LESSOR the full amount of the cost upon the LESSOR'S written request. The LESSEE'S failure to reimburse the LESSOR within 5 days of receipt of LESSOR'S written request will constitute a material breach of this Lease for which the LESSOR may immediately terminate this Lease. If the LESSEE uses fertilizer, hay, seed or other planting materials on the PROPERTY that originated off-site, the LESSEE must make every practicable effort to ensure that such materials are free of invasive plant seeds and other propagules before using.

(c) The LESSEE shall trap or shoot feral hogs on the PROPERTY and maintain a

record of all feral hog control activities conducted by the LESSEE. All hogs trapped on the PROPERTY must be euthanized in a humane manner and may not be relocated or released. The LESSEE will submit the record of all feral hog control activities to the LESSOR by October 1 of each year of this lease.

(d) Except as set forth in 11(c) above, all other hunting on the property is prohibited.

4. Counterparts and Authority to Sign. In accordance with the Electronic Signature Act of 1996, electronic signatures, including facsimile transmissions, may be used and shall have the same force and effect as a written signature. Each person signing this Agreement warrants that he or she is duly authorized to do so and to bind the respective party to the Agreement.
5. Lessor and Lessee acknowledge and agree that all other terms of the Agreement not modified herein will remain in full force and effect.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto, or their authorized representatives, have executed this License Agreement on the day and year set forth next to their signatures below.

SOUTHWEST FLORIDA WATER
MANAGEMENT DISTRICT
LESSOR

By: Joel Schleicher, Chairman

Date_____

ATTEST:

By: Michelle Williamson, Secretary

RYAN RABURN AND RICHARD STANALAND
D.B.A. DIAMOND R CATTLE
LESSEE

By: Ryan Raburn

Date_____

By: Richard Stanaland

Date_____

CONSENT AGENDA

November 15, 2022

General Counsel's Report: Authorization to Issue Administrative Complaint and Order – Well Construction Violations – Carl Douglas, III – License Number 9544 – CT No. 421268 – Polk County

Mr. Carl K. Douglas, III is a licensed water well contractor, holding License No. 9544 (“License”), whose mailing address is 2404 Greenleaf Road, Zolfo Springs, FL 33890.

On October 25, 2021, the District issued to Mr. Douglas WCP No. 907505 (“Permit A”) for the construction of a 4-inch domestic use well located at 1330 Scenic Highway South, Frostproof (a delineated area that contains the contaminate Ethylene Dibromide). On May 7, 2022, the District received a well completion report from Mr. Douglas regarding WCP No. 907505 stating that the well was not completed and remained unfinished. On May 16th, 2022, District staff received an application for abandonment (Permit B). During a call with Mr. Douglas on the same day, District staff was able to determine that the abandonment was for the well that remained incomplete under Permit A. Additionally, District staff determined that Mr. Douglas had pulled the top 100 feet of casing from the ground, leaving the remaining 200 feet of casing in place. Mr. Douglas did not have a permit to perform any abandonment activities at the time of the attempted abandonment.

On May 17, 2022, District staff conducted a site inspection, and observed the well drilling equipment was still on site and that the well casing was removed from the incomplete well under WCP 907505. District staff also observed a lack of grouting materials in the borehole of the incomplete well. Because Mr. Douglas has been unable to demonstrate that the plugging activities he proposed would be consistent with our rules and regulations, the District has not approved the application for Permit B.

On August 26, 2022, the District issued a Notice of Violation and Proposed Consent Order advising Mr. Douglas of the outstanding violations. Although Mr. Douglas initially appeared responsive to the District, he has failed to adequately follow through with requests from District staff while the well remains out of compliance.

For these violations, Mr. Douglas has accumulated a total of 39 points against his License. Pursuant to the Water Well Construction Disciplinary Guidelines and Citations Dictionary, accumulation of 36 or more points in any 36 consecutive month period warrants a suspension of a well contractor’s license for anywhere from 181 days up to one year.

Staff Recommendation:

1. Authorize District staff to issue an Administrative Complaint and Order to Mr. Douglas to obtain compliance, recover an administrative fine/civil penalty, suspend his License for one year, and recover any District costs and fees, if appropriate.
2. Authorize District staff to obtain compliance with the terms of the Administrative Complaint and Order in Circuit Court, if necessary.

Presenter:

Rachael Simpson, Staff Attorney, Office of General Counsel

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CONSENT AGENDA

November 15, 2022

General Counsel's Report: Approval of Consent Order between SWFWMD and Rahuge, LLC/Smithfield Apartments Corp. – Unauthorized Construction Activities – CT Nos. 405388, 405263, and 419825 – Charlotte County

Rahuge, LLC (“Rahuge”), owns real property located at 4498, 4480, 4472 & 4462 Duncan Road, Punta Gorda, FL 33982, and Smithfield Apartments Corp. (“Smithfield”) owns adjacent real property located at 4560 Duncan Road (collectively, the “Property”). On July 12, 2019, the District received a complaint that unauthorized construction activities had occurred on the Rahuge property. District staff visited the Rahuge property on July 15, 2019, and observed 8 acres of impervious and semi-impervious material placed on the property without authorization from the District.

Based on staff's initial observations, the District sent notices to Rahuge identifying the unpermitted construction and requiring Rahuge to submit an application for an Environmental Resource Permit (“ERP”). On August 14, 2020, after Rahuge failed to submit an ERP application, the District issued a Notice of Violation and Consent Order. Rahuge obtained counsel but the parties were unable to come to a resolution and on January 26, 2021, the Governing Board approved issuance of an Administrative Complaint and Order for the violations.

After the Governing Board authorized issuance of the Administrative Complaint and Order, District staff discovered Rahuge had purchased the neighboring parcel, using the Smithfield business entity. Rahuge submitted an ERP application and District staff, including District attorneys, visited the site to observe the previous violations as well as the new neighboring parcel. During the site visit on February 2, 2022, District staff observed 3 acres of unauthorized construction, by way of cleared and uprooted trees, and fill material added to a portion of the perimeter of the Smithfield property without authorization from the District, including impacts to wetlands.

In final resolution of this matter, a new Consent Order with additional penalties was issued to address the Smithfield property and the additional violations. Rahuge and Smithfield have agreed to the terms of the attached Consent Order, which includes payment of \$89,799.00 in penalties and \$2,000.00 in costs to the District. Rahuge and Smithfield must obtain District approval of the ERP application within 120 days and complete construction within 120 days of the ERP's issuance.

Staff Recommendation:

1. Approve the Consent Order.
2. Authorize District staff to pursue compliance with the terms and conditions of the approved Consent Order, including filing any appropriate actions in Circuit Court, if necessary.

Presenter:

Jennifer Soberal, Senior Attorney, Office of General Counsel

BEFORE THE SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

ORDER NO. SWF 22-_____

IN RE: RAHUGE, LLC & SMITHFIELD APARTMENTS CORP.
 CT NOS. 405388, 405263, & 419825
 4498, 4480, 4472, 4462, & 4560 DUNCAN ROAD,
 PUNTA GORDA, FL 33982

CONSENT ORDER

Pursuant to Sections 120.57(4) and 373.083, Florida Statutes (F.S.), this Consent Order is entered into by and between the Southwest Florida Water Management District (District), Rahuge, LLC (Rahuge), and Smithfield Apartments Corp. (Smithfield), collectively referred to as the "Parties," to settle certain matters at issue between the Parties. The Parties hereby voluntarily agree to the following findings of fact, conclusions of law, and corrective actions:

FINDINGS OF FACT

1. The District is the administrative agency charged with the responsibility to conserve, protect, manage, and control the water resources within its geographic boundaries and to administer and enforce Chapter 373, F.S., and the rules promulgated thereunder as Chapter 62-330, Florida Administrative Code (F.A.C.).

2. Rahuge, a Florida limited liability company, owns real property located at 4498, 4480, 4472 & 4462 Duncan Road, Punta Gorda, FL 33982 (Rahuge Property), having taken title thereto on April 15, 2019. The Rahuge Property is also identified by the Charlotte County Property Appraiser Parcel ID Numbers 402325328002, 402325328003, 402325328004, and 402325328005. Ronald Neff is the managing member of Rahuge. A map depicting the Rahuge Property is attached hereto and incorporated herein as Exhibit "A."

3. Smithfield, a Virginia corporation, owns real property located at 4560 Duncan Road, Punta Gorda, FL 33982 (Smithfield Property), having taken title thereto on December 18, 2020. The Smithfield Property is also identified by the Charlotte County Property Appraiser Parcel

ID Number 402325328001. Ronald Neff is the President and Director of Smithfield. A map depicting the Smithfield Property is attached hereto and incorporated herein as Exhibit "B."

4. District staff visited the Rahuge Property on July 15, 2019, and observed 8 acres of impervious and semi-impervious material placed on the property without authorization from the District.

5. The District issued a Notice of Unauthorized Activities to Rahuge on July 24, 2019, regarding the unauthorized activities. However, Rahuge never submitted an Environmental Resource Permit (ERP) application to correct the violations, and the issue was not otherwise resolved at that time. The District then issued a final Notice of Unauthorized Activities on March 23, 2020.

6. District staff visited the Smithfield Property on February 2, 2022, and observed 3 acres of unauthorized construction, by way of cleared and uprooted trees, and fill material added to a portion of the perimeter of the Smithfield Property without authorization from the District, including impacts to wetlands.

7. To date, no permit or authorization has been issued by the District concerning the above-described unauthorized activities. However, an ERP application for the Rahuge Property and Smithfield Property was received by the District on December 20, 2021 (Application No. 838814).

8. The Parties have agreed to resolve all disputed issues regarding the violations set forth above as described in this Consent Order.

CONCLUSIONS OF LAW

9. The District has jurisdiction over this matter pursuant to Chapter 373, Part IV, F.S., and Chapter 62-330, F.A.C.

10. Pursuant to Section 373.413, F.S., and Rule 62-330.020(2), F.A.C., an ERP is required prior to the construction, alteration, operation, maintenance, removal, or abandonment of any regulated activity described in Chapter 373, F.S., or Chapter 62-330, F.A.C., that is not

otherwise exempt from permitting requirements. It is a violation of Section 373.430(b), F.S. to fail to obtain any permit required by Chapter 373, Part IV, F.S. or fail to comply with any rule promulgated thereunder.

11. The unauthorized activity described above constitutes the construction of a commercial project as defined in the ERP Applicant's Handbook Volume I, Section 2.0(a)(18), incorporated by reference in Rule 62-330.010(4), F.A.C.

12. The activities described above in paragraphs 4 and 6 are regulated activities that require an ERP pursuant to Rule 62-330.020(2), F.A.C., and is not otherwise exempt from permitting requirements.

13. The activities described above in paragraphs 4 and 6 herein constitute a violation of Sections 373.413 and 373.430(1)(b), F.S. and Rule 62-330.020(2), F.A.C.

CORRECTIVE ACTIONS

14. Rahuge and Smithfield shall not engage in any activity on the Rahuge Property or Smithfield Property that constitutes the construction, alteration, operation, or abandonment of a surface water management system pursuant to Chapter 373, F.S., unless and until any necessary permits are obtained from the District.

15. Rahuge and Smithfield shall comply with and respond to any District request for additional information or clarification relating to the ERP application referenced in paragraph 7 within thirty (30) days of receiving such request.

16. Within one hundred twenty (120) days of this Consent Order's approval by the District's Governing Board, Rahuge and Smithfield shall obtain District approval of an ERP. Rahuge and Smithfield shall comply with all permit conditions.

17. Upon issuance of the ERP, Rahuge and Smithfield shall complete any construction within ninety (120) days of issuance. Within thirty (30) days of completion of construction under the Permit, Rahuge and Smithfield shall submit a Statement of Completion and certified as-built

construction drawings demonstrating that the construction has been completed in conformance with the ERP and otherwise meets District requirements.

18. Rahuge and Smithfield may apply to the District for an extension of the time limits contained in this Consent Order. A request for an extension of time must be made in writing and must be submitted to District staff and to the Office of General Counsel, simultaneously, no later than five (5) days prior to the expiration of such time limit. Only the Office of General Counsel may approve a request for an extension of time. Any purported approval of an extension of time that does not have the prior authorization of the Office of General Counsel will not constitute compliance with this provision of the Consent Order.

19. Rahuge and Smithfield shall pay to the District Eighty-Nine Thousand Seven Hundred Ninety-Nine Dollars (\$89,799.00) in penalties, and Two Thousand Dollars (\$2,000.00) in District costs, for a total of Ninety-One Thousand Seven Hundred Ninety-Nine Dollars (\$91,799.00), by certified check or money order, in two separate payments. The first payment of \$30,000.00 shall be received within thirty (30) days of this Consent Order's approval by the District's Governing Board. The second payment of \$61,799.00 shall be received by the District on or before January 31, 2023. If mailed, the address for payment is:

Southwest Florida Water Management District
Finance Department
2379 Broad Street
Brooksville, FL 34604-6899

20. For each day of delay beyond any due date specified in this Consent Order, Rahuge and Smithfield shall pay to the District an additional sum of One Hundred Dollars (\$100.00) per day. This additional sum shall be paid by Rahuge and Smithfield upon the District's mailing of a demand letter to Rahuge and Smithfield for payment. This provision shall not be construed to preclude the District's right to undertake other administrative, civil, or criminal action as appropriate in the event any due date is not met.

21. Rahuge and Smithfield hereby waive any right to an administrative hearing or judicial review of the terms of this Consent Order.

22. For and in consideration of the complete and timely performance by Rahuge and Smithfield of the obligations under this Consent Order, the District waives its right to pursue civil or administrative action for any violation described herein. If Rahuge and Smithfield fail to completely and timely perform the obligations under this Consent Order, the District retains its right to pursue civil or administrative action for any violations described herein.

23. The District hereby expressly reserves and retains the right to initiate appropriate legal action against Rahuge and Smithfield to prevent or prohibit the future violation of any applicable statutes, rules, or orders, except as specifically addressed in this Consent Order. Rahuge and Smithfield acknowledge by the execution of this Consent Order that any future violation of Chapter 373, F.S., District rules, or the terms of any permit (including such as may be modified) may subject Rahuge and Smithfield to criminal prosecution, administrative action, or civil suit in which penalties of up to Fifteen Thousand Dollars (\$15,000.00) per day per offense may be imposed, as provided in Section 373.129(5), F.S.

24. This Consent Order is not a license or a permit. Rahuge and Smithfield shall not undertake any further construction activities without necessary District authorizations.

25. Entry of this Consent Order shall not relieve Rahuge and Smithfield of the duty to comply with all applicable federal, state, and local laws, regulations, and ordinances.

26. Rahuge and Smithfield shall allow authorized District representatives to access the properties at all reasonable times without prior notice to determine compliance with this Consent Order, Chapter 373, F.S., and District rules.

27. The terms and conditions set forth in this Consent Order may be enforced in a court of competent jurisdiction pursuant to Sections 120.69, 373.083(1), and 373.129, F.S.


28. The effectiveness of this Consent Order is subject to review and approval by the District's Governing Board. In the event the District's Governing Board does not approve this Consent Order, this Consent Order shall be null, void, and of no legal effect.

29. No modifications of the terms of this Consent Order are effective unless reduced to writing and executed by all Parties.


30. Any person, who is not a party to this Consent Order, whose substantial interests are affected by the District's action in this Consent Order may request an administrative hearing in accordance with Sections 120.569 and 120.57, F.S., and Chapter 28-106, F.A.C. A request for hearing that disputes the material facts on which the District's action is based must contain all elements required by Rule 28-106.201(2), F.A.C., including but not limited to: (1) an explanation of how the substantial interests of each person requesting the hearing will be affected by the District's action; (2) a statement of all disputed issues of material fact; (3) the Consent Order number; (4) the name, address and telephone number of the person requesting the hearing and, if applicable, of the person's representative; (5) a statement of when and how the person requesting the hearing received notice of the District's action; (6) a concise statement of the ultimate facts alleged, including the specific facts warranting reversal or modification of the District's action; and (7) the relief sought, including precisely what action the requester wishes the agency to take. A request for hearing that does not dispute the material facts on which the District's action is based shall state that no material facts are in dispute, contain the same information set forth above (with the exception of item (2)), and otherwise comply with Rule 28-106.301(2), F.A.C. A request for hearing must be filed with (received by) the Agency Clerk of the District at the District's Tampa Service Office, 7601 US Highway 301 North, Tampa, Florida 33637-6759, or by facsimile transmission to the Agency Clerk at (813) 367-9776 or (813) 367-9772, within twenty-one (21) days of receipt of this notice. If this Consent Order is mailed, receipt is deemed to be the fifth day after the date on which the Consent Order is deposited in the United States mail. Because the administrative hearing process is designed to formulate final agency

action, the timely filing of a request for hearing may result in the District's final action being different from its original action. Any person who is not a party to this Consent Order whose substantial interests will be affected by any such final action of the District has the right to request a hearing in accordance with the requirements set forth above. Failure to file a request for hearing within the specified time period shall constitute a waiver of any right any such person may have to request a hearing under Sections 120.569 and 120.57, F.S. Mediation pursuant to Section 120.573, F.S., to settle an administrative dispute regarding the District's action in this matter is not available prior to the filing of a request for hearing.

Smithfield Apartments Corp.


Ronald B. Neff, President & Director
10/22/22
Date

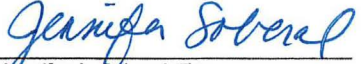
Rahuge, LLC


Ronald B. Neff, Managing Member
10/22/22
Date

Approved by the Governing Board of the Southwest Florida Water Management District
this ____ day of _____, 2022.

By: _____
Joel A. Schleicher, Chair

Attest: _____
Print Name: _____

Approved as to Legal Form and Content

Jennifer A. Soberal, Esq.
Office of General Counsel

Filed this ____ day of _____, 2022.

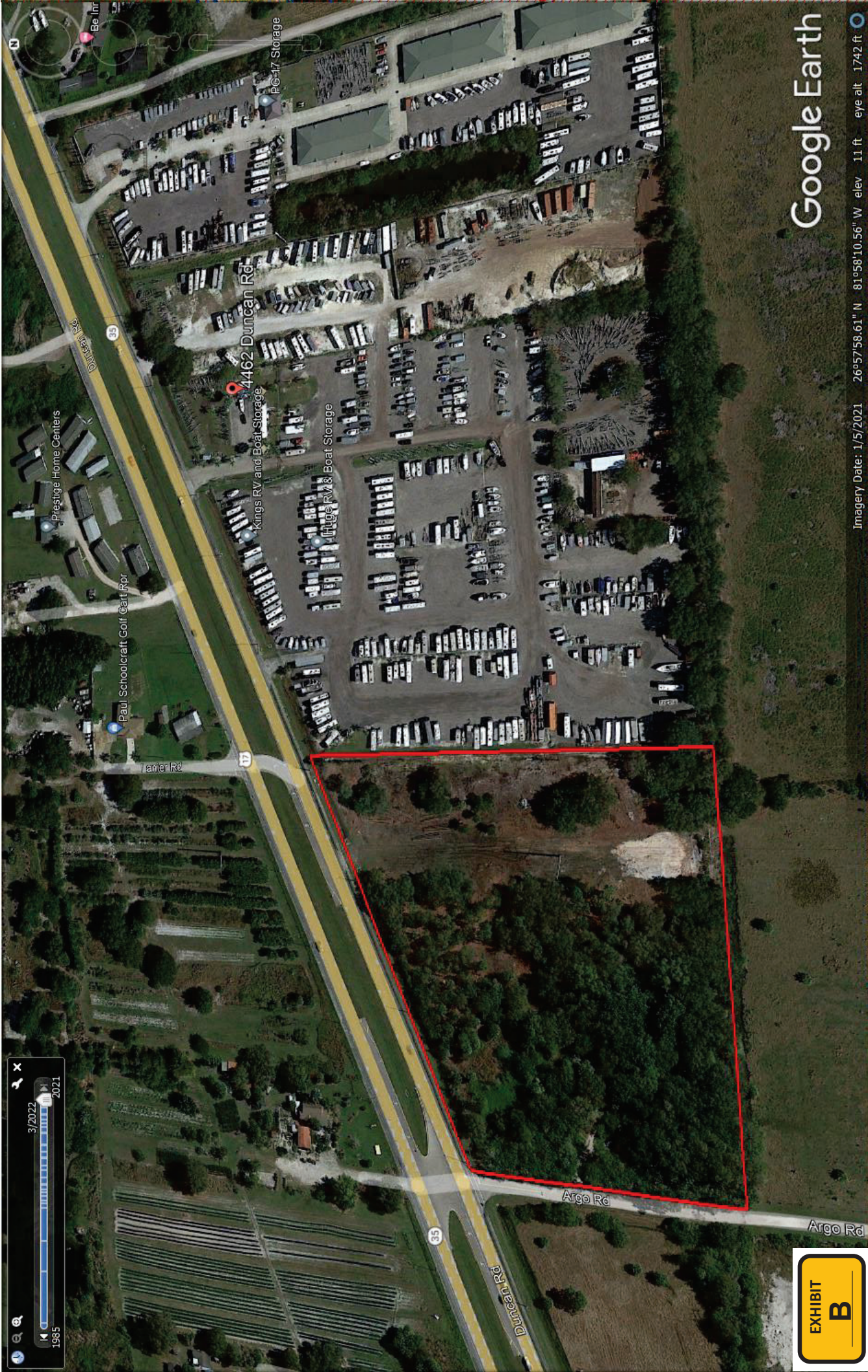
Deputy Agency Clerk

CONSENT ORDER
RAHUGE, LLC & SMITHFIELD APARTMENTS CORP.
CT NOS. 405388, 405263, 419825
CHARLOTTE COUNTY, FLORIDA



Google Earth

EXHIBIT
A



Google Earth

Imagery Date: 1/5/2021 26°57'58.61" N 81°58'10.56" W elev 11 ft eye alt 1742 ft

EXHIBIT B

CONSENT AGENDA

November 15, 2022

Executive Director's Report: Approve Governing Board Minutes - October 18, 2022

Staff Recommendation:

Approve minutes as presented.

Presenter:

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



**GOVERNING BOARD MEETING
TUESDAY, OCTOBER 18, 2022 - 9:00 AM
7601 US 301 NORTH, TAMPA, FL 33637
(813) 985-7481**

MINUTES

Board Members Present

Joel Schleicher, Chair
Ed Armstrong, Vice Chair
Michelle Williamson, Secretary
John Mitten, Treasurer*
Kelly Rice, Former Chair*
Jack Bispham, Member
Seth Weightman, Member
Ashley Bell Barnett, Member
William Hogarth, Member*

Board Members Absent

John E. Hall, 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
Jennette Seachrist, Division Director
Michelle Hopkins, Division Director
Brian Starford, Division Director
Michael Molligan, Division Director
Brandon Baldwin, Division Director

Board Administrative Support

Virginia Singer, Board & Executive Services Manager
Lori Manuel, Administrative Coordinator

1. Convene Public Meeting

The Governing Board of the Southwest Florida Water Management District (District) met for its regular meeting at 9:00 a.m., October 18, 2022, 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 Joel Schleicher 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 Schleicher 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 Schleicher 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 Schleicher 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 Michelle Williamson offered the invocation and led 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 deleted:

Finance/Outreach & Planning Committee

2.2 Polk Regional Water Cooperative – Peace Creek Integrated Water Supply Plan (N928) and Peace River/Land Use Transition (Q133) Projects, Reduction of Scope, and Budget to Eliminate Third-Party Reviews

1.5 Public Input for Issues Not Listed on the Published Agenda

Mr. David Ballard Geddis spoke against water regulations.

Chair Schleicher stated there was good cause to approve the amended agenda as allowed by Section 120.525, Florida Statutes.

CONSENT AGENDA

Finance/Outreach & Planning Committee

2.1 Office of Inspector General Performance Measures

Staff recommended the Board approve the OIG performance measures.

2.2 ~~Polk Regional Water Cooperative – Peace Creek Integrated Water Supply Plan (N928) and Peace River/Land Use Transition (Q133) Projects, Reduction of Scope, and Budget to Eliminate Third-Party Reviews~~

Staff recommended the Board:

- ~~1. Authorize staff to amend the (N928) Peace Creek Integrated Water Supply Plan Project CFA to eliminate the third party review and integrated water supply plan tasks, reduce the total project budget to \$1,442,250, and transfer the \$269,000 savings to the Polk Partnership Fund (H094).~~
- ~~2. Authorize staff to amend the (Q133) Peace River/Land Use Transitions Project CFA to eliminate the third party review task, reduce the total project budget to \$941,100 and transfer the \$10,000 savings to the Polk Partnership Fund (H094).~~

2.3 FARMS – Sweet Life Acres Phase 1 (H808), Hillsborough County

Staff recommended the Board:

1. Approve the Sweet Life Acres, LLC project for a not-to-exceed project reimbursement of \$294,658 provided by the Governing Board.
2. Authorize the transfer of \$294,658 from fund 010 H017 Governing Board FARMS Fund to the H807 Sweet Life Acres, LLC project fund.
3. Authorize the Assistant Executive Director to sign the agreement.

2.4 Approve the Plant City Watershed Management Plan Floodplain Information for Regulatory Use and to Update Flood Insurance Rate Maps in the City of Plant City (N995)

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

2.5 Minimum Flows and Minimum Water Levels Priority List and Schedule Update

Staff recommended the Board approve the District's Minimum Flows and Minimum Water Levels 2022 Priority List and Schedule for submission to DEP for review and approval as required by Chapter 373, F.S.

2.6 Water Use Permit No. 20 010420.012, Peace River/Manasota Regional Water Supply Authority / Peace River Water Treatment Plant Facility (DeSoto County)

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

2.7 Knowledge Management: Retirement of Governing Board Policy Well Drilling Advisory Committee

Staff recommended the Board approve retiring the Governing Board Policy for the Well Drilling Advisory Committee.

2.8 Approval of Consent Order between SWFWMD and Vatsala Sastry – As-Built Deviations Permit Violations – ERP Number 44029286.000 – CT Number 378487 – Pasco County

Staff recommended the Board:

1. Approve the Consent Order.
2. Authorize District staff to pursue compliance with the terms and conditions of the approved Consent Order, including filing any appropriate actions in Circuit Court, if necessary.

2.9 Governing Board Concurrence – Emergency Order Nos. SWF 22-010 and 22-011 Emergency Measures Due to Hurricane Ian and High-Water Conditions

Staff recommended the Board concur with the Executive Director's findings in Emergency Order Nos. SWF 22-010 and 22-011.

2.10 Approve Fiscal Year 2023 Final Budget Hearing Minutes

Staff recommended the Board approve the minutes as presented.

2.11 Approve Governing Board Minutes - September 20, 2022

Staff recommended the Board approve the minutes as presented.

A motion was made and seconded to approve the Consent Agenda. The motion carried unanimously. (00:09:23)

Finance/Outreach & Planning Committee

Board Member Jack Bispham called the committee to order.

3.1 Consent Item(s) Moved to Discussion – None

3.2 Investment Strategy Quarterly Update

Mr. John Grady, Public Trust Advisors, presented current information that included the Gross Domestic Product (GDP), inflation, the housing market, interest rates, labor force information, and short-term investment information

Mr. Grady provided an overview of the District's portfolio strategy for the last quarter (July 1 – September 30, 2022). He also provided information that compared market yield to unrealized gains/losses and book yield to market yield. Mr. Grady responded to questions.

Staff recommended the Board accept and place on file the District's Quarterly Investment Reports for the quarter ended September 30, 2022. Exhibit provided under separate cover.

A motion was made and seconded to approve staff's recommendation. The motion passed unanimously. (00:43:16)

3.3 Annual Review of the District's Investment Policy

Mr. Brandon Baldwin, Business and IT Services Division Director outlined the purpose and objectives of the policy and an overview of the proposed modifications.

Mr. Baldwin explained the proposed modifications would include updating performance benchmarks and the addition of two new investment options, which include asset backed securities and asset backed commercial paper. He provided an overview of these proposed options. Mr. Baldwin and Mr. Grady responded to questions.

This item is presented for the Board's information, and no action is requested.

3.4 Development of Preliminary Budget for Fiscal Year 2024

Mr. Brandon Baldwin provided an overview of the FY2024 Budget Development. This included a timeline, budget metrics, operating budget assumptions, project budget assumptions, revenue budget assumptions, fund balance and reserve assumptions, Ad Valorem growth assumptions, and new growth predictions. Mr. Baldwin responded to questions.

Staff recommended the Board approve the general budget assumptions as outlined in the October 18, 2022, budget presentation for the development of the Preliminary Budget for FY2024.

A motion was made and seconded to approve staff's recommendation. The motion passed unanimously. (01:20:00)

3.5 Office of Inspector General Quarterly Update – July 1, 2022, to September 30, 2022

This was for information only. No action was required.

3.6 Budget Transfer Report

This was for information only. No action was required.

Resource Management Committee

Board Member Ashley Bell Barnett called the committee to order.

4.1 Consent Item(s) Moved to Discussion - None

4.2 Thirty-fifth Year Anniversary of the Surface Water Improvement & Management Program (SWIM)

Ms. Vivianne Bendixson, SWIM Program Manager, provided a presentation that included a history, purpose of the program, list of priority water bodies, accomplishments, and partnerships. She highlighted restoration projects which included Rock Ponds, Stallion Hammock Restoration at Balm Boyette Scrub Preserve, spring systems, and seagrass mapping. She explained the process of tracking restoration projects and provided information regarding ongoing and future projects.

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

4.3 FARMS – Bay Grove – T&T Environmental, LLC, Phase 1 (H805), DeSoto County

Ms. Carole Estes, FARMS Program Director, provided an overview of the project which included history, location, project purpose, benefits and costs associated. Ms. Estes responded to questions.

Staff recommended the Board:

1. Approve the T&T Environmental Phase 1 project for a not-to-exceed project reimbursement of \$773,364 proved the Governing Board.
2. Authorize the transfer of the \$773,364 from fund 010 H017 Governing Board FARMS fund to the H805 T&T Environmental Phase 1 project fund.
3. Authorize the Assistant Executive Director to sign the agreement.

A motion was made and seconded to approve staff's recommendation. The motion passed unanimously. (01:40:41)

Operations, Lands, and Resource Monitoring Committee

Board Member Jack Bispham called the committee to order.

5.1 Consent Item(s) Moved to Discussion - None

5.2 Hydrologic Conditions, Structure Operations, Hurricane Ian Update

Ms. Tamera McBride, Hydrologic Data Manager, presented the hydrologic conditions report. She stated the southern part of the District received record rainfall as a result of Hurricane Ian. Ms. McBride presented rainfall distribution data before and after Hurricane Ian. She stated that groundwater levels throughout the District remain in the normal range. Polk Upland Lakes are in the above normal range. The Northern, Tampa Bay and Lake Wales Ridge lakes remain in the normal range. Ms. McBride stated the Withlacoochee and Hillsborough rivers remain in the normal range, while the Alafia, and Peace rivers are in the above normal range. She stated that public supply storage within the District remains at adequate levels. As a result of Hurricane Ian, forecast information specifically addressing the Peace River was presented. She presented the near-term and extended climate forecasts.

Ms. Michelle Weaver, General Services Bureau Chief, provided a briefing regarding District Emergency Operation activities prior, during and following Hurricane Ian. She stated wellness checks were performed for staff that may have been impacted.

Ms. Weaver provided information regarding the North Winter Haven Chain of Lakes. She stated water levels remain high but are declining. Board Member Bispham asked if there is consideration for improvement funding for the water control structures. Mr. Brian Starford, Operations, Lands and Resource Monitoring Director, explained that the District is working on the capital improvement plan for the water conservation structures. As part of that effort, we can evaluate if a structure could be improved and would evaluate potential impacts upstream and downstream and the capacity of the conveyance system. In addition, any proposed funding would be included in the District's budget for Board approval.

Chair Schleicher applauded and thanked staff for the extra hours put in serving the public both before and after the storm. He also said the communications associated with the storm were excellent.

These items were for information only. No action was required.

Regulation Committee

Board Member Seth Weightman called the committee to order.

6.1 Consent Item(s) Moved to Discussion - None

6.2 Denials Referred to the Governing Board

No denials were presented.

General Counsel's Report

7.1 Consent Item(s) Moved to Discussion - None

No items were presented.

Committee/Liaison Reports

8.1 Agricultural and Green Industry Advisory Committee

Mr. Michael Molligan, Employee Outreach & General Services Director, presented a summary of the September 13 meeting. He stated presentations included management practices for invasive species and District Land Management activities.

Board Member Weightman asked about best management practices associated with Cogon grass. Mr. Starford stated he would provide that information.

A written summary of the meeting was also provided.

Executive Director's Report

9.1 Executive Director's Report

Mr. Brian Armstrong, Executive Director, provided the Board with a written summary of his FY2024 goals.

Mr. Armstrong thanked staff for their extraordinary efforts of District staff during Hurricane Ian.

Chair's Report

10.1 Chair's Report

Chair Schleicher stated the next meeting is scheduled for November 15 at 9:00 a.m., in the Brooksville office. A Governing Board Workshop will also be held at 10:30 a.m.

10.2 Employee Milestones

Chair Schleicher recognized the following staff: Glen Shell, Denise Johnson, Ramzi Chehaib and Jim Lewis.

10.3 2022 Employee Evaluation and 2023 Performance Goals for the Executive Director and Inspector General

Chair Schleicher stated that based on the Board Members individual evaluations, Treasurer John Mitten recommended an overall grade of 5 on a five-point scale and a \$4,500 raise for Inspector General Brian Werthmiller, which equates to a 3.78 percent increase.

Chair Schleicher expressed his appreciation to the Executive Director, Mr. Brian Armstrong. He stated that based on the Board Members individual evaluations, he recommended an overall grade of 5 and a 3 percent merit increase.

A motion was made to accept the Treasurer's recommendation for a \$4,500 merit increase for the Inspector General and the Chair's recommendation for a 3 percent merit increase for the Executive Director. The motion was seconded and passed unanimously. (02:11:58)

ADJOURNMENT

The meeting adjourned at 11:18 a.m.

Governing Board Meeting
November 15, 2022

3. FINANCE/OUTREACH & PLANNING COMMITTEE

3.1	Discussion: Information Item: Consent Item(s) Moved to Discussion	75
3.2	Submit & File: Information Item: Budget Transfer Report	76

FINANCE/OUTREACH AND PLANNING COMMITTEE

November 15, 2022

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:

Michael Molligan, Division Director, Employee Outreach and General Services

Brandon Baldwin, Division Director, Business and IT Services

FINANCE/OUTREACH AND PLANNING COMMITTEE

November 15, 2022

Submit & File: Information Item: Budget Transfer Report

Purpose

Provide the Budget Transfer Report covering all budget transfers made during the month of October 2022.

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 October 2022.

Staff Recommendation:

Present the Budget Transfer Report for the Board's information. No action required.

Presenter:

Melisa J. Lowe, Bureau Chief, Finance

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Budget Transfer Report
October 2022

Item No.	--- TRANSFERRED FROM ---		--- TRANSFERRED TO ---		Reason For Transfer	Transfer Amount
	Bureau /	Expenditure Category	Bureau /	Expenditure Category		
<u>Change from Original Budget Intent - FY2022</u>						
1	Operations	Maint/Repair of Buildings/Structures	Operations	Consultant Services	Transfer of funds originally budgeted for the Flood Gate Refurbishment Program. The funds are no longer required based on the determination that the gates planned for refurbishment this fiscal year were beyond their useful life and require replacement. The funds are needed to conduct a geotechnical evaluation at the Flint Creek Structure to prevent foundational damage to the structure. These funds are in addition to the \$17,000 transferred in September 2022, for a total of \$62,000 transferred due to fewer funds than anticipated were available in the Structure Operations consultant services budget. The total cost of the evaluation remains at \$90,000.	\$ 45,000.00
Total Change from Original Budget Intent						\$ 45,000.00
<u>Consistent with Original Budget Intent - FY2022</u>						
1	Water Resources	Rental of Other Equipment Chemical Supplies	Water Resources	Rental of Other Equipment Chemical Supplies	Funds are needed for the original purpose budgeted for chemical supplies to disinfect water being injected into the aquifer at Flatford Swamp and for the rental of equipment to administer those chemicals. Expenses for each phase of the aquifer recharge project at Flatford Swamp are tracked using separate accounting codes. These funds are being transferred from the code for design and construction to the appropriate code for the operational testing phase.	\$ 150,000.00
2	General Services	Financed Equipment - Inside	General Services	Leased Inside Equipment	Funds are needed for the original purpose budgeted for the lease of the District's Print Shop equipment. The accounting of the lease has been determined to be a lease and not financed equipment based on most recent changes in accounting standards. These funds are being transferred to the appropriate accounting code.	60,405.00
<u>Consistent with Original Budget Intent - FY2023</u>						
3	Information Technology	Cloud Software Usage Fees	Information Technology	Software Maintenance	Funds are needed for the original purpose budgeted for financial systems software maintenance. Implementation of moving the financial systems from on-premise to cloud has been delayed. The funds are being transferred to the appropriate accounting code for system support.	258,679.00
4	Operations	Equipment - Non-Capital Outlay	Operations	Equipment - Outside	Funds are needed for the original purpose budgeted for the replacement of two spray systems used to apply herbicide by the Vegetation Management section. Since budgeting, the actual cost of one system has exceeded the \$5,000 capital threshold. This transfer is to move the funds to the appropriate accounting code for capital equipment.	5,487.00
Total Consistent with Original Budget Intent						\$ 474,571.00
Total Amount Transferred						\$ 519,571.00

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.

Governing Board Meeting
November 15, 2022

4. RESOURCE MANAGEMENT COMMITTEE

4.1	Discussion: Information Item: Consent Item(s) Moved to Discussion	78
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RESOURCE MANAGEMENT COMMITTEE

November 15, 2022

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

Governing Board Meeting

November 15, 2022

5. OPERATIONS, LANDS, AND RESOURCE MONITORING COMMITTEE

- 5.1 **Discussion:** Information Item: Consent Item(s) Moved to Discussion 79
- 5.2 **Discussion:** Action Item: Offer for Surplus Lands - Annutteliga Hammock Surplus
(AH-4), SWF Parcel No. 15-228-2108S 80

OPERATIONS, LANDS, AND RESOURCE MONITORING COMMITTEE

November 15, 2022

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

OPERATIONS, LANDS, AND RESOURCE MONITORING COMMITTEE

November 15, 2022

Discussion: Action Item: Offer for Surplus Lands - Annutteliga Hammock Surplus (AH-4), SWF Parcel No. 15-228-2108S

Purpose

Recommend the Governing Board approve the Contract for Sale and Purchase for Annutteliga Hammock (AH-4) SWF Parcel No. 15-228-2108S attached as Exhibit 1. A general location map and site map are attached as Exhibits 2 and 3.

Background and History

The Annutteliga Hammock properties owned by the District are located 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 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.

This AH-4 parcel comprises approximately 40 acres and has been listed with Saunders Real Estate since May 9, 2022. It has been advertised through multiple media sources and personal contacts.

Summary of Value and Offer

The most recent appraisal of the property has a valuation date of July 21, 2022 and was prepared by Bradley C. Page, MAI of Valuation Advisors. The appraisal determined that the highest and best use as encumbered by the proposed conservation easement includes mitigation and/or use as a home site and sets forth the appraised value of the property encumbered with a conservation easement of \$210,000, or approximately \$5,250 per acre. A sales summary and adjustment grid from the appraisal is attached as Exhibit 4, and the complete appraisal report is available upon request.

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. The current offer being presented for consideration to the Governing Board is for \$220,000 and is above the appraised value. The contract details are as follows:

Sale Terms

- The District will deliver title to the buyer by Quit Claim Deed and the buyer will in turn convey back to the District a conservation easement over the property that will limit and restrict the future use and development of the property to one (1) residence and/or mitigation.
- The purchase price is fixed without adjustment provisions.
- The Buyer will make a deposit of five percent of the contract price, or \$10,500 with a closing to occur no more than 90 days after the effective date of the Contract for Sale and Purchase.
- The buyer will pay the real estate commission of \$12,600 to Saunders Real Estate.
- The buyer will bear all expenses of the transaction except for the appraisal and advertising costs.

Benefit/Costs

The proceeds from the sales of surplus lands allows the District to acquire lands that are more environmentally significant. Funds derived from the sale of surplus land are only used for the purchase of other lands, resulting in the ability to more effectively meet the District's core mission.

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:

Michael Singer, Manager, Real Estate Services

Exhibit 1

Approved by Attorney: _____

CONTRACT FOR SALE AND PURCHASE

THIS Contract for Sale and Purchase (Contract) is made this _____ day of, 20____, 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 Gary Ellebracht, having an address of _____ (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 will 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 will terminate.

3. **EFFECTIVE DATE:** The effective date of this Contract will 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 will terminate.

5. **PURCHASE PRICE:** The total purchase price for the Property will be Two hundred twenty thousand dollars (\$220,000), which will be paid in the following manner:

a. **Deposit:** Concurrent with the execution by Buyer of this Contract, Buyer will 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 closing agent designated by the District, as earnest money (Deposit). In the event this Contract is terminated under Paragraphs 2, 4, 9, or 13 of this Contract, or as a result of the District's default under paragraph 14 of this contract, the District will return the Deposit to Buyer.

b. **Balance:** The balance of the purchase price will 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 will be closed no later than _____ (60) days from the effective date referenced in Paragraph 2, unless this

Contract for Sale and Purchase

Revised 3/1/2021

Parcel Name:

SWF Parcel No.: 15-228-2108C

Includes: 15-228-2063S, 15-228-2064S,
15-228-2066S, 15-228-2067S

Page 1 of 8

Contract is terminated pursuant to Paragraphs 2, 4, 9, 13, or 14. The following are additional details of closing:

- a. **Time and Place:** The date, time and place of closing will be set by the District.
- 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 Meridian Title Company Inc., having an address of 37837 Meridian Ave STE 100, Dade City, FL 33525, as the escrow agent for closing. The Buyer will pay any costs charged by such company or agent for this closing service. If Buyer obtains a survey of the Property, nothing contained therein will affect the purchase price or terms of this Contract.
- d. Buyer will also be responsible for paying SVN Saunders Ralston Dantzler Real Estate in the amount of _____ dollars (\$ 13,200), by separate certified or cashier's check made payable to, or wire transfer to, the escrow agent designated by the District. The commission for the District's sale of surplus property is calculated based on the following schedule:

Commission Schedule: Maximum Compensation Rate			
Purchase Price for the Property			Maximum Rate
The first	\$ 0	- \$ 1,000,000	6.0%
The next	\$ 1,000,001	- \$ 5,000,000	5.0%
The next	\$ 5,000,000 and over		4.0%

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. **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.

Contract for Sale and Purchase

Revised 3/1/2021

Parcel Name:

SWF Parcel No.: 15-228-2108C

Includes: 15-228-2063S, 15-228-2064S,
15-228-2066S, 15-228-2067S

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9. **DUE DILIGENCE PERIOD:** Buyer will, at Buyer's expense, determine whether the Property is suitable for the Buyer's intended use and development of the Property within thirty (30) days from the effective date of this Contract (Due Diligence Period).

- a. During the Due Diligence Period, Buyer may conduct any tests, analyses, surveys, inspections, and investigations which Buyer deems necessary to determine to Buyer's satisfaction the suitability of the Property for Buyer's intended use and development. Buyer will deliver written notice to the District prior to the expiration of the Due Diligence Period of Buyer's determination of whether the Property is acceptable. If Buyer fails to comply with this notice requirement, Buyer will be deemed to have waived any objection to the suitability of the Property for the Buyer's intended use and development and to have accepted the Property in its present "as is" condition.
- b. If Buyer determines that the Property is not acceptable, Buyer must include the specific reasons therefore in its notice to the District. The District will have thirty (30) days from receipt of Buyer's notice to cure the specified deficiencies. If the deficiencies are identified by a survey, the survey must meet the requirements for a **Certified Boundary Survey in accordance with Chapter 472, Florida Statutes**, and must be provided to the District for review. If the deficiencies are identified in a Title Insurance Commitment, the Title Insurance Commitment and supporting documentation must be provided to the District for review. If the District fails to cure the deficiencies to the reasonable satisfaction of the Buyer, its attorney or the Buyer's title insurance company within the 30-day cure period, Buyer may either terminate this Contract or proceed to closing in the same manner as if no deficiencies had been found.
- c. Buyer may contact the District to arrange access to the Property for Buyer, its agents, contractors and assigns for the purpose of conducting such tests, analyses, surveys, inspections, and investigations. Buyer will indemnify and hold the District harmless from losses, damages, costs, claims and expenses of any nature, including attorneys' fees at all levels, and from liability to any person, arising from the conduct of any and all inspections or any work authorized by Buyer. Buyer will not engage in any activity that could result in a mechanic's lien being filed against the Property.

10. **EVIDENCE OF TITLE:** Buyer may, at Buyer's expense, obtain evidence of title and determine insurability of title or waive insurable title, within the Due Diligence Period specified in paragraph 9 and subject to the same notices and waivers. 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. **OPERATION OF PROPERTY DURING CONTRACT PERIOD:** Prior to closing, the District will continue to operate the Property and any business conducted on the Property in

Contract for Sale and Purchase

Revised 3/1/2021

Parcel Name:

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the manner operated prior to the date of the Contract and will take no action that would adversely impact the Property.

13. **RISK OF LOSS:** If substantial damage to the Property (more than \$5,000) occurs between the date of this Contract and the date of closing, the District will have the option of restoring the damaged Property to its condition immediately prior to the occurrence causing the damage, in which event, Buyer will complete the transaction as originally planned. If these repairs are not completed prior to the closing date, closing will be extended until such time as the repairs are completed. If the District elects not to restore the damaged Property, Buyer's sole remedy will be the right to terminate this Contract by giving written notice to the District or, alternatively, to proceed to closing on the Property, as damaged, without adjustment in the purchase price. If damage to the Property is \$5,000 or less, the parties will proceed to closing as though no damage had occurred.

14. **DEFAULT:** If Buyer fails to close within seventy (70) days from the effective date referenced in Paragraph 3, the District will retain the Deposit, this Contract will terminate, and the District and Buyer will be relieved of all rights and obligations under this Contract. If the District fails to deliver the quit claim deed to Buyer within seventy (70) days from the effective date referenced in Paragraph 3, the District will return the Deposit to Buyer, this Contract will terminate, and Buyer and the District will be relieved of all rights and obligations under this Contract. Notwithstanding the above, neither party shall be liable under this provision if the closing date is extended pursuant to Paragraph 13, Risk of Loss.

15. **ATTORNEYS' FEES AND COSTS:** Except as provided in Paragraph 9, Due Diligence Period, in any claim or controversy arising out of or relating to this Contract, each party agrees to bear its own attorney fees and costs.

16. **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.

17. **SUCCESSORS:** Upon execution of this Contract by Buyer, this Contract will be binding upon and inure to the benefit of Buyer, Buyer's heirs, successors, or assigns.

18. **RECORDING:** Neither this Contract nor any notice of it may be recorded in any county by any person.

19. **ASSIGNMENT:** This Contract may not be assigned by Buyer without the prior written consent of the District.

20. **TIME OF ESSENCE:** Time is of the essence in the performance of this Contract.

21. **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

Contract for Sale and Purchase

Revised 3/1/2021

Parcel Name:

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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 will be revised by or at the direction of the District and will be subject to the final approval of the District. Anything to the contrary hereinabove notwithstanding, such a revision of the description of the Property will 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 will constitute a full and complete ratification and acceptance of the revised description of the Property by the parties.

22. **SURVIVAL**: Paragraphs 6c, 7, 11 and 15 of this Contract will survive delivery and recording of deed and possession of the Property.

23. **COUNTERPARTS AND AUTHORITY TO SIGN**: The signatures of all parties need not appear on the same counterpart. In accordance with the Electronic Signature Act of 1996, electronic signatures, including facsimile transmissions, may be used and shall have the same force and effect as a written signature. Each person signing this Contract warrants that he or she is duly authorized to do so and to bind the respective party to the Contract.

24. **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)

Contract for Sale and Purchase

Parcel Name:

SWF Parcel No.: 15-228-2108C

Includes: 15-228-2063S, 15-228-2064S,
15-228-2066S, 15-228-2067S

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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

Witness

Printed Name

Witness

Printed Name

By: _____

Name: _____

Title: _____

Date: _____

BUYER:

Witness

Printed Name

By: _____

<i>Gary Ellebracht</i>	dotloop verified 10/20/22 12:10 PM EDT DTF2-ORTP-RB29-JSKD
------------------------	---

Name: Gary Ellebracht

Title: _____

Date: _____

Witness

Printed Name

By: _____

Name: _____

Title: _____

Date: _____

Contract for Sale and Purchase

Parcel Name:

SWF Parcel No.: 15-228-2108C

Includes: 15-228-2063S, 15-228-2064S,
15-228-2066S, 15-228-2067S

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Exhibit "A"
Legal Description

Legal Description Parcel

Remainder of this page intentionally left blank.

Exhibit "B"
Southwest Florida Water
Management District Requirements
for Surplus Boundary Surveys

- All improvements within 10 feet of the boundary lines must be shown (including, but not limited to: wells, septic tanks, fencing, gates, and utilities). Visible evidence of underground installations or apparent cross rights uses will be located and noted.
- The survey will be certified to the Southwest Florida Water Management District
- The following certification will appear on the survey map:

THIS _____ SURVEY IS CERTIFIED TO THE SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT AS MEETING OR EXCEEDING, IN QUALITY AND PRECISION, THE STANDARDS APPLICABLE FOR THIS WORK, AS SET FORTH IN CHAPTER 5J-17, FLORIDA ADMINISTRATIVE CODE.

- Title Commitment exceptions must be addressed on the survey.
- When applicable, the existence of Sovereign Boundaries will be determined by coordinating with the Bureau of Survey and Mapping, Florida Department of Environmental Protection. The demarcation will be a part of this scope.
- When the question or establishment of mean high water, safe upland elevation or ordinary high-water lines is required, a scanned copy of the signed letter from DEP will be provided in PDF format (filename: DEP Sovereign Letter.pdf)
- All monumentation recovered outside the boundaries of the subject survey that was included in the analysis and resolution of the survey will be shown and dimensioned on the map of survey.
- The legal description of the parcel being surveyed will be shown on the map of survey.

Remainder of this page intentionally left blank.

Exhibit A
Legal Description of Property

Description of Surplus Parcel 15-228-2063S (AH-4 2063S), 15-228-2064S (AH-4 2064S),
15-228-2066S (AH-4 2066S), 15-228-2067S (AH-4 2067S)

The East 1/2 of the North 1/2 of the Northeast 1/4 of the Southeast 1/4 of Section 28, Township
21 South, Range 18 East, Hernando County, Florida.

The West 1/2 of the South 1/2 of the Northeast 1/4 of the Southeast 1/4, Section 28, Township
21 South, Range 18 East, Hernando County, Florida..

The West 1/2 of the North 1/2 of the Northeast 1/4 of the Southeast 1/4, Section 28, Township 21
South, Range 18 East, Hernando County, Florida..

The East 1/2 of the South 1/2 of the Northeast 1/4 of the Southeast 1/4, of Section 28, Township
21 South, Range 18 East, Hernando County, Florida.

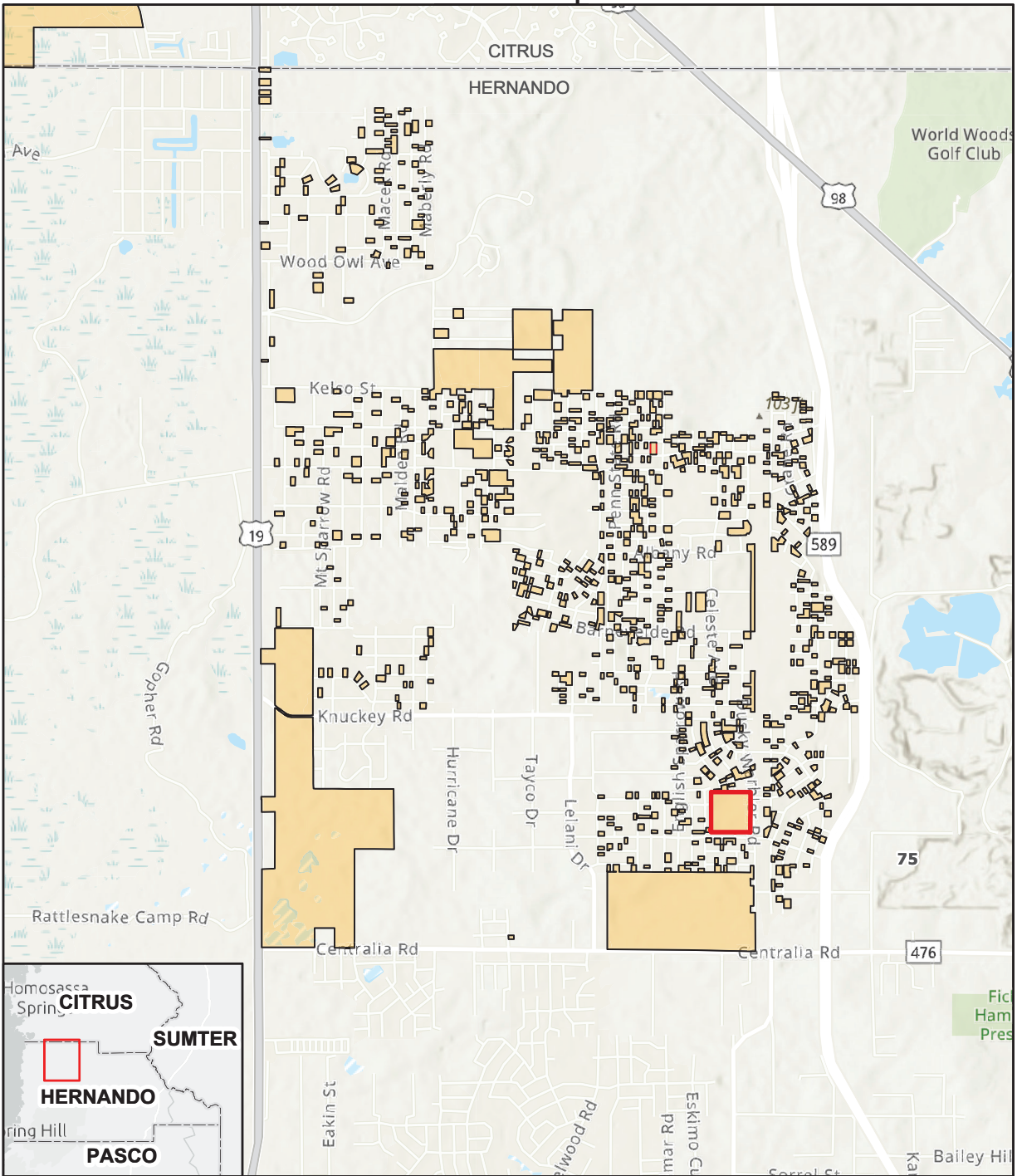
Containing approximately 40 Acres more or less.

Approved for use by the Survey Section 09-07-2016, W.O. 16-156.

Remainder of this page intentionally left blank

AH-4 2063S, AH-4 2064S, AH-4 2066 AH-4 2067S
SWF PARCEL NO. 15-228-2063S, 15-228-2064S, 15-228-2066S, 15-228-2067S

Exhibit 2
Annutteliga Hammock
SWF Parcel No. 15-228-2108S, Surplus ID AH-4-2108S
Location Map



Esri, NASA, NGA, USGS, FEMA, FDEP, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, FDEP, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPS

- SWF Parcel 15-228-2108S
- District Owned Lands Fee Simple

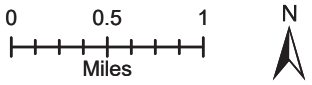
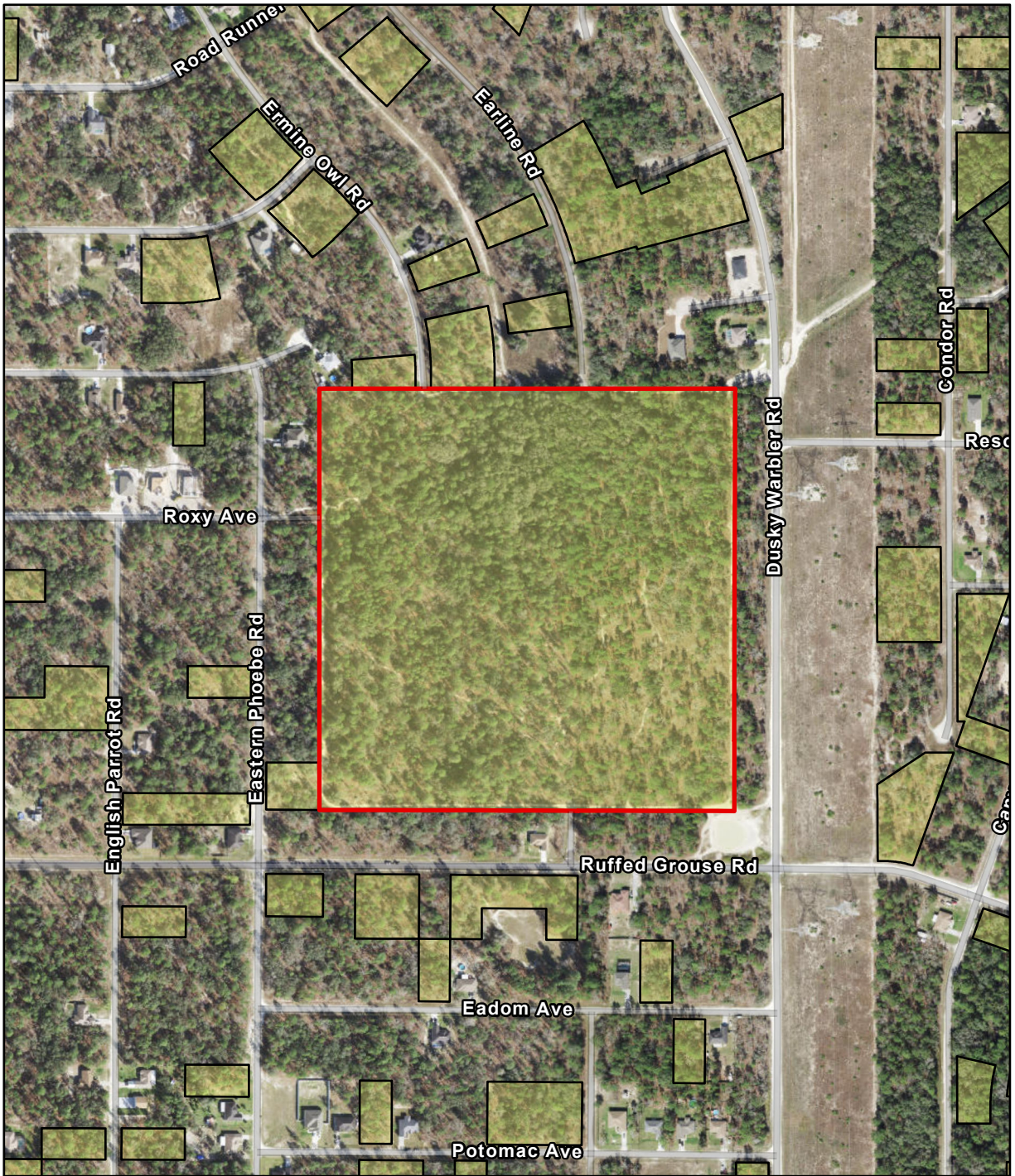
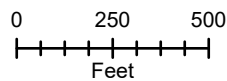


Exhibit 3
Annutteliga Hammock
SWF Parcel No. 15-228-2108S, Surplus ID AH-4-2108S
Site Map



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 15-228-2108S
- District Owned Lands Fee Simple



Southwest Florida
 Water Management District

Exhibit 4

Site Size (AC)		Price \$/AC		Market Value
40.0	x	\$12,950	=	\$518,000
			(RD)	\$520,000

The conclusion of \$520,000 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 conservation easement. 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	Mar-22
Sale Price	\$129,900	\$500,250	\$718,750	\$755,000
Adjustment to Normalize	\$0	\$0	\$0	\$0
Normalized Price	\$129,900	\$500,250	\$718,750	\$755,000
Size AC	15.87	110.67	151.49	163.83
Price/AC	\$8,185	\$4,520	\$4,745	\$4,608
Fee Simple Indicator	\$16,000	\$13,000	\$13,000	\$12,000
FACTOR	51.16%	34.77%	36.50%	38.40%

The fee simple indicators for comparison are based on the sales included herein as well as well as the sales found in the previous appraisal of the subject with the client and intended user of this report being familiar with the comparables.

A location map for the conservation easement properties follows:

Governing Board Meeting

November 15, 2022

6. REGULATION COMMITTEE

- 6.1 **Discussion:** Information Item: Consent Item(s) Moved to Discussion.....94
- 6.2 **Discussion:** Action Item: Denials Referred to the Governing Board95

REGULATION COMMITTEE

November 15, 2022

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

REGULATION COMMITTEE

November 15, 2022

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

Governing Board Meeting
November 15, 2022

7. GENERAL COUNSEL'S REPORT

7.1 Discussion:	Information Only: Consent Item(s) Moved to Discussion.....	96
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GENERAL COUNSEL'S REPORT

November 15, 2022

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

COMMITTEE/LIAISON REPORTS

November 15, 2022

Discussion: Information Item: Environmental Advisory Committee

This meeting was canceled.

Staff Recommendation:

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

Presenter:

Michelle Williamson, Board Member

EXECUTIVE DIRECTOR'S REPORT

November 15, 2022

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

November 15, 2022

Discussion: Information Item: Chair's Report

Staff Recommendation:

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

Presenter:

Joel A. Schleicher, Chair

CHAIR'S REPORT

November 15, 2022

Discussion: Information Item: Employee Milestones

Staff Recommendation:

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

Presenter:

Joel A. Schleicher, Chair

Years of Service	Seniority Date	Preferred Full Name	Position Title	Office Location	Bureau	Anniversary Year	Next Milestone
15	11/13/2007	Scott VanOrsdale	Staff Engineer	Tampa	Environmental Res Permit	2022	11/13/2022
35	11/23/1987	Dave Goldberg-Dunnnett	Senior Hydrologic Data Field Tech	Brooksville	Data Collection	2022	11/23/2022