

Governing Board Meeting

Agenda and Meeting Information

November 19, 2024

9:00 a.m.

Tampa Office

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

Southwest Florida
Water Management District

WATERMATTERS.ORG • 1-800-423-1476



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

An Equal
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The Southwest Florida Water Management District (District) does not discriminate on the basis of disability. This nondiscrimination policy involves every aspect of the District's functions, including access to and participation in the District's programs, services and activities. Anyone requiring reasonable accommodation, or who would like information as to the existence and location of accessible services, activities, and facilities, as provided for in the Americans with Disabilities Act, should contact the Human Resources Office Chief, at 2379 Broad St., Brooksville, FL 34604-6899; telephone (352) 796-7211 or 1-800-423-1476 (FL only); or email ADACoordinator@WaterMatters.org. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1-800-955-8771 (TDD) or 1-800-955-8770 (Voice). If requested, appropriate auxiliary aids and services will be provided at any public meeting, forum, or event of the District. In the event of a complaint, please follow the grievance procedure located at WaterMatters.org/ADA.

Final Agenda GOVERNING BOARD MEETING

**NOVEMBER 19, 2024
9:00 AM**

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

All meetings are open to the public

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

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

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

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

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

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

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

Bartow Office

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

Sarasota Office

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

Tampa Office

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

MEETING NOTICE

1. CONVENE PUBLIC MEETING

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

2. CONSENT AGENDA

- 2.1 **Finance/Outreach and Planning Committee:** Resolution to Request Disbursement of Funds from the Land Acquisition Trust Fund for Land Management
- 2.2 **Finance/Outreach and Planning Committee:** Knowledge Management: Approval of Governing Board Policy, Investments
- 2.3 **Resource Management Committee:** FARMS – McClure Properties, LTD Phase 2 – H830 (Manatee County)
- 2.4 **Operations, Lands and Resource Monitoring Committee:** Perpetual Easement – Peace River at Fort Meade; SWF Parcel No. 20-020-189 (Polk County)
- 2.5 **General Counsel's Report:** Approval of Settlement Agreement between Southwest Florida Water Management District and MGM of West Florida, LLC – Unauthorized Construction and Permit Condition Violations – Environmental Resource Permit No. 30586 (Manatee County)
- 2.6 **General Counsel's Report:** Interagency Agreement between St. Johns River Water Management District and Southwest Florida Water Management District – Designation of Regulatory Responsibility to St. Johns River Water Management District for Environmental Resource Permits – Interstate-75 Widening (Marion and Sumter Counties)
- 2.7 **Executive Director's Report:** Approve Governing Board Minutes – October 22, 2024

3. FINANCE/OUTREACH AND PLANNING COMMITTEE

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

4. RESOURCE MANAGEMENT COMMITTEE

- 4.1 **Discussion:** Consent Item(s) Moved to Discussion
- 4.2 **Discussion:** Information Item: Peace River Manasota Regional Water Supply Authority Update

5. OPERATIONS, LANDS, AND RESOURCE MONITORING COMMITTEE

- 5.1 **Discussion:** Consent Item(s) Moved to Discussion
- 5.2 **Discussion:** Information Item: District Hurricane Response

6. REGULATION COMMITTEE

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

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

8. COMMITTEE/LIAISON REPORTS

8.1 **Discussion:** Information Item: 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



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Southwest Florida Water Management District

2379 Broad Street, Brooksville, Florida 34604-6899

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Tampa Office

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Tampa, Florida 33637-6759
(813) 985-7481 or
1-800-836-0797 (FL only)

Michelle Williamson

Chair, Hillsborough

John Mitten

Vice Chair, Hernando, Marion

Jack Bispham

Secretary, Manatee

Ashley Bell Barnett

Treasurer, Polk

Ed Armstrong

Former Chair, Pinellas

Kelly S. Rice

Former Chair, Citrus, Lake,
Levy, Sumter

Joel Schleicher

Former Chair, Charlotte,
Sarasota

Josh Gamblin

DeSoto, Hardee, Highlands

John Hall

Polk

James Holton

Pinellas

Dustin Rowland

Pasco

Robert Stern

Hillsborough

Nancy Watkins

Hillsborough, Pinellas

Brian J. Armstrong, P.G.

Executive Director

GOVERNING BOARD OFFICERS, COMMITTEES AND LIAISONS

Approved June 24, 2024

OFFICERS	
Chair	Michelle Williamson
Vice Chair	John Mitten
Secretary	Jack Bispham
Treasurer	Ashley Bell Barnett

OPERATIONS, LANDS AND RESOURCE MONITORING COMMITTEE
Chair Robert Stern

RESOURCE MANAGEMENT COMMITTEE
Chair Dustin Rowland

REGULATION COMMITTEE
Chair James Holton

FINANCE/OUTREACH AND PLANNING COMMITTEE
Chair Ashley Bell Barnett*

All Governing Board members are a member of each committee.

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

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

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

Southwest Florida Water Management District Schedule of Meetings Fiscal Year 2025

Governing Board Meeting

October 22, 2024 – 9:00 a.m., Brooksville
November 19, 2024 – 9:00 a.m., Tampa
December 17, 2024 – 9:00 a.m., Brooksville
January 28, 2025 – 9:00 a.m., Tampa
February 25, 2025 – 9:00 a.m., Brooksville
March 25, 2025 – 9:00 a.m., Tampa
April 22, 2025 – 9:00 a.m., Brooksville
May 20, 2025 – 9:00 a.m., Tampa
June 24, 2025 – 9:00 a.m., Brooksville
July 22, 2025 – 9:00 a.m., Tampa
August 26, 2025 – 9:00 a.m., Brooksville
September 23, 2025 – 3:00 p.m., Tampa Office

Governing Board Workshop

December 17, 2024 – 9:30 a.m., Brooksville Office

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

2025 – September 9 & 23

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

2024 – December 3

2025 – March 11, June 10, September 9

Environmental Advisory Committee – 10:00 a.m.

2024 – October 8 (Canceled)

2025 – January 14, April 8, July 8

Industrial Advisory Committee – 10:00 a.m.

2024 – November 5

2025 – February 11, May 6, August 12

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

2024 – November 5

2025 – February 11, May 6, August 12

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

2024 – October 23, December 4

2025 – January 8, February 19, May 21, July 9

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

2024 – November 6

2025 – January 22, March 5, July 23

Meeting Locations

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

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

Governing Board Meeting
November 19, 2024

1. CONVENE PUBLIC MEETING

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1.5 Public Input for Issues Not Listed on the Published Agenda..... 10

CONVENE PUBLIC MEETING

November 19, 2024

Call to Order

The Board Chair calls the meeting to order. The Board Secretary confirms that a quorum is present. The Board Chair then opens the public meeting. Anyone wishing to address the Governing Board concerning any item listed on the agenda or any item that does not appear on the agenda should fill out and submit a speaker's card. Comments will be limited to three minutes per speaker, and, when appropriate, exceptions to the three-minute limit may be granted by the Chair. Several individuals wishing to speak on the same issue/topic should designate a spokesperson.

Presenter:

Michelle Williamson, Chair

CONVENE PUBLIC MEETING

November 19, 2024

Invocation and Pledge of Allegiance

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

Presenter:

Michelle Williamson, Chair

CONVENE PUBLIC MEETING

November 19, 2024

Employee Recognition

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

Presenter:

Michelle Williamson, Chair

CONVENE PUBLIC MEETING

November 19, 2024

Additions/Deletions to Agenda

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

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

Staff Recommendation:

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

Presenter:

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

CONVENE PUBLIC MEETING

November 19, 2024

Public Input for Issues Not Listed on the Published Agenda

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

Presenter:

Michelle Williamson, Chair

Governing Board Meeting

November 19, 2024

2. CONSENT AGENDA

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

- 2.1 **Finance/Outreach and Planning Committee:** Resolution to Request Disbursement of Funds from the Land Acquisition Trust Fund for Land Management..... 11
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- 2.3 **Resource Management Committee:** FARMS – McClure Properties, LTD Phase 2 – H830 (Manatee County)..... 54
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- 2.5 **General Counsel’s Report:** Approval of Settlement Agreement between Southwest Florida Water Management District and MGM of West Florida, LLC – Unauthorized Construction and Permit Condition Violations – Environmental Resource Permit No. 30586 (Manatee County) ... 66
- 2.6 **General Counsel’s Report:** Interagency Agreement between St. Johns River Water Management District and Southwest Florida Water Management District – Designation of Regulatory Responsibility to St. Johns Water Management District for Environmental Resource Permits – Interstate-75 Widening (Marion and Sumter Counties) 72
- 2.7 **Executive Director’s Report:** Approve Governing Board Minutes – October 22, 2024 81

CONSENT AGENDA

November 19, 2024

Finance/Outreach and Planning Committee: Resolution to Request Disbursement of Funds from the Land Acquisition Trust Fund for Land Management

Purpose

Request the approval of Resolution 24-09, *Request to the Florida Department of Environmental Protection (DEP) for Disbursement of Funds from the Land Acquisition Trust Fund (LATF) for Land Management*.

Background

During the 2024 legislative session, the Florida Legislature appropriated \$12,737,210 from the LATF for the water management districts for land management on District conservation lands. The Southwest Florida Water Management District's share was \$2,250,000, which was included in the fiscal year 2025 adopted budget for land management activities.

The Governing Board must adopt a resolution to request funds from the LATF. Accordingly, a resolution has been prepared requesting the DEP to reimburse the District for land management expenditures incurred on District conservation lands from the appropriated funds. The exhibit to this item includes Resolution 24-09.

Staff Recommendation:

Approve Resolution 24-09, *Request to the Florida Department of Environmental Protection for Disbursement of Funds from the Land Acquisition Trust Fund for Land Management*, as shown in the Exhibit.

Presenters:

Melisa Lowe, Bureau Chief, Finance Bureau

Jerry Mallams, P.G., Bureau Chief, Operations Bureau

Ellen Morrison, Bureau Chief, Land Resources Bureau

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

RESOLUTION NO. 24-09

REQUEST TO THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION FOR DISBURSEMENT OF FUNDS FROM THE LAND ACQUISITION TRUST FUND FOR LAND MANAGEMENT

WHEREAS, pursuant to Chapter 373, Florida Statutes (F.S.), the Governing Board of the Southwest Florida Water Management District (District) has the duty and responsibility to develop plans, projects and programs for regional water supply planning, water resource development, water supply development, land acquisition, surface water improvement and management, and water restoration initiatives within its boundaries; and

WHEREAS, through Specific Appropriation 1696G under the General Appropriations Act, Chapter 2024-231, Laws of Florida, for the annual period beginning July 1, 2024 and ending June 30, 2025 (Fiscal Year 2024-25), the Legislature specifically appropriated to the District a total of two million two hundred fifty thousand dollars (\$2,250,000) from the Land Acquisition Trust Fund of the State of Florida for land management purposes on District conservation lands; and

WHEREAS, in its Fiscal Year 2024-25, the District has budgeted two million two hundred fifty thousand dollars (\$2,250,000) from the Land Acquisition Trust Fund to be used for land management purposes on District conservation lands; and

WHEREAS, Section 373.501(2), F.S., prescribes a process for disbursing funds appropriated by the Legislature to the water management districts upon receipt by the Secretary of the State of Florida's Department of Environmental Protection of a resolution adopted by the Governing Board requesting such funds.

THEREFORE, BE IT RESOLVED, that the Governing Board of the Southwest Florida Water Management District hereby requests the Secretary of the Department of Environmental Protection to release from the Land Acquisition Trust Fund of the State of Florida the sum of up to two million two hundred fifty thousand dollars (\$2,250,000) for the activities described in the land management spend plan, attached hereto as Exhibit "A" and incorporated herein by this reference, pursuant to Section 373.501(2), F.S., and Specific Appropriation 1669G in the General Appropriations Act, Chapter 2024-231, Laws of Florida; and

BE IT FURTHER RESOLVED that a warrant be issued by the State of Florida's Chief Financial Officer in accordance with Section 17.52, F.S., to the Southwest Florida Water Management District for that amount available, or as may become available, from the Land Acquisition Trust Fund; and

BE IT FURTHER RESOLVED that these funds are subject to the requirements of Section 215.97, F.S., the Florida Single Audit Act. The Catalog of State Financial Assistance (CSFA) Number for these activities identified herein is CSFA 37.022 and the CSFA Title for these activities is "Water Management Districts – Land Acquisition and Improvement"; and

BE IT FURTHER RESOLVED that these funds are subject to the requirements of Section 216.347, F.S. (Grants and Lobbying Restriction); and

BE IT FURTHER RESOLVED that a certified copy of this resolution be transmitted to the Secretary of the Department of Environmental Protection forthwith; and

BE IT FURTHER RESOLVED that the Chair of the Governing Board is hereby authorized to affix their signature to this resolution on behalf of the Board and attested by its Secretary.

APPROVED AND ADOPTED in Tampa, Hillsborough County, Florida on this nineteenth day of November 2024.

SOUTHWEST FLORIDA
WATER MANAGEMENT DISTRICT

By: _____
Michelle Williamson, Chair

Attest:

Paul J. Bispham, Secretary

Exhibit A

Land Management Spend Plan

The specific appropriation funding in the amount of two million two hundred fifty thousand dollars (\$2,250,000) will be used for expenditures in support of land management activities within the Southwest Florida Water Management District. These include, but are not limited to, the following:

Operational Maintenance and Restoration Activities on District Conservation Lands

- Repair and maintenance of roads and bridges.
- Roller chopping and hydro-axing as required for restoration, brush, and fuel management purposes.
- Prescribed burning.
- Control of feral hogs.
- Security, law enforcement, and maintenance services for public use facilities.
- Road, pasture, and restoration mowing.
- Recreational mowing such as public parking areas, campgrounds, and trails for public use facilities.
- Removal and construction of fencing.
- Replacement of culverts.
- Treatment of cogon grass, Old World climbing fern, Brazilian pepper, tropical soda apple, and other invasive plant species.
- Rearing, release, and monitoring of bio-control agents for Old World climbing fern.
- Land use and management planning.

CERTIFICATE AS TO RESOLUTION NO. 24-09

STATE OF FLORIDA
COUNTY OF HILLSBOROUGH

We, the undersigned, hereby certify that we are, Chair and Secretary, respectively, of the Southwest Florida Water Management District, organized and existing under and by virtue of the Laws of the State of Florida, and having its office and place of business at 2379 Broad Street, Brooksville, Hernando County, Florida, and that, on the nineteenth day of November 2024, at a duly called and properly held hearing of the Governing Board of the Southwest Florida Water Management District, at the Tampa Office, 7601 US Highway 301 North, Tampa, Hillsborough County, Florida, at which hearing a majority of the members of the Governing Board were present in person or via communications media technology, the resolution, which is attached hereto and which this certificate is a part thereof, was adopted and incorporated in the minutes of that hearing.

Dated at Tampa, Florida, this nineteenth day of November 2024.

SOUTHWEST FLORIDA
WATER MANAGEMENT DISTRICT

By: _____
Michelle Williamson, Chair

Attest:

Paul J. Bispham, Secretary

ACKNOWLEDGMENT

STATE OF FLORIDA
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this nineteenth day of November 2024, by Michelle Williamson and Paul J. Bispham, Chair and Secretary, respectively, of the Governing Board of the Southwest Florida Water Management District, a public corporation, on behalf of the corporation. They are personally known to me.

WITNESS my hand and official seal on this nineteenth day of November 2024.

Notary Public
State of Florida at Large
My Commission Expires:

CONSENT AGENDA

November 19, 2024

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 22, 2024, 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 District staff or the District's Investment Advisors 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. Remove 5 percent upper limitation on the 3-5 year portfolio.
3. Add AAAf rating requirement for Intergovernmental Investment Pool security types.

Benefits

By reviewing, updating and approving 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 Division

GOVERNING BOARD POLICY

Southwest Florida Water Management District

Title: Investments

Document Owner: Finance Bureau Chief

Approved By: Board Chair

Effective Date: 11/19/2024

Supersedes: 02/27/2024

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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.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/19/2024

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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:

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/19/2024

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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.

GOVERNING BOARD POLICY

Title: Investments

Effective Date: 11/19/2024

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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.

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II. DELEGATION OF AUTHORITY:

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

III. PERFORMANCE MEASUREMENT:

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

- (a) A short-term index such as the 3, 6, or 12-Month U.S. Treasury Bill Index or S&P Rated GIP Index Government 30 Day Gross Yield will be used as a benchmark for comparison with the Portfolio's net book value rate of return for current operating funds (short-term portfolio). The duration of the index should be similar to that of the short-term portfolio for performance comparison.
- (b) Investment performance of funds designated as Core Funds and other non-operating funds that have a longer-term investment horizon (Core Portfolio), that are actively managed, will be compared to a national recognized benchmark that may include the ICE BofA 1-3 Year AAA-AA US Corporate & Government Index, the ICE BofA 1-5 Year AAA-AA US Corporate & Government Index or similar indices. The appropriate indices will have a duration and asset mix that approximates that of the Investment Portfolio(s) and will be utilized as a benchmark to be compared to the Investment Portfolio's total rate of return. The District can choose different performance benchmarks if the investment strategy for the Core Portfolio changes.
- (c) Investment performance of funds designated as long-term assets and other non-operating funds that have a longer-term investment horizon (Long-Term Portfolio), that are actively managed, will be compared to a national recognized benchmark that may include the ICE BofA 3-5 Year AAA-AA US Corporate & Government Index or similar indices. The appropriate indices will have a duration and asset mix that approximates that of the Investment Portfolio(s) and will be utilized as a benchmark to be compared to the Investment Portfolio's total rate of return. The District can choose different performance benchmarks if the investment strategy for the Long-Term Portfolio changes. The market value of this portfolio shall be determined based on the District's cash flow needs, risk tolerances, and shall be managed in accordance with this policy. The market value of the 3-5 year portfolio shall be approved by the District's Governing Board at least annually.

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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** (Core Investment Portfolio). Investments of reserves, project funds, and other non-operating funds ("Core Funds") shall have a final maturity appropriate to the need for funds, but in no event shall individual security maturities exceed five (5) years. The weighted average duration of the Core Funds as a whole shall not exceed three (3) years.
- (c) **Long Term Funds** (Long Term Investment Portfolio). Investments of reserves, project funds, and other non-operating funds ("Long Term Funds") shall have a final maturity appropriate to the need for funds, but in no event shall individual security maturities exceed five (5) years. The weighted average duration of the Long-Term Funds as a whole shall not exceed four and a half (4.5) years.

V. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION:

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

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

Due to fluctuations in the aggregate invested balance, the maximum percentage issuer and allocation limits of this policy apply at the time of purchase and may be exceeded from time to time and shall not require liquidation to realign the portfolio. However, consideration should be given to this matter when future purchases are made.

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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/AAAf	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 Weighted Average Life (WAL)	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	Long Term: "A" category by two NRSROs** Short Term: SP-2 or MIG-2	5 Years	25%	10%
VIX	Registered Investment Companies (Money Market Mutual Funds)	AAAm	N/A	50%	25%
X	Registered Investment Companies (Mutual Funds)	AAAf	N/A	25%	15%
XI	Repurchase Agreements	N/A	90 Days	50%	25%
XII	Bankers' Acceptances	Highest rating by two NRSROs**	180 Days	35%	10%
XIII	Commercial Paper***	A-1/Prime-1	270 Days	35%	5%
XIV	Asset-Backed Commercial Paper***	A-1/Prime-1	270 Days	35%	5%
XV	Asset-Backed Securities***	Double ("AA") category by any two NRSRO's**	5 Years (WAL)	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).

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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.

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,

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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.

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.

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

XII. INTERNAL CONTROLS:

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

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

XIII. CONTINUING EDUCATION:

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

XIV. REPORTING:

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

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

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

XV. SECURITIES DISPOSITION:

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

XVI. PREEMPTION:

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

XVII. AUDITS:

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

XVIII. INVESTMENT DECISIONS:

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

XIX. INVESTMENT POLICY ADOPTION:

This Policy shall be adopted by the Governing Board.

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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 at 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 investors investment holdings, reinvest the proceeds in permitted investments, and shares any profits with the investor. Should be governed by a securities lending agreement. Can increase the risk of a portfolio in that the investor takes on the default risk on the reinvestment at the discretion of the custodian.

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

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

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

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

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

Swap. Trading one asset for another.

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

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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.”

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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 “AAAm” or “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 (State and/or Local Government Taxable and/or Tax-Exempt Debt)

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.

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IX. Registered Investment Companies (Money Market Mutual Funds)

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

X. Registered Investment Companies (“Mutual Funds”)

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

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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) 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.

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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%).
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.

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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%).
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.

The maturity of ABS 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.

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.

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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: 11/19/2024****Page 37 of 37****DOCUMENT DETAILS**

Document Name	Investments
Formerly Known As	N/A
Document Type	Policy
Author(s)	Public Trust Advisors, Finance Bureau Chief, Business and Information Technology Services Division Director
Reviewing Stakeholder(s)	Public Trust Advisors, Finance Bureau Chief, Business and Information Technology Services Division Director
Document Owner Name	Melisa Lowe
Document Owner Title	Finance Bureau Chief
Review Period (in days)	365
Span of Control	Governing Board
Supersedes Date	02/27/2024
Effective Date	11/19/2024

APPROVAL

Michelle Williamson, Chair

Date

CONSENT AGENDA**November 19, 2024****Resource Management Committee: FARMS – McClure Properties, LTD Phase 2 – H830 (Manatee County)***Purpose*

To request approval for a Facilitating Agricultural Resource Management Systems (FARMS) project with McClure Properties, LTD and approval to reimburse FARMS eligible costs up to a not-to-exceed limit of \$195,706 (68% percent of total project costs). The District funding is requested from the Governing Board FARMS Fund. Total project costs are estimated at \$286,005.

Project Proposal

The District received a project proposal from McClure Properties, LTD for their property totaling 2,035 acres of tomatoes located in Duette in northeastern Manatee County, within the Southern Water Use Caution Area (SWUCA). The proposal is for a precision irrigation project and will involve automation of one irrigation pump station and irrigation conversion from high to low volume to offset Upper Floridan aquifer groundwater used for the supplemental irrigation of 132.1 acres of tomatoes. This portion of the property is permitted to use an annual average daily quantity of 1,403,500 gallons per day (gpd) for supplemental irrigation. The Water Use Permit (WUP) for the entire property authorizes annual average groundwater withdrawals of 5,985,000 gpd. FARMS project components consist of automation of one irrigation pump station, fertigation system, weather station, a soil moisture monitoring system, and the filters and piping necessary to convert from seepage to drip irrigation.

In May 2024, the Governing Board approved a Phase 1 FARMS project with McClure Properties, LTD. (H823) to automate two irrigation pump stations, and to install two fertigation systems, two weather stations, a soil moisture monitoring system, and the filters and piping necessary to convert from seepage to drip irrigation to service a 186.4-acre section of the property. Construction was completed on the Phase 1 project in September 2024 and was estimated at the time to reduce groundwater use by 45,000 gpd and nitrogen use by 419 pounds per year. The project is operational and when compared to historical pumping records the project is on pace to meet or exceed its estimated groundwater reductions.

Benefits/Costs

The proposed project involves water quantity and water quality best management practices (BMPs) for supplemental irrigation and qualifies for a 75 percent cost-share reimbursement rate under the FARMS Program. The project is expected to reduce groundwater use by approximately one percent of permitted quantity, or 45,000 gpd for daily irrigation, and to reduce 297 pounds of nitrogen per year. The conservation components are integrated with the nutrient reduction components to maximize nutrient reduction. Based on the estimated groundwater offset, a reduction of nitrogen application, and a proposed five-year contract term, the cost per thousand gallons of water saved is \$3.79, and the cost per pound of nitrogen reduced per year is \$15.66 (based on the fertigation components). This value is within the guidelines for the generally accepted average cost savings per thousand gallons for the implementation of improved irrigation techniques, and nutrient reduction BMPs for tomato operations. Reimbursement will be from the Governing Board FARMS Fund. Upon approval of the project presented at this meeting, the Governing Board will have \$3,804,294 remaining in its FARMS Program budget.

Staff Recommendation:

1. Approve the McClure Properties, LTD Phase 2 project for a not-to-exceed project reimbursement of \$195,706 provided by the Governing Board;
2. Authorize the transfer of \$195,706 from fund 010 H017 Governing Board FARMS Fund to the H830 McClure Properties, LTD Phase 2 project fund;
3. Authorize the Assistant Executive Director to sign the agreement.

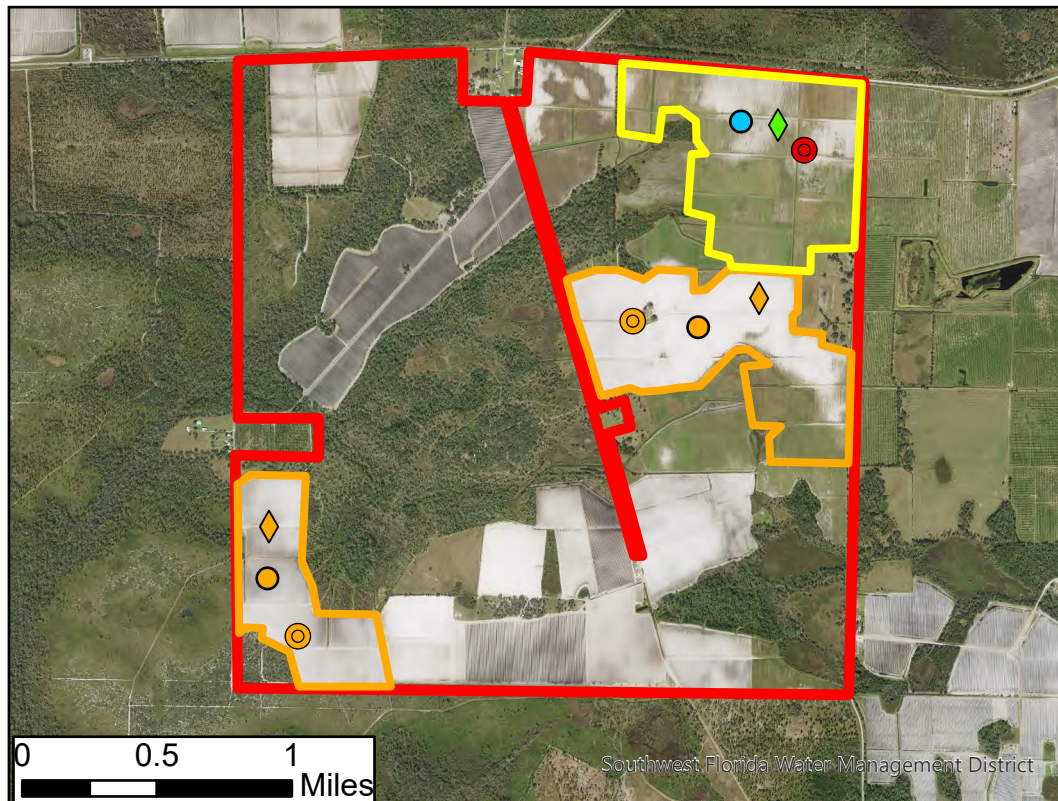
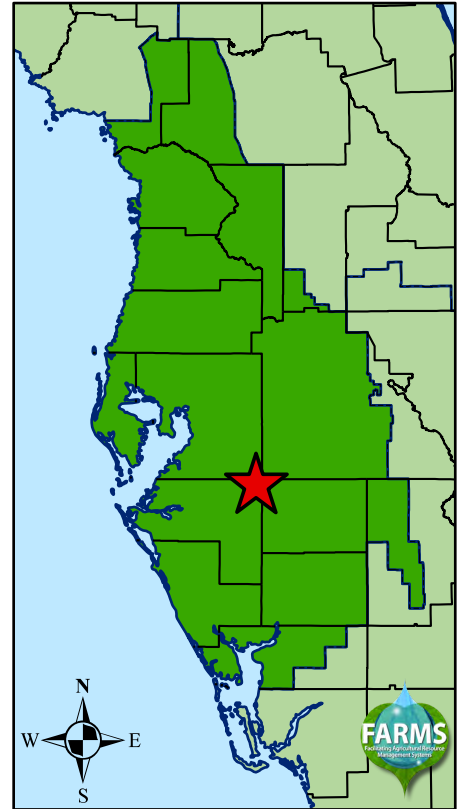
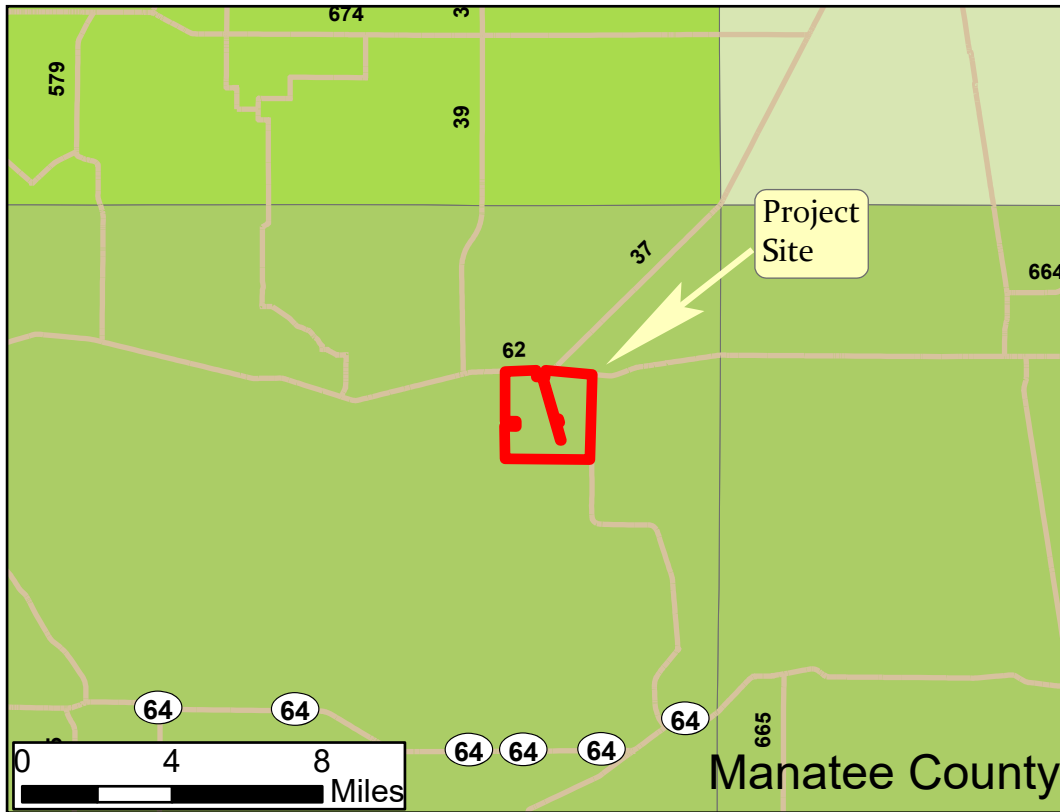
Presenter:

Carole Estes, P.G., FARMS Program Manager, Water Resources Bureau

Location Map

McClure Properties LTD - Phase 2

FARMS Project H830



Legend

- WUP 5514
- Project Area Phase 2
- Pump Station Automation and Fertigation Phase 2
- ◆ Weather Station Phase 2
- Soil Moisture Probe Phase 2
- Project Area Phase 1
- ◆ Weather Station Phase 1
- Soil Moisture Probe Phase 1
- Pump Station Automation and Fertigation Phase 1

Southwest Florida
Water Management District

CONSENT AGENDA

November 19, 2024

Operations, Lands and Resource Monitoring Committee: Perpetual Easement – Peace River at Fort Meade; SWF Parcel No. 20-020-189 (Polk County)

Purpose

Recommend the Governing Board approve a Perpetual Easement (Easement) between the District and the City of Fort Meade (City). This Easement is required for access and long-term monitoring of a proposed surficial aquifer monitor well site at Peace River at Fort Meade as part of the Central Florida Water Initiative (CFWI). The Easement will allow for perpetual access, installation, monitoring, and maintenance of the well. A general location map, site map, and the Easement are included as Exhibits 1, 2, and 3, respectively.

Background/History

The proposed Peace River at Fort Meade data collection site, located in Polk County, is for long-term surficial aquifer water level monitoring and requires the construction of one surficial aquifer monitor well. Surficial aquifer monitoring near rivers, lakes, and wetlands by the Data, Monitoring, and Investigations Team (DMIT) is part of the CFWI regional monitoring network. This site was identified in the DMIT Hydrogeologic Annual Work Plan FY2021-FY2025 (February 2021). Surficial aquifer monitoring near rivers with established minimum flows is essential to enhance the District's understanding of Peace River, construct water budget models, and predict changes in water levels due to pumping. Data from the well will be used to relate changes in Peace River flows to water level changes in the surficial aquifer due to groundwater withdrawals and help ensure compliance with adopted minimum flows.

Benefits/Costs

The City is granting this Easement to the District at no cost. The estimated cost of the well construction project is \$10,000, and the monitoring costs are about \$3,900 (equipment and initial setup) for the first year and \$140 per year thereafter.

Deliverables

The District will restore the temporary construction area to pre-construction conditions.

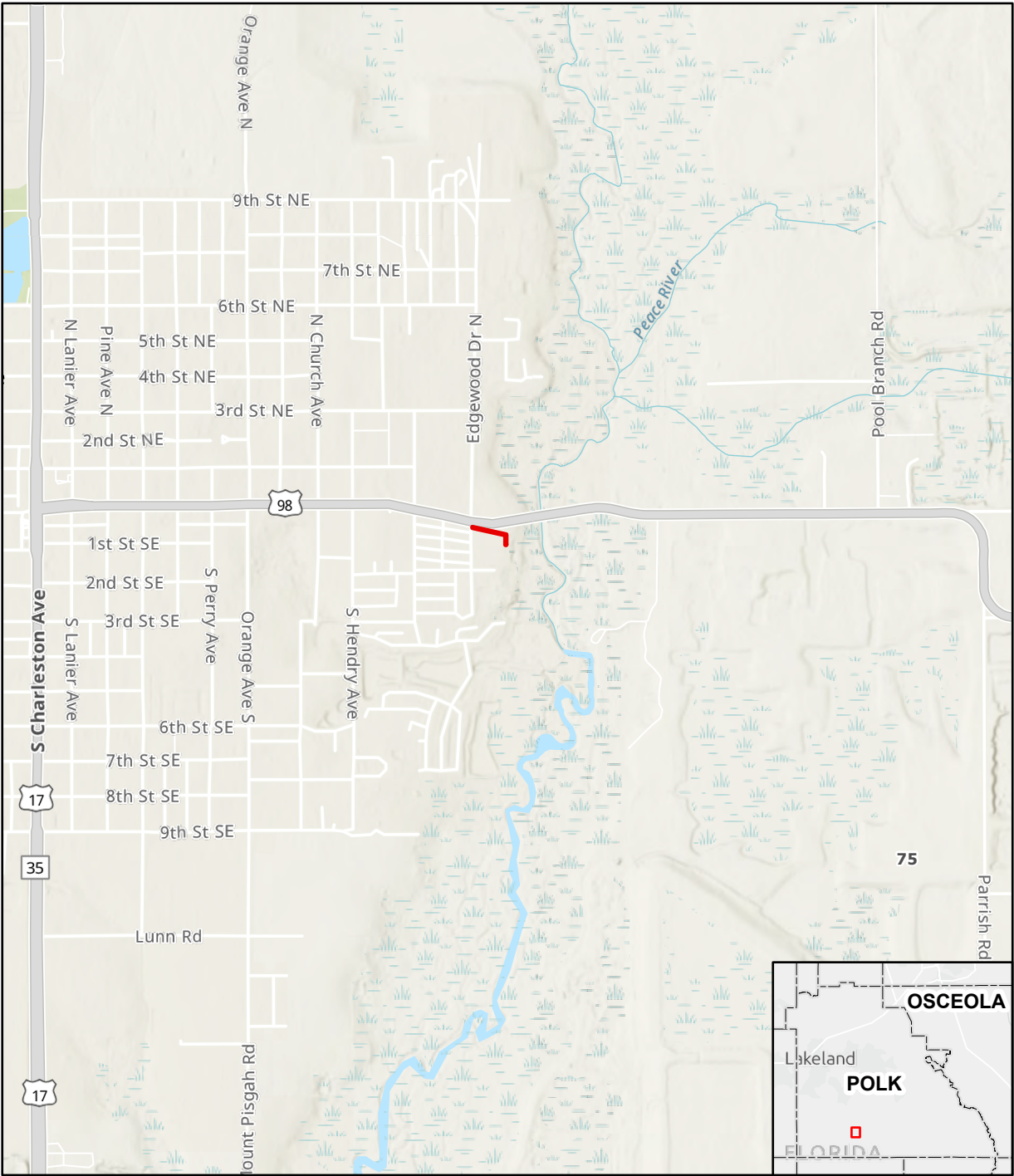
Staff Recommendation:

- Approve the Easement and authorize the Chair and Secretary to execute on behalf of the District; and
- Authorize Staff to execute any other documents necessary to complete the transaction in accordance with the approved terms.


Presenter:

Ellen Morrison, Bureau Chief, Land Resources Bureau

Exhibit 1 **Peace River at Fort Meade CFWI - SWF Parcel No. 20-020-189** **Location Map**




Esri, NASA, NGA, USGS, FEMA, University of South Florida, FDEP, Esri, TomTom, Garmin, FAO, NOAA, USGS, EPA, NPS, USFWS, University of South Florida, FDEP, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS


Easement Areas

01,0002,000

US Feet

N




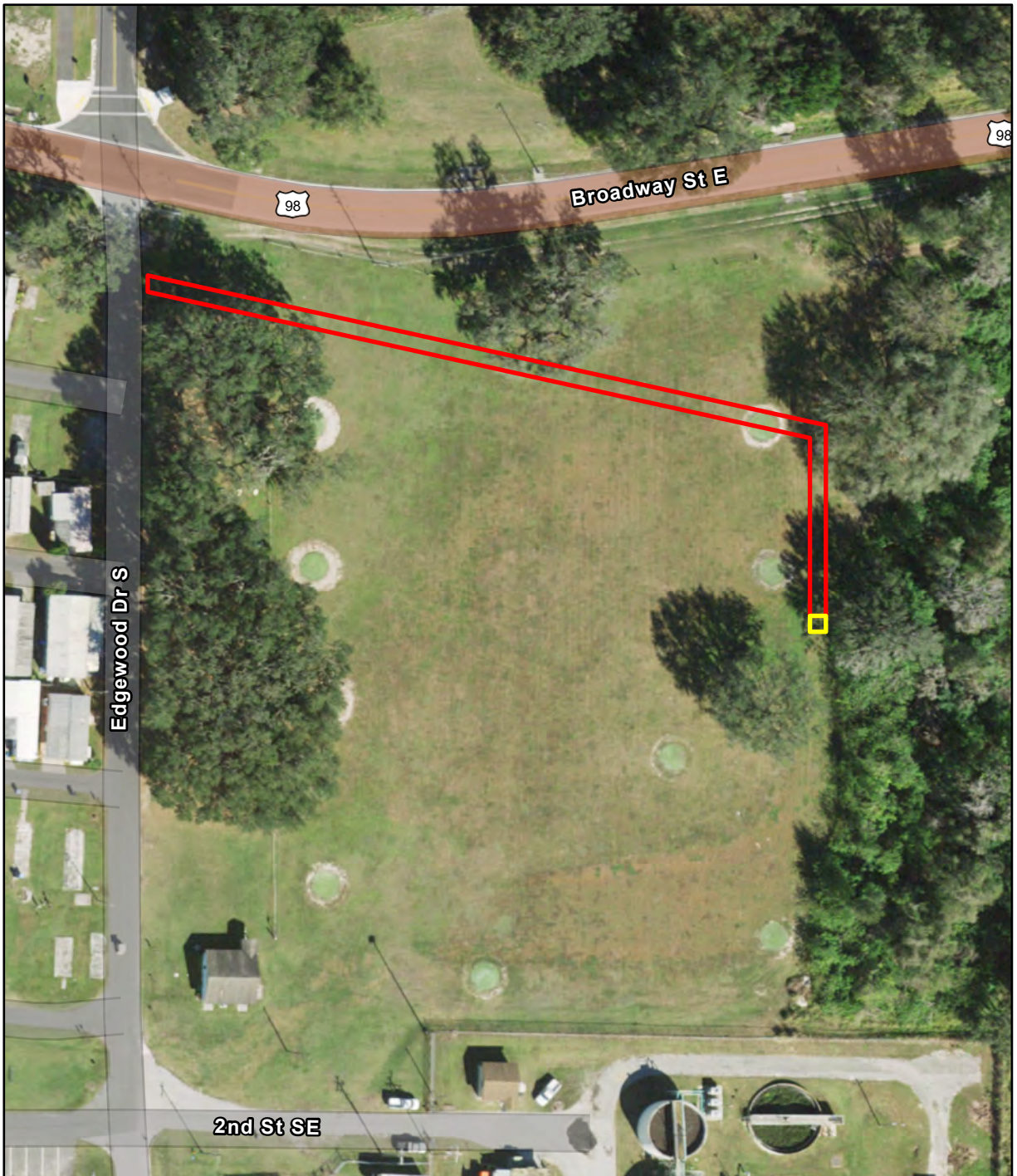




Exhibit 2
Peace River at Fort Meade CFWI - SWF Parcel No. 20-020-189
Site Map



Southwest Florida Water Management District, Esri Community Maps Contributors, University of South Florida, FDEP, © OpenStreetMap, Microsoft, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc., METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS

	Access Easement Area
	Well Site Easement Area

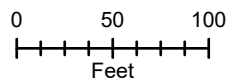


Exhibit 3

Prepared by:
Southwest Florida Water Management District
2379 Broad Street
Brooksville, FL 34604

Return recorded original to:
Southwest Florida Water Management District
2379 Broad Street
Brooksville, FL 34604
Attn. Land Resources Bureau

PERPETUAL EASEMENT

This Easement (this "Easement") is made and entered into this ____ day of _____ 2024, by and between the City of Fort Meade, a municipal corporation of Florida, having an address of 8 West Broadway Street, Fort Meade, FL 33841, hereinafter called "Grantor", and the Southwest Florida Water Management District, a public corporation, having an address of 2379 Broad Street, Brooksville, Florida 34604-6899, hereinafter referred to as "Grantee".

Grantor, for and in consideration of the sum of Ten Dollars and no cents (\$10.00) and other good and valuable consideration from Grantee to Grantor, the receipt and sufficiency of which are hereby acknowledged, hereby grants, bargains, sells and conveys to Grantee a non-exclusive, perpetual easement to enter upon, over and across and to use any and all lands more particularly described below solely for the following purposes:

- a. To construct, maintain, repair, or replace one monitoring well and data monitoring equipment over the land more particularly described on **Exhibit "A"** (the "Well Site Easement Area"); and
- b. For ingress and egress upon, over and across the land more particularly described on **Exhibit "A"** (the "Access Easement Area") to access the monitoring wells and equipment in order to perform hydrologic measurements.

Grantee shall exercise all of its rights contained in this Easement in the least intrusive manner so as not to interfere with Grantor's use of its property. Grantor reserves the right to use the Well Site Easement Area and Access Easement Area in any manner not inconsistent with this Easement; provided, however, that Grantor shall avoid physically disturbing the well casing or cover (water meter box) of the monitoring well or wells in any way. Grantee hereby agrees to restore the Access Easement Area to the same condition as it was prior to any construction, maintenance, repair, or access by Grantee.

Grantee hereby agrees to protect, indemnify, and hold harmless the Grantor from and against any and all liabilities, losses, damages or expenses, reasonable attorneys' fees and costs, whether incurred out of court or in litigation including fees and costs incurred for representation on appeals, expert witness fees and costs for paralegal assistance, arising on account of, relating to, in connection with loss of life, bodily injury or damage to property, arising out of the use of the Well Site Easement Area or the Access Easement Area by the Grantee and its contractors and agents, except to the extent such liability is finally judicially determined to directly arise from the willful misconduct or negligence of the Grantor. Upon receiving

knowledge of any suit, claim or demand asserted by a third party that Grantor believes is covered by this indemnity, the Grantor shall give the Grantee notice of the matter. Any failure or delay of the Grantor to notify the Grantee of any such suit, claim or demand shall not relieve the Grantee of its obligations under this provision but shall reduce such obligations to the extent of any increase in those obligations caused solely by any such failure or delay. This provision shall not be construed as a waiver of Grantee's sovereign immunity for torts or an extension of such liability beyond the limits established in Section 768.28, F.S.

All provisions of this instrument, including the benefits and burdens, run with the land and are binding upon and inure to the benefit of the respective assigns, successors, and tenants of the parties hereto. This Easement may be amended or modified only by an instrument signed by Grantor and Grantee.

The formation, interpretation and performance of this Easement shall be construed pursuant to and governed by the laws of the State of Florida. In the event of any dispute arising out of this Easement or any instrument given in connection herewith, or in the event it shall become necessary for any party to employ counsel to protect the party under this Easement or any instrument given in connection herewith, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs, whether incurred out of court or in litigation including fees and costs incurred for representation on appeals, expert witness fees and costs for paralegal assistance, to the extent permitted under Section 768.28, F.S. This provision does not constitute a waiver of the Grantee's sovereign immunity or extend the Grantee's liability beyond the limits established in Section 768.28, F.S.

This grant shall not constitute a dedication to the public, and no parties shall have any rights or entitlements pursuant to the terms of this Easement except as specifically set forth herein.

[signature pages follow]

IN WITNESS WHEREOF, Grantor has caused these presents to be executed the day and year first written above.

Grantor:

Signed, sealed and delivered
in the presence of:

City of Fort Meade

Witness #1 signature

By: _____
Name: _____
Title: _____

Print Witness #1 name

Witness #2 signature

Print Witness #2 name

ACKNOWLEDGMENT

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____ 2024, by _____. He/She [] is personally known to me or has produced _____ as identification.

(Seal)

Name of Notary

(Name of Notary typed, printed or stamped)

Commission No. _____
My Commission
Expires: _____

IN WITNESS WHEREOF, Grantee has caused these presents to be executed in its name by its Governing Board acting by the Chair or Vice Chair of said board, the day and year aforesaid.

Grantee:

Southwest Florida Water Management
District

By: _____
Name: Michelle Williamson
Title: Chair

ACKNOWLEDGMENT

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____ 2024, by _____, as _____, for the Southwest Florida Water Management District, a public corporation, on behalf of the Southwest Florida Water Management District. He/She [] is personally known to me or has produced _____ as identification.

(Seal)

Name of Notary

(Name of Notary typed, printed or stamped)

Commission No. _____
My Commission
Expires: _____

IN WITNESS WHEREOF, Grantee has caused these presents to be executed in its name by its Governing Board acting by the Secretary of said board, the day and year aforesaid.

Grantee:

Southwest Florida Water Management
District

By: _____
Name: Paul J. Bispham
Title: Secretary

ACKNOWLEDGMENT

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____ 2024, by _____, as _____, for the Southwest Florida Water Management District, a public corporation, on behalf of the Southwest Florida Water Management District. He/She [] is personally known to me or has produced _____ as identification.

(Seal)

Name of Notary

(Name of Notary typed, printed or stamped)

Commission No. _____

My Commission

Expires: _____

EXHIBIT "A"

Legal Description Parcel 20-020-189 (Well Site Easement Area)

A parcel of land lying and being in the Southeast 1/4 of Section 26, Township 31 South, Range 25 East, Polk County, Florida, being more particularly described as follows:

COMMENCE at a found 5/8" iron rod (no identification) marking the Southwest corner of the Southeast 1/4 of Section 26, Township 31 South, Range 25 East, Polk County, Florida; thence coincident with the West Boundary of the Southeast 1/4 of said Section 26, N 00°07'10" W a distance of 1168.78 feet; thence departing said West Boundary, S 90°00'00" E a distance of 178.12 feet to a point marking the intersection of East Right-of-way Boundary of Edgewood Drive with the South Right-of-way Boundary of East Broadway Street per Florida Department of Transportation Section 16040-000; thence departing said East Right-of-way Boundary, coincident with said South Right-of-way Boundary, S 77°32'40" E a distance of 435.69 feet; thence departing said South Right-of-way Boundary, S 00°00'00" E a distance of 119.47 feet to the POINT OF BEGINNING; thence S 00°00'00" E a distance of 10.00 feet; thence N 90°00'00" W a distance of 10.00 feet; thence N 00°00'00" W a distance of 10.00 feet; thence S 90°00'00" E a distance of 10.00 feet to the POINT OF BEGINNING.

Containing an area of 100.00 square feet, 0.002 acres, more or less.

Legal Description Parcel 20-020-189 (Access Easement Area)

A strip of land lying and being in the Southeast 1/4 of Section 26, Township 31 South, Range 25 East, Polk County, Florida, being more particularly described as follows:

COMMENCE at a found 5/8" iron rod (no identification) marking the Southwest corner of the Southeast 1/4 of Section 26, Township 31 South, Range 25 East, Polk County, Florida; thence coincident with the West Boundary of the Southeast 1/4 of said Section 26, N 00°07'10" W a distance of 1168.78 feet; thence departing said West Boundary, S 90°00'00" E a distance of 178.12 feet to a point marking the intersection of East Right-of-way Boundary of Edgewood Drive with the South Right-of-way Boundary of East Broadway Street per Florida Department of Transportation Section 16040-000, said point also being the POINT OF BEGINNING; thence departing said East Right-of-way Boundary, coincident with said South Right-of-way Boundary, S 77°32'40" E a distance of 435.69 feet; thence departing said South Right-of-way Boundary, S 00°00'00" E a distance of 119.47 feet; thence N 90°00'00" W a distance of 10.00 feet; thence N 00°00'00" W a distance of 111.44 feet to a point coincident with a line being 10.00 feet South of and parallel to said South Right-of-way boundary; thence coincident with said South parallel line, N 77°32'40" W a distance of 425.40 feet to a point coincident with the aforesaid East Right-of-way Boundary of Edgewood Drive; thence departing said South parallel line, coincident with said East Right-of-way boundary, N 00°13'42" W a distance of 10.25 feet to the POINT OF BEGINNING.

Containing an area of 5460.01 square feet, 0.125 acres, more or less.

CONSENT AGENDA

November 19, 2024

General Counsel's Report: Approval of Settlement Agreement between Southwest Florida Water Management District and MGM of West Florida, LLC – Unauthorized Construction and Permit Condition Violations – Environmental Resource Permit No. 30586 (Manatee County)

MGM of West Florida, LLC (Permittee) holds an Environmental Resource Permit (ERP) Number. 30586 (Permit) for a surface water management system to serve a 28.60-acre commercial project at their principal place of business, 7405 28th St. Court East, Bradenton, Florida 34243 (Property). On May 8, 2019, the District and Permittee entered into a Consent Order, which required the Permittee to pay fifteen thousand dollars (\$15,000.00) and perform certain corrective actions after the Permittee created impacts to the floodplain on its property that exceeded the Permit. The Consent Order gave Permittee one hundred and eighty (180) days for Permittee to complete the required corrective actions, specifically to submit and receive an ERP Modification for off-site flood plain compensation or restore the impacted areas at the Property. In return for timely completion of these corrective actions the District would waive the remainder of the remaining one hundred and fifteen thousand and thirteen dollars (\$115,013.00). The Permittee failed to complete the required corrective actions in the Consent Order within the 180-day time frame.

These above-described activities constitute a breach of the Consent Order, and the District promptly filed suit against the Permittee to enforce the terms of the Consent Order in the 12th Judicial Circuit Court in and for Manatee County on April 1, 2020. After protracted litigation, including the addition of a third-party litigant, Manatee County, the Permittee restored the impacted areas to the conditions under ERP 30586 on or about May 27, 2024. This restoration was inspected and confirmed by District Staff.

In addition to completing the corrective actions and restoring the Property, the Permittee will submit a payment of thirty-five thousand dollars (\$35,000.00) in penalties to the District for breach of the Consent Order. In return, the District will voluntarily withdraw its petition from the Manatee County Circuit Court.

Staff Recommendation:

Approve the Settlement Agreement between the District and MGM of West Florida, LLC.

Presenter:

Andrew B. Thornquest, Senior Attorney, Office of General Counsel

IN THE CIRCUIT COURT OF THE TWELFTH JUDICIAL CIRCUIT
IN AND FOR MANATEE COUNTY, FLORIDA

SOUTHWEST FLORIDA WATER
MANAGEMENT DISTRICT,

Petitioner/Plaintiff,

v.

CASE NO.: 2020 CA 1336
DIVISION:

MGM OF WEST FLORIDA, LLC,

Respondent/Defendant.

MGM OF WEST FLORIDA, LLC,

Third-Party Plaintiff,

v.

MANATEE COUNTY, a political
Subdivision of the state of Florida,

Third-Party Defendant.

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This **SETTLEMENT AGREEMENT AND MUTUAL RELEASE** (this “**Agreement**”) is made and entered by and between Southwest Florida Water Management District (“**SWFWMD**”), and MGM of West Florida, LLC, a Florida limited liability limited company (“**MGM**”).

RECITALS

WHEREAS, SWFWMD is a public corporation of the State of Florida operating pursuant to Chapter 373 *Fla. Stat.* (2024);

WHEREAS, MGM is a limited liability company whose principal place of business is 7405 28th St Court East, Sarasota, Florida 34243 and engaged in construction of a stormwater management system within SWFWMD’s jurisdiction;

WHEREAS, SWFWMD issued Environmental Resource General Construction Permit (“ERP”) No. 44030586.000 (“Permit”) for MGM for the construction of a surface water management system to serve a commercial project (“Project”);

WHEREAS, on May 8, 2019, the parties entered a Consent Order which required corrective actions including, restoring the impacted site into compliance with the Permit;

WHEREAS, SWFWMD filed suit against MGM to enforce the Consent Order to enforce the Consent Order, in the case styled *SWFWMD v. MGM of West Florida, LLC*, case no. 2020-CA-1336 (the "**Lawsuit**");

WHEREAS, MGM has restored the impacted site into compliance with the Consent Order as evidenced by the inspection performed by District Staff on or about May 27, 2024; and

WHEREAS, the parties desire to avoid the uncertainties and expenses of litigation and, therefore, desire to settle all performance and payment disputes between them arising from the Contracts for construction work on the Property.

WITNESSETH:

NOW THEREFORE, in consideration of these premises and the promises, covenants and agreements stated herein below, and other good and valuable consideration, the sufficiency of which is acknowledged by MGM and SWFWMD, the parties agree as follows:

1. **Recitals.** The foregoing recitals are true and correct and are incorporated into this Agreement.

2. **Settlement Payment for Completed Work.** MGM shall remit payment to SWFWMD for completed work as follows:

(a) Within thirty (30) days of the execution of this Agreement, MGM shall make payment to SWFWMD in the amount of **\$35,000.00** as payment towards the penalties and enforcements costs outlined in paragraph 23 of the Consent Order attached hereto as **Exhibit "A."**

(b) On or before 30 days after the date on which MGM remits payment to SWFWMD, SWFWMD shall file a Notice of Voluntary Dismissal With Prejudice as to all claims in its Petition for Enforcement and Complaint for Civil Remedies filed on April 1, 2020.

3. **Mutual Release.** For and in consideration of the complete and timely performance by the Parties of the obligations described in this Agreement, SWFWMD waives its right to pursue further civil, administrative, or criminal action for any violation described herein. If either Party fails to completely and timely perform the obligations described in this Agreement, either Party retains its right in full to pursue any civil, administrative, or criminal action to obtain relief. This Agreement is not a license or a permit. MGM shall not undertake any activities not described herein without necessary the required authorizations. Execution of this Agreement shall not relieve MGM of the duty to comply with all applicable federal, state, and local laws, regulations, and ordinances arising under this or any future permits issued by SWFWMD to MGM, and any and all of its successors, heirs, or agents..

4. No Admission of Liability. This Agreement and all negotiations relating to it are not and should not be construed as, or deemed to be, an admission or concession by either party of any fault, liability, breach of contract. This Agreement is a compromise of disputed claims, and the settlement provided for herein in no way constitutes an admission of any fact, claim, or allegation, and in no way indicates, implies, or admits the truth of any allegation or claim made in connection with the parties' notices, negotiations and communications relating to the disputed performance and payment issues.

5. Acceptance of Compliance with Consent Order. SWFWMD represents that it has fully inspected the work completed by MGM on the Property and that upon MGM's payment to SWFWMD required by Paragraph 2(a) SWFWMD shall be deemed to have accepted all work performed by MGM as a fully satisfactory under the terms of the Consent Order.

6. Authority. The parties hereby warrant and represent that they possess full right and authority to enter into this Agreement and further warrant and represent that they possess full right and authority to release the other from all obligations and liability under the Consent Order.

7. Representations. The parties represent and acknowledge that in executing this Agreement, they do not rely and have not relied upon any representation or statement made by any party regarding the subject matter, basis or effect of this Agreement, except as set forth herein.

8. Informed Consent. The parties hereby acknowledge that they have freely, voluntarily, and knowingly entered into the negotiations which preceded the execution of this Agreement, and that each party knowingly and voluntarily, of its own free will without any duress, being fully informed and after due deliberation, accepts the terms of this Agreement.

9. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the heirs, successors, and permitted assigns of the parties hereto.

10. Severability. If any condition, covenant, or other provision of this Agreement is determined invalid or void by any court of competent jurisdiction, it shall be deemed severable and shall in no way affect any other condition, covenant, or other provision of this Agreement. If such condition, covenant, or other provision is held to be invalid due to its scope or breadth, it shall be deemed to remain valid to the extent permitted by law.

11. Entire Agreement. This Agreement contains the entire understanding between the parties and supersedes any prior agreements between them respecting the subject matter of this Agreement. There are no other representations or agreements, oral or written, between MGM and SWFWMD relating to the subject matter of this Agreement. No amendment or supplement to this Agreement will be valid unless in writing and signed by both parties.

12. Governing Law. This Agreement shall be governed by the laws of the State of Florida. If a party is required to enforce the terms of this Agreement, venue shall be exclusively in Manatee County, Florida. If any proceeding is brought for the enforcement, interpretation and/or modification of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs in connection with that proceeding.

13. Counterparts/Electronic Execution. This Agreement may be executed by the parties hereto individually or in combination, in one or more counterparts, each of which shall be an original and all of which will constitute one and the same Agreement. This Agreement may be electronically executed or transmitted by the parties hereto and the same shall be deemed an original and shall be fully binding on the parties hereto.

[Signatures appear on the following page(s).]

IN WITNESS WHEREOF, intending to be bound hereby, the parties hereto have executed this Agreement as of the date first above written.

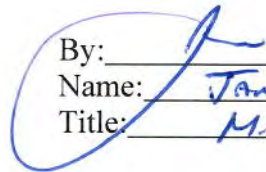
SWFWMD

a public corporation of the State of Florida

By: _____
Name: _____
Title: _____

MGM of West Florida, LLC.,

a Florida corporation

By:  _____
Name: James M. Good
Title: M. M.

CONSENT AGENDA

November 19, 2024

General Counsel's Report: Interagency Agreement between St. Johns River Water Management District and Southwest Florida Water Management District – Designation of Regulatory Responsibility to St. Johns River Water Management District for Environmental Resource Permits – Interstate-75 Widening (Marion and Sumter Counties)

Florida Department of Transportation (FDOT) seeks environmental resource permits (ERPs) for future roadway improvements, including construction of auxiliary lanes and associated stormwater facilities, along a stretch of Interstate-75 (I-75) between State Road 200 and State Road 326 in Marion County (Phase I) and between State Road 44 and State Road 200 in Sumter and Marion Counties (Phase II; collectively, the Project). A majority of the Project is located within the jurisdictional boundaries of the St. Johns River Water Management District (SJRWMD), and a smaller portion of the project site is located within the jurisdictional boundaries of the Southwest Florida Water Management District (SWFWMD). Additionally, the SJRWMD has permitting history in the Project area, while the SWFWMD does not.

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

Both Districts agree that regulatory responsibility over the project area should be designated to SJRWMD. Designating SJRWMD as the agency with regulatory responsibility for the Project would allow for more efficient processing of the Florida Department of Transportation's permit application.

Staff Recommendation:

Approve the Interagency Agreement between the St. Johns River Water Management District and the Southwest Florida Water Management District for the designation of regulatory responsibility for ERP for the Florida Department of Transportation for Phases I and II of the above-described Project.

Presenter:

Michael R. Bray, Assistant General Counsel, Office of General Counsel

INTERAGENCY AGREEMENT BETWEEN
ST. JOHNS RIVER WATER MANAGEMENT DISTRICT AND
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
FOR THE DESIGNATION OF REGULATORY RESPONSIBILITY
FOR ENVIRONMENTAL RESOURCE PERMITS FOR PHASE ONE AND PHASE TWO
OF THE INTERSTATE-75 LANE WIDENING PROJECT
IN MARION AND SUMTER COUNTY, FLORIDA

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

WITNESSETH:

WHEREAS, Florida Department of Transportation (FDOT) submitted a request for the SJRWMD to process an environmental resource permit (ERP) for future roadway improvements, including construction of auxiliary lanes and associated stormwater facilities, along a stretch of Interstate-75 (I-75) (the Project) between State Road 200 and State Road 326, with pre-application number PRE-083-19680-5, (Phase One) and between State Road 44 and State Road 200, with pre-application number PRE-083-19680-6 (Phase Two); and

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

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

WHEREAS, the SJRWMD has permitting history with the majority of this section of I-75; and

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

WHEREAS, the designation of SJRWMD as the water management district with Part IV, Chapter 373, Fla. Stat., regulatory responsibility for the Project would allow for more efficient processing of the environmental resource permit applications; and

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

responsibility for the environmental resource permit applications pursuant to Part IV, Chapter 373, Fla. Stat.

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

1. The SWFWMD hereby designates to the SJRWMD all regulatory responsibilities under Part IV of Chapter 373, Fla. Stat., for those activities associated with the Project that lie within the jurisdictional boundaries of SWFWMD. Such regulatory responsibilities shall include receiving, processing, and taking final agency action on all environmental resource permit applications, modification thereof, and taking any compliance and enforcement action with regard to such permit.
2. This Agreement will commence upon execution by all parties and will remain in effect until either party terminates such Agreement for its convenience upon ninety (90) days written notice to the other party.

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

By: _____
Michelle Williamson, Chair

Attest: _____
Jack Bispham, Secretary

Date: _____

(Seal)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT

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

Attest: _____
Erin Preston
General Counsel

Date: _____

(Seal)



**EXHIBIT
A**

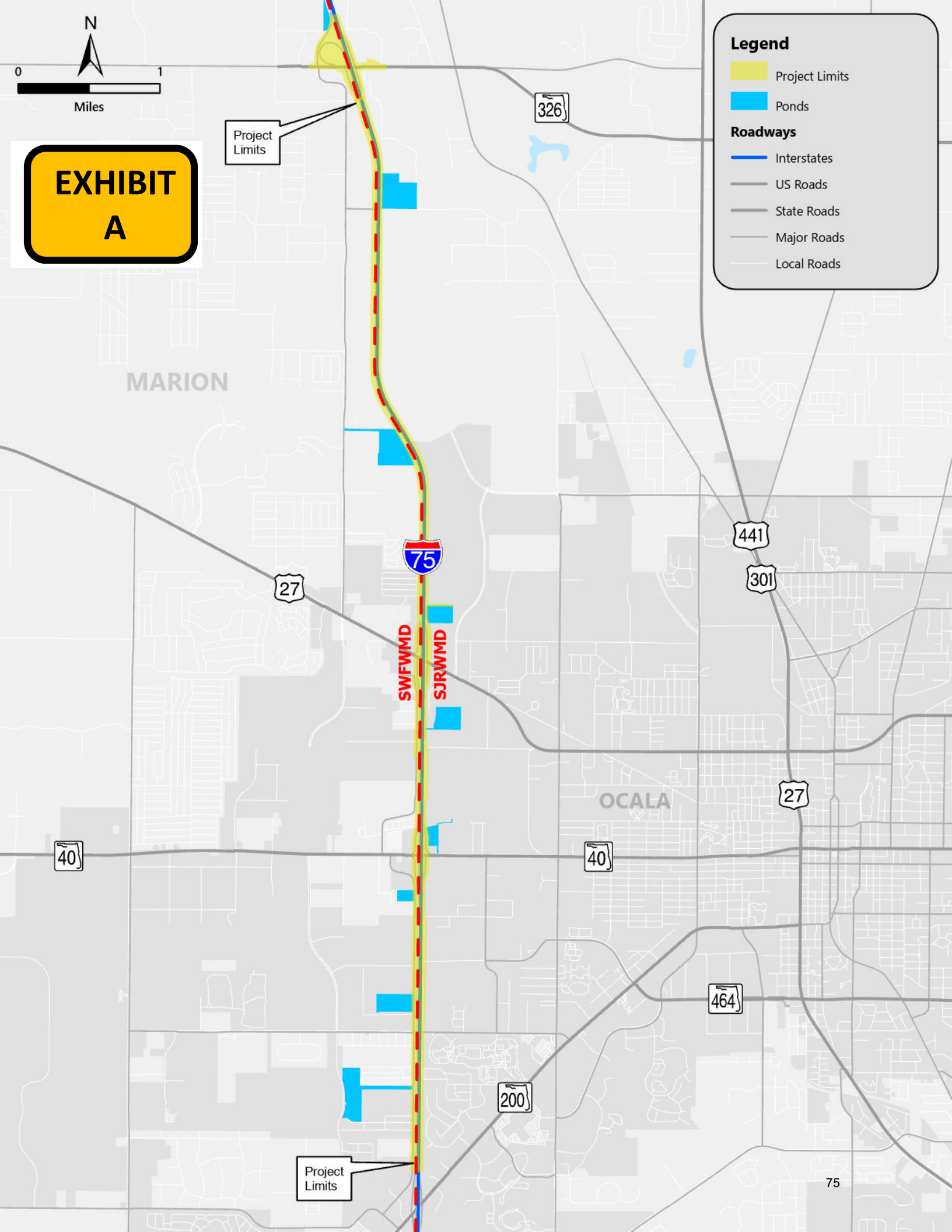
Project Limits

Legend

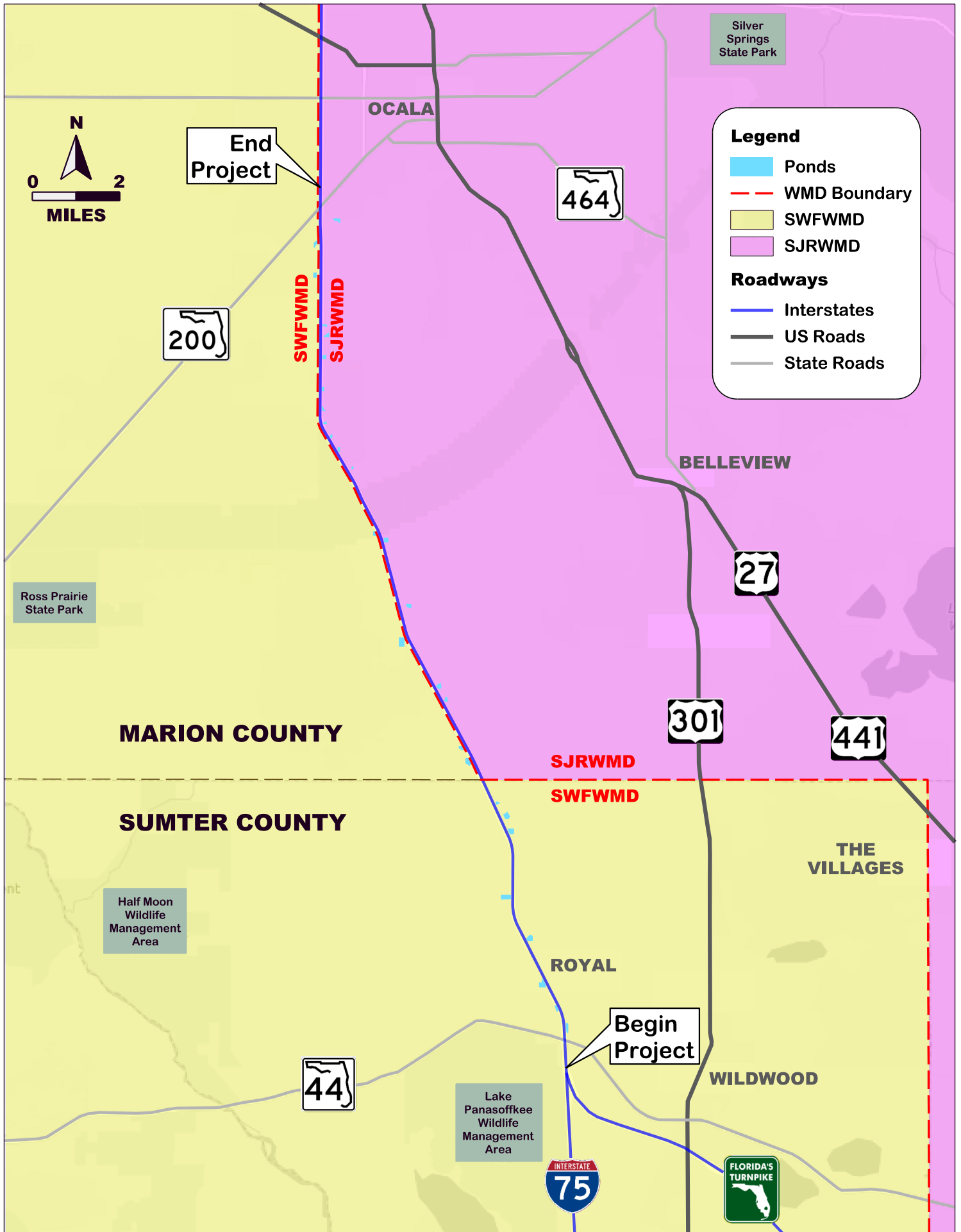
- Project Limits
- Ponds

Roadways

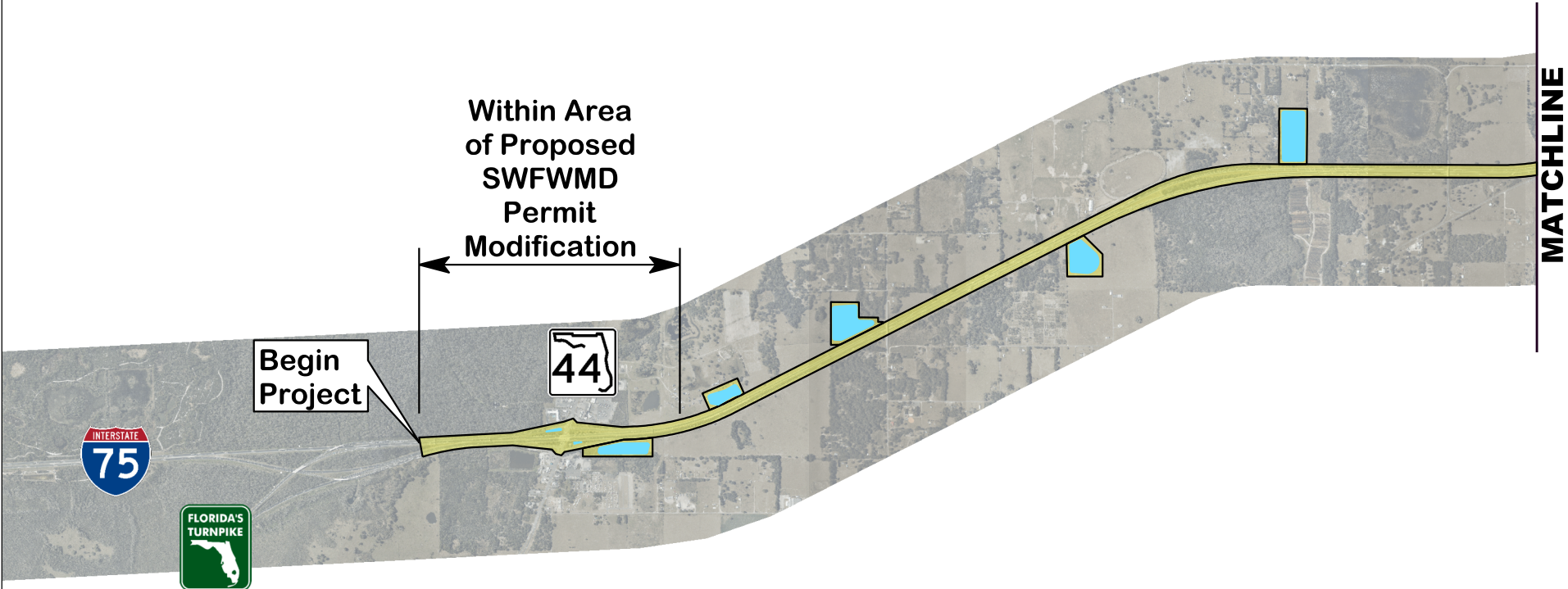
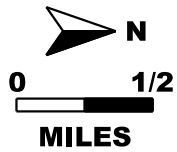
- Interstates
- US Roads
- State Roads
- Major Roads
- Local Roads



OVERVIEW MAP

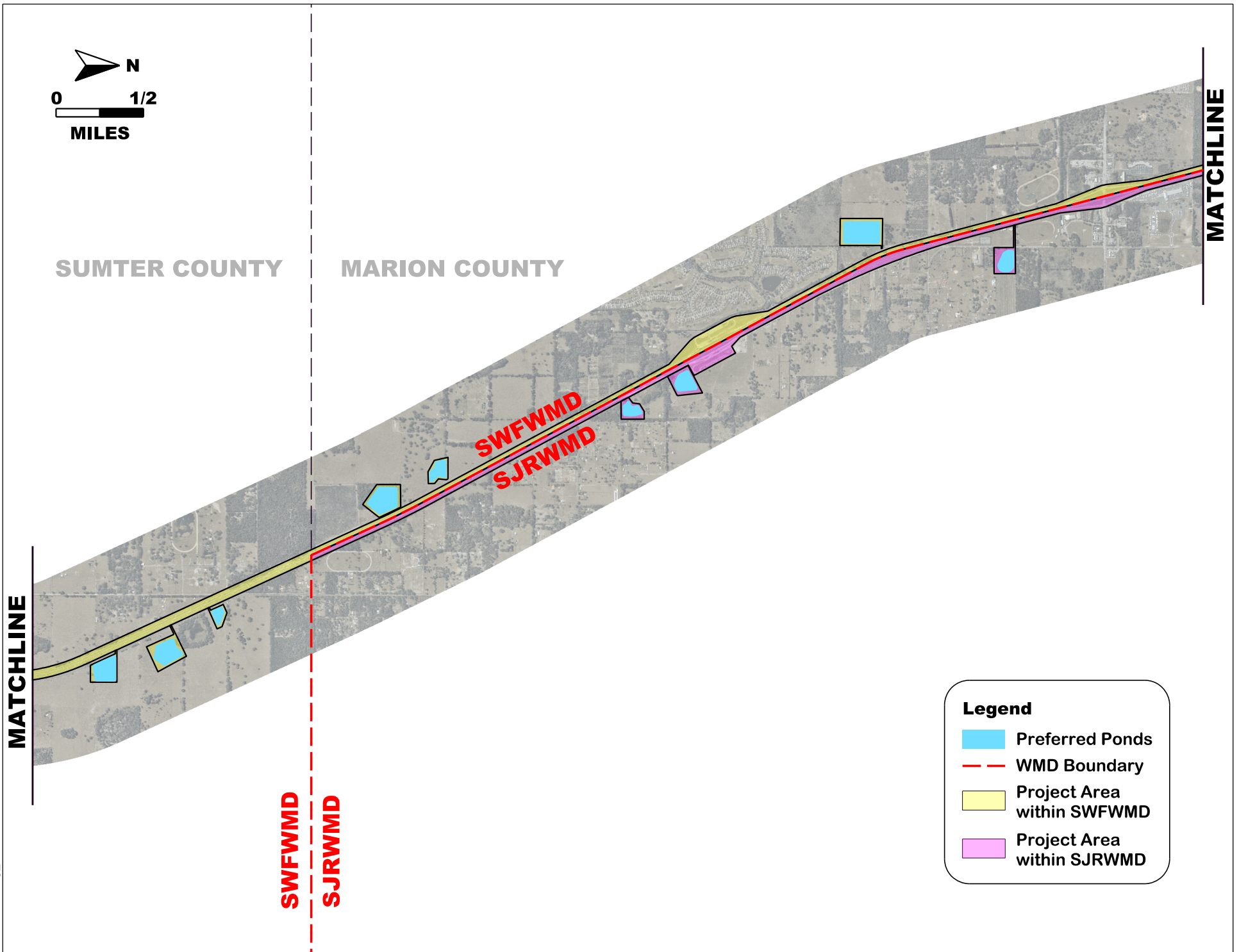


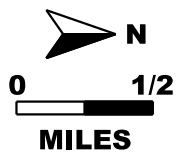
SUMTER COUNTY



Legend

- Preferred Ponds
- WMD Boundary
- Project Area within SWFWMD
- Project Area within SJRWMD





MARION COUNTY





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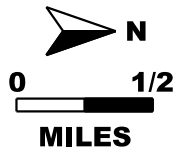
MATCHLINE

SWFWMD

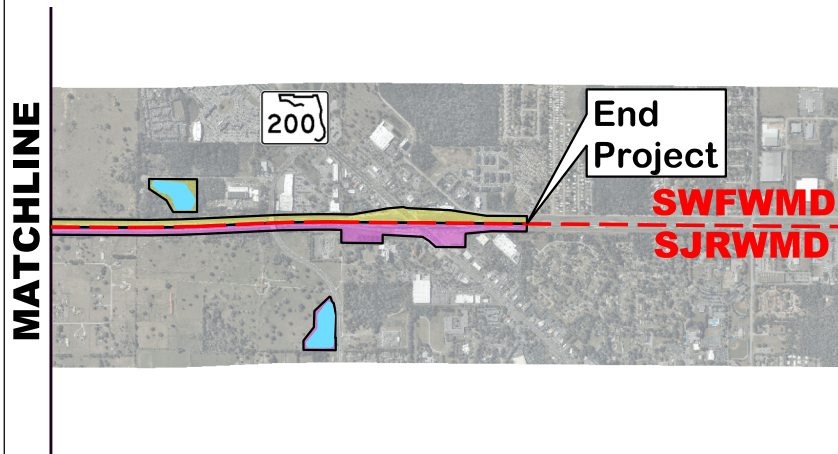
SJRWMD

Legend





-  Preferred Ponds
-  WMD Boundary
-  Project Area within SWFWMD
-  Project Area within SJRWMD



MARION COUNTY



Legend

-  Preferred Ponds
-  WMD Boundary
-  Project Area within SWFWMD
-  Project Area within SJRWMD

CONSENT AGENDA

November 19, 2024

Executive Director's Report: Approve Governing Board Minutes – October 22, 2024

Staff Recommendation:

Approve minutes as presented.

Presenter:

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



GOVERNING BOARD MEETING
TUESDAY, OCTOBER 22, 2024 – 9:00 A.M.
2379 BROAD STREET, BROOKSVILLE, FLORIDA 34604
(352) 796-7211

Board Members Present

Michelle Williamson, Chair
John Mitten, Vice Chair
Jack Bispham, Secretary
Kelly Rice, Member
Joel Schleicher, Member
John Hall, Member*
James Holton, Member
Robert Stern, Member
Nancy H. Watkins, Member
Josh Gamblin, Member

*Attended via electronic media

Board Members Absent

Ashley Bell Barnett, Treasurer
Ed Armstrong, Member
Dustin Rowland, Member

Staff Members

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

Board Administrative Support

Virginia Singer, Manager
Lori Manuel, Administrative Coordinator

1. Convene Public Meeting

The Governing Board of the Southwest Florida Water Management District (District) met for its regular meeting on October 22 at 9:00 a.m., at the Brooksville Office at 2379 Broad Street, Brooksville, Florida 34604. 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 Michelle Williamson called the meeting to order. She noted that the Board meeting was being recorded for broadcast on government access channels, and public input would be provided in person. Chair Williamson stated that anyone wishing to address the Governing Board concerning any item listed on the agenda or any item that does not appear on the agenda should complete and submit a "Request to Speak" card. She 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. Chair Williamson also requested that several individuals wishing to speak on the same topic designate a spokesperson. She introduced each member of the Governing Board and staff present at the dais (this served as roll call). A quorum was confirmed.

1.2 Invocation and Pledge of Allegiance

Board Member Kelly Rice offered the invocation and the Pledge of Allegiance.

1.3 Employee Recognition

None were presented.

1.4 Additions/Deletions to Agenda

Mr. Brian Armstrong, Executive Director, stated the following item was added to the agenda:

Consent

Regulation Committee

2.20 Consider Rescinding Water Shortage Order No. SWF 23-041

Board Member Joel Schleicher requested the following item be moved to Discussion:

Resource Management Committee

2.3 Resource Management Committee: Sarasota Bay National Estuary Program Interlocal Agreement Amendment

There was good cause to approve the amended agenda as allowed by Section 120.525, Florida Statutes.

1.5 Public Input for Issues Not Listed on the Published Agenda

Mr. David Ballard Geddis, Jr., spoke regarding the use of cloud seeding.

Consent Agenda

Finance/Outreach and Planning Committee

2.1 Office of Inspector General Performance Measures

Staff recommended the Board approve the OIG performance measures.

2.2 Approval of Memorandum of Understanding Between Sarasota County Property Appraiser and Southwest Florida Water Management District

Staff recommended the Board approve the Memorandum of Understanding between the Sarasota County Property Appraiser and the Southwest Florida Water Management District.

Resource Management Committee

~~2.3 Resource Management Committee: Sarasota Bay National Estuary Program Interlocal Agreement Amendment~~

~~Staff recommended the Board approve the Amendment to Sarasota Bay National Estuary Program Interlocal Agreement Sarasota Bay Estuary Program.~~

2.4 Resource Management Committee: 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 2024 Priority List and Schedule for submission to DEP for review and approval as required by Chapter 373, F.S.

Operations, Lands and Resource Monitoring Committee

2.5 Release of Reservation of Right of Entry for the Purpose of Exploration for Phosphates, Minerals, Metals and Petroleum; SWF Parcel No. 20-708-128S (Charlotte County)

Staff recommended the Board:

- Approve the Release of Reservation for Right of Entry for the Purpose of Exploration for Phosphates, Minerals, Metals and Petroleum and authorize the Chair to execute the document; and
- Authorize staff to execute any other documents necessary to complete the transaction in accordance with the approved terms.

2.6 Management Agreement – Deep Creek Preserve, DeSoto County; SWF Parcel 20-695-102X (DeSoto County)

Staff recommended the Board:

- Approve the Management Agreement Between the Southwest Florida Water Management District and DeSoto County for the Deep Creek Tract; and
- Authorize the Governing Board Chair to execute the Management Agreement on behalf of the District; and
- Authorize staff to make minor changes or corrections to conform documents or correct scrivener's errors; any substantive changes will be subject to Governing Board review and approval; and
- Authorize staff to execute any other documents necessary to complete the transaction in accordance with the approved terms.

2.7 Rockridge Road Cattle Lease; SWF Parcel No. 10-200-1316X (Polk County)

Staff recommended the Board approve the award of the Rockridge Road Cattle Lease to Erin Blair and execute the Lease on behalf of the District.

2.8 Perpetual Easement – Peace River at Bartow; SWF Parcel No. 20-020-190 (Polk County)

Staff recommended the Board:

- Approve the Easement and authorize the Chair and Secretary to execute on behalf of the District; and
- Authorize Staff to execute any other documents necessary to complete the transaction in accordance with the approved terms.

2.9 Perpetual Easement and Temporary Construction Easement – Peace River Manasota Regional Water Supply Authority – Phase 2B Pipeline Project; SWF Parcel No. 21-708-139X & 21-708-140X (Sarasota County)

Staff recommended the Board:

- Approve the Easements and Authorize the Chair and Secretary to execute on behalf of the District; and
- Authorize staff to execute any other documents necessary to complete the transaction in accordance with the approved terms.

2.10 Management Agreement with Camp-N-Paddle for Chassahowitzka Campground and Boat Ramp; SWF Parcel No. 15-347-129X (Citrus County)

Staff recommended the Board:

- Approve the First Amendment to the Management Agreement Between the Southwest Florida Water Management District and Camp-N-Paddle LLC; and
- Authorize the Governing Board Chair to execute the First Amendment to the Management Agreement on behalf of the District; and
- Authorize staff to make minor changes or corrections to confirm documents or correct scrivener's errors; any substantive changes will be subject to Governing Board review and approval; and
- Authorize staff to execute any other documents necessary to complete the transaction in accordance with the approved terms.

Regulation Committee

2.11 Water Use Permit No. 20 021046.001, Hillsborough County & Tampa Bay Water/Balm Farm (Hillsborough County)

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

2.12 Water Use Permit No. 20 013343.005, Manatee County BOCC/Manatee County Utilities Consolidated Permit (Manatee County)

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

2.20 Consider Rescinding Water Shortage Order No. SWF 23-041

Staff recommended the Board approve returning to year-round conservation measures of two days a week unless restricted by local ordinances.

General Counsel's Report

2.13 Approval of Interagency Agreement between the South Florida Water Management District and the Southwest Florida Water Management District – Designation of Regulatory Responsibility to South Florida Water Management District for an Environmental Resource Permit – I-4 Moving Florida Forward Project (Polk and Osceola County)

Staff recommended the Board approve the Interagency Agreement between the South Florida Water Management District and the Southwest Florida Water Management District for the designation of regulatory responsibility for an Environmental Resource Permit for the above-described Project.

2.14 Approval of Emergency Order No. SWF 24-028 – Emergency Measures for Hurricane Helene

Staff recommended the Board approve Emergency Order No. SWF 24-028.

2.15 Approval of Emergency Order No. SWF 24-029 – Emergency Measures for Tropical Storm Debby

Staff recommended the Board approve Emergency Order No. SWF 24-029.

2.16 Relocation of Wells at Regional Observation and Monitor-well Program (ROMP) 43 Wellsite (Hardee County)

Staff recommended the Board:

1. Approve the Agreement Regarding the Relocation of ROMP 43 Wells and Easement.
2. Authorize the Chair to execute the Agreement, the Replacement Easement, the Existing Easement Termination Agreement, the Quit Claim Deed, and the Bill of Sale.

2.17 Access Easement – Environmental Resource Permit Application No. 852564 – Chassahowitzka Mitigation Bank (Hernando County)

Staff recommended the Board approve, accept, and execute the attached access easement through the Chassahowitzka Wildlife Management Area to provide permanent legal access to the District to the Chassahowitzka Mitigation Bank.

2.18 Approval of Emergency Order No. SWF 24-030 – Emergency Measures for Hurricane Milton

Staff recommended the Board approve Emergency Order No. SWF 24-030.

Executive Director's Report

2.19 Approve Governing Board Minutes – September 24, 2024

Staff recommended the Board approve minutes as presented.

A motion was made and seconded to approve the Consent Agenda. The motion carried unanimously. (Audio – 00:19:15)

Discussion

Finance/Outreach and Planning Committee

Chair Michelle Williamson called the committee to order.

3.1 Consent Item(s) Moved to Discussion – None

3.2 Development of Preliminary Budget for Fiscal Year 2026

Mr. Brandon Baldwin, Business and IT Services Division Director, presented an overview of a timeline for the Fiscal Year (FY) 2026 budget development cycle and outlined Governing

Board budget metrics. He presented assumptions about salaries and benefits. Mr. Baldwin presented a summary by Bureau, of requested additional Full Time Employee (FTE) positions for FY2026.

Ms. Jennette Seachrist, Resource Management Division Director, outlined two FTE positions requested for this Division and the critical needs associated with them. Chair Williamson asked if any of the FY2026 positions requested will address implementation of Artificial Intelligence (AI) technology. Ms. Seachrist responded that AI technology will play a role in the future of groundwater modeling but at this time it is not being utilized.

Mr. Brian Starford, Operations, Lands and Resource Monitoring Division Director, outlined two FTE positions requested for his Division and the critical needs associated with them. He responded to the previous question regarding the potential future use of AI in this Division. Chair Williamson asked if the recently implemented stormwater rule offers any provisions regarding the requirements of local governments to maintain the stormwater systems under their jurisdictions. Ms. Michelle Hopkins, Regulation Division Director, stated that she is not aware of any provisions.

Ms. Hopkins outlined seven FTE positions requested for the Regulation Division and the critical needs associated with them. She referenced the impact from recently implemented stormwater rule previously discussed. Board Member James Holton asked for clarification regarding the current stormwater rule requirements versus the new requirements. Ms. Hopkins provided a summary and examples of the existing and new requirements. Secretary Jack Bispham asked if there would be any changes in fees associated with the stormwater rule. Ms. Hopkins responded that changes to fees associated with each District would be a statewide discussion involving the Florida Department of Environmental Protection (FDEP) and other Water Management Districts. She added that each District has its own fee schedule, and this District has not increased fees for some time. Ms. Hopkins stated that proposed incremental fee schedule changes will be considered to offset costs. Chair Williamson asked if there is a statute that outlines limitations associated with fees. Mr. Chris Tumminia, General Counsel responded in the affirmative. Staff responded to other questions.

Mr. Chris Tumminia outlined one FTE position requested, and the critical needs associated with it. He addressed the current and future use of AI in this Division. Mr. Tumminia responded to questions.

Mr. Brandon Baldwin outlined four FTE positions requested, and the critical needs associated with them. He stated that two positions are requested for the Information Technology Bureau, one position is requested for the Budget and Financial Reporting and one position is for the Procurement Services Office. He addressed the current and future use of AI in this Division as well as across the District. Staff responded to questions.

Mr. Baldwin presented the operating and revenue budget assumptions, Ad Valorem growth assumptions, and a forecasted growth model used to develop the budget. Mr. Baldwin responded to questions.

Staff recommended the Board approve the general budget assumptions as outlined in the October 22, 2024 budget presentation for the development of the Preliminary Budget for FY2026.

A motion was made and seconded to approve staff's recommendation. The motion carried unanimously. (Audio – 01:18:52)

3.3 Investment Strategy Quarterly Update

Mr. John Grady, Public Trust Advisors, presented an economic update that included Information regarding Gross Domestic Product (GDP), Consumer Price Index (CPI), job growth, and interest rates.

Mr. Grady presented an overview of the District's portfolio strategy for the last quarter (July 1, 2024 through September 30, 2024).

Staff recommended the Board accept and place on file the District's Quarterly Investment Reports for the quarter ended September 30, 2024.

A motion was made and seconded to approve staff's recommendation. The motion carried unanimously. (Audio – 01:50:06)

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

Mr. Brandon Baldwin, Business and IT Services Division Director, presented an overview of the Governing Board policy regarding Investments. He summarized the proposed changes. This policy will be presented at the November meeting for final approval.

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

3.5 Budget Transfer Report

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

3.6 Office of Inspector General Quarterly Update – July 1, 2024 to September 30, 2024

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

Resource Management Committee

Chair Michelle Williamson called the committee to order.

4.1 Consent Item(s) Moved to Discussion

2.3 Resource Management Committee: Sarasota Bay National Estuary Program Interlocal Agreement Amendment

Board Member Joel Schleicher requested this item be moved to Discussion.

Board Member Schleicher expressed concerns that no checks and balance system is in place to ensure the municipalities, within the counties that receive funding in support of their estuary programs, also provide the necessary steps to protect estuaries. He specifically addressed untreated stormwater that leached into Sarasota Bay as a result of the recent hurricanes.

Mr. Randy Smith provided an overview of the interlocal agreement. He stated that the recently implemented stormwater rule should address some of the concerns presented by Board Member Schleicher. Mr. Smith stated the District has been committed to funding retrofits in that region. He added that the rainfall received from recent storms was unprecedented. Staff responded to questions.

Staff recommended the Board approve the Amendment to Sarasota Bay National Estuary Program Interlocal Agreement Sarasota Bay Estuary Program.

A motion was made and seconded to approve staff's recommendation. The motion carried unanimously. (Audio – 02:01:26)

Operations, Lands and Resource Monitoring Committee

Board Member Robert Stern called the committee to order.

5.1 Consent Item(s) Moved to Discussion – None

5.2 Hydrologic Conditions Report

Ms. Tamera McBride, P.G., Hydrologic Data Manager, presented the hydrologic conditions report. She stated the wet season ended in September with a surplus of approximately five inches. In addition, as a result of Hurricane Milton, rainfall records were broken. The 12-month rainfall total was above average with a surplus of 2.4 inches. Ms. McBride presented provisional rainfall data that indicated that portions of Hillsborough, Pasco, Pinellas and Polk counties received greater than 12 inches attributed to two days of Hurricane Milton. Provisional data for October rainfall indicated a surplus of 5.9 inches. The Climate Prediction Center is still indicating that a transition to La Niña is predicted.

Ms. McBride provided information regarding rainfall, streamflow, groundwater levels, lake levels, public supply reservoirs and climate forecasts. She stated that water supply storage quantity concerns have diminished due to above average rainfall. Ms. McBride stated the near-term climate forecast indicates above normal temperatures and below normal precipitation.

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

5.3 Purchase and Sale Agreement for Perpetual Easement – Coley Deep Replacement; SWF Parcel No. 20-020-110 (Polk County)

Mr. Mike Singer, Real Estate Services Manager, recapped information that was presented at the September meeting that outlined the acquisition of sites for installation of monitoring wells. He summarized property information and explained the benefits of acquiring this easement and the data that will be collected. Mr. Singer responded to questions.

Staff recommended the Board:

- Accept the appraisal; and Approve the Purchase and Sale Agreement and authorize the Executive Director or designee to sign on the behalf of the District; and
- Approve the Easement; and authorize the Chair and Secretary to sign on behalf of the District; and
- Authorize staff to make minor changes or corrections to conform documents or correct errors; any substantive changes will be subject to Governing Board review and approval; and
- Authorize staff to execute any other documents necessary to complete the transaction in accordance with the approved terms; and
- Approval to encumber and roll the funds for payment in the following year, in the event the closing does not occur before the end of the current fiscal year.

A motion was made and seconded to approve staff's recommendation. The motion passed unanimously. (Audio – 02:08:57)

Regulation Committee

Board Member James Holton 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

7.2 Affirm Governing Board Committee Actions

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

A motion was made and seconded to approve staff's recommendation. The motion carried unanimously. (Audio – 02:10:08)

Mr. Tumminia, General Counsel, provided an update on the request for a legal opinion from the Attorney General's Office regarding quorum requirements, which was discussed during the August meeting. He stated the Attorney General's office requested legal information that outlined the source of the Board's authority to set policy. The Office of General Counsel is preparing a response for submittal in November. If no other information is requested by the Attorney General's office, it is anticipated that a decision will be provided within three to six months. Mr. Tumminia stated he will keep the Board apprised.

Committee/Liaison Reports

8.1 Agricultural and Green Industry Advisory Committee

A written summary of the September 10 meeting was provided.

Executive Director's Report

9.1 Executive Director's Report

Mr. Brian Armstrong, Executive Director, commended staff for their efforts during the hurricanes.

Mr. Armstrong provided a written summary of his goals for FY2025.

Chair's Report

10.1 Chair's Report

Chair Williamson asked if any Board Member has any matters which should be considered for discussion or action at future Board meetings, please provide advance notice of the requested topic to ensure that everyone is well prepared for a productive discussion. No items were presented for the November meeting.

10.2 Employee Milestones

A written summary was provided.

10.3 2024 Employee Evaluation and 2025 Performance Goals for the Executive Director and Inspector General

Chair Williamson thanked the Board for their individual feedback regarding both performance evaluations.

Chair Williamson relayed information provided by Treasurer Ashley Bell Barnett regarding the performance evaluation for Mr. Brian Werthmiller, Inspector General. Treasurer Barnett provided a score of 4.8 and recommended a 4.24 percent merit increase for Mr. Werthmiller. Staff recommended the Board:

- Adopt and approve the 2024 employee evaluation of the Inspector General Brian R. Werthmiller that was completed by the Governing Board Treasurer.

A motion was made and seconded to accept the Treasurer's recommendation. The motion was seconded and passed unanimously. (Audio – 02:16:20)

Chair Williamson stated that based on the feedback received from the Board Members for Mr. Brian Armstrong, Executive Director's performance evaluation, she provided a score of 5.0 and recommended a 3 percent merit increase for Mr. Brian Armstrong.

Staff recommended the Board:

- Adopt and approve the 2024 employee evaluation of Executive Director Brian J. Armstrong that was completed by the Governing Board Chair.
- Adopt and approve the 2025 Executive Director goals.

A motion was made and seconded to accept the Chair's recommendation. The motion was seconded and passed unanimously. (Audio – 02:17:46)

Chair Williamson stated the next regularly scheduled Board meeting is on Tuesday, November 19 at 9:00 a.m., in the Tampa office.

Adjournment

The meeting adjourned at 11:20 a.m.

DRAFT

Governing Board Meeting
November 19, 2024

3. FINANCE/OUTREACH & PLANNING COMMITTEE

3.1	Discussion: Consent Item(s) Moved to Discussion	91
3.2	Submit & File: Information Item: Budget Transfer Report	92

FINANCE/OUTREACH AND PLANNING COMMITTEE

November 19, 2024

Discussion: Consent Item(s) Moved to Discussion

Presenters:

Brandon Baldwin, Division Director, Business and IT Services Division

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

FINANCE/OUTREACH AND PLANNING COMMITTEE

November 19, 2024

Submit & File: Information Item: Budget Transfer Report

Purpose

Provide the Budget Transfer Report covering all budget transfers made during the month of October 2024.

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 2024.

Staff Recommendation:

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

Presenter:

Melisa J. Lowe, Bureau Chief, Finance Bureau

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Budget Transfer Report
October 2024

--- TRANSFERRED FROM ---		--- TRANSFERRED TO ---		
Item No.	Bureau / Expenditure Category	Bureau / Expenditure Category	Reason for Transfer	Transfer Amount
<u>Change from Original Budget Intent - FY2024</u>				
1	General Services Parts and Supplies	General Services Taxes	Transfer of funds originally budgeted for parts and supplies associated with maintaining the District's fleet. The funds are no longer required as the cost of parts and supplies were less than anticipated for the fiscal year. The funds are needed for the increase in special assessment property taxes for the Brooksville office location.	\$ 16,000.00
2	General Services Parts and Supplies	General Services Utilities	Transfer of funds originally budgeted for parts and supplies associated with maintaining the District's fleet. The funds are no longer required as the cost of parts and supplies were less than anticipated for the fiscal year. The funds are needed for the District facility utilities due to rate increases taking effect after the budget was developed.	13,000.00
3	Operations Salaries	Operations Overtime	Transfer of funds originally budgeted for regular salaries and wages for Field Operations Section staff. The funds are no longer required due to several unanticipated vacancies during the fiscal year. The funds are needed to cover staff overtime for activities performed by Field Operations and Structure Operations staff for the Tsala Apopka Golf Course Structure Modification in response to the Emergency Order issued by the District in July 2024.	60,533.59
Total Change from Original Budget Intent				89,533.59
<u>Consistent with Original Budget Intent - FY2024</u>				
1	Operations Land Resources Salaries & Benefits Central Garage Charges	Operations Land Resources Natural Systems & Restoration Salaries & Benefits Central Garage Charges	State funds are needed for the original purpose budgeted for the FY2024 appropriation from the Land Acquisition Trust Fund (LATF) for land management. These funds are required to be expended by June 30. Personnel expenditures were not sufficient to fully utilize the \$2.25M appropriated, therefore, the LATF funds will reimburse the District for internal central garage charges for equipment used in support of land management activities instead. This transfer aligns the funding source for land management activities based on the expenditures reimbursed by the FY2024 LATF appropriation.	351,252.00
2	Water Resources Grant - Water Conservation	Water Resources Grant - Water Conservation	Funds are needed for the original purpose budgeted for Board approved projects with the Polk Regional Water Cooperative (PRWC) per Board resolution with the Polk Partnership. The PRWC Southeast Polk Wellfield Lower Floridan Aquifer Test Production Well No. 3 project was completed under budget. The funds are being transferred back to the Polk Partnership fund in order to reallocate to projects in accordance with the Board resolution that originally budgeted the funds.	1,114,097.38
3	Water Resources Grant - Water Conservation	Water Resources Grant - Water Conservation	Funds are needed for the original purpose budgeted for Board approved projects with the PRWC per Board resolution with the Polk Partnership. The PRWC Test Production Well No. 2 West Polk Wellfield project received a grant from the DEP for \$1,228,000, offsetting the District and PRWC cost shares equally by \$614,000. The funds are being transferred back to the Polk Partnership fund in order to reallocate to projects in accordance with the Board resolution that originally budgeted the funds.	614,000.00
Total Consistent with Original Budget Intent				2,079,349.38
Total Amount Transferred				\$ 2,168,882.97

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 19, 2024

4. RESOURCE MANAGEMENT COMMITTEE

4.1	Discussion: Consent Item(s) Moved to Discussion	94
4.2	Discussion: Information Item: Peace River Manasota Regional Water Supply Authority Update	95

RESOURCE MANAGEMENT COMMITTEE

November 19, 2024

Discussion: Consent Item(s) Moved to Discussion

Presenter:

Jennette M. Seachrist, P.E., Division Director, Resource Management Division

RESOURCE MANAGEMENT COMMITTEE

November 19, 2024

Discussion: Information Item: Peace River Manasota Regional Water Supply Authority Update

Purpose

To provide the Board with an overview of the Peace River Manasota Regional Water Supply Authority's regional water supply system, including water supply facilities, regional projects, planning and vision for the future.

Background/History

The Peace River Manasota Regional Water Supply Authority (Authority) has continued to fulfill its mission to provide the region with a high-quality, safe drinking water supply that is reliable, sustainable, and protective of natural resources now and into the future. The Authority was founded in 1991 with District support and has provided drinking water to people across Charlotte, DeSoto, and Sarasota counties. Ongoing expansions of the regional water system will serve Manatee County in the future. In FY2024, the Authority delivered about 31 million gallons of water per day (MGD) to its members. The District and the Authority continue to closely coordinate on long-term water resource planning and cooperative funding initiative opportunities. Richard Anderson, Executive Director of the Peace River Manasota Regional Water Supply Authority, will provide the Board with an overview of their agency's activities.

Staff Recommendation:

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

Presenter:

Richard Anderson, Executive Director, Peace River Manasota Regional Water Supply Authority

Governing Board Meeting
November 19, 2024

5. OPERATIONS, LANDS, AND RESOURCE MONITORING COMMITTEE

5.1 **Discussion:** Consent Item(s) Moved to Discussion96

5.2 **Discussion:** Information Item: District Hurricane Response97

OPERATIONS, LANDS, AND RESOURCE MONITORING COMMITTEE

November 19, 2024

Discussion: Consent Item(s) Moved to Discussion

Presenter:

Brian S. Starford, P.G., Division Director, Operations, Lands and Resource Monitoring Division

OPERATIONS, LANDS, AND RESOURCE MONITORING COMMITTEE

November 19, 2024

Discussion: Information Item: District Hurricane Response

Purpose

Provide an overview of the District's emergency preparedness, response, and recovery actions associated with Hurricane Milton.

Background/History

Water Management Districts are members of the State Emergency Response Team (SERT) and serve as support agencies to the Department of Transportation and the Department of Environmental Protection during statewide emergency activations. Statewide communication and coordination are achieved through the State Emergency Operations Center. The District is a party to the Statewide Mutual Aid Agreement and the Florida Water Management Districts Mutual Aid Agreement for Catastrophic Emergency Response/Recovery. These agreements provide reciprocal emergency aid and assistance during an emergency.

The District has a Comprehensive Emergency Management Plan (CEMP), in line with Florida Statute, Chapter 252, Emergency Management. The CEMP outlines a comprehensive and effective program to ensure an effective response to a full range of potential emergencies, including major weather-based events such as hurricanes.

Staff Recommendation:

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

Presenter:

Dave Dickens, Bureau Chief, General Services Bureau

Governing Board Meeting

November 19, 2024

6. REGULATION COMMITTEE

6.1	Discussion: Consent Item(s) Moved to Discussion	98
6.2	Discussion: Action Item: Denials Referred to the Governing Board	99

REGULATION COMMITTEE

November 19, 2024

Discussion: Consent Item(s) Moved to Discussion

Presenter:

Michelle Hopkins, P.E., Division Director, Regulation Division

REGULATION COMMITTEE

November 19, 2024

Discussion: Action Item: Denials Referred to the Governing Board

District Rule 40D-1.6051, Florida Administrative Code, provides that if District staff intends to deny a permit application, the applicant will be advised of the opportunity to request referral to the Governing Board for final action. Under these circumstances, if an applicant or petitioner requests their application or petition be referred to the Governing Board for final action, that application or petition will appear under this agenda item for consideration. As these items will be presented at the request of an outside party, specific information may not be available until just prior to the Governing Board meeting.

Staff Recommendation:

If any denials are requested to be referred to the Governing Board, these will be presented at the meeting.

Presenter:

Michelle Hopkins, P.E., Division Director, Regulation Division

Governing Board Meeting
November 19, 2024

7. GENERAL COUNSEL'S REPORT

7.1 **Discussion:** Consent Item(s) Moved to Discussion 100

7.2 **Discussion:** Action Item: Affirm Governing Board Committee Actions 101

GENERAL COUNSEL'S REPORT

November 19, 2024

Discussion: Consent Item(s) Moved to Discussion

Presenter:

Chris Tumminia, General Counsel, Office of General Counsel

GENERAL COUNSEL'S REPORT

November 19, 2024

Discussion: Action Item: Affirm Governing Board Committee Actions

The Governing Board has established four committees for conducting District business: the Finance/Outreach & Planning Committee; the Operations, Land, & Resource Monitoring Committee; the Regulation Committee; and the Resource Management Committee. Each committee is a committee of the whole with all Governing Board members serving as committee members.

The Governing Board, sitting as a committee, considers and takes action on discussion agenda items during each Governing Board meeting. In order to clarify for the record that the Governing Board has taken action, the actions taken by the committees will be presented to the Board for affirmation.

Staff Recommendation:

Affirm the actions taken by the Governing Board Committees.

Presenter:

Christopher A. Tumminia, General Counsel, Office of General Counsel

COMMITTEE/LIAISON REPORTS

November 19, 2024

Discussion: Information Item: Environmental Advisory Committee

Staff Recommendation:

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

Presenter:

John Mitten, Vice Chair

EXECUTIVE DIRECTOR'S REPORT

November 19, 2024

Discussion: Information Item: Executive Director's Report

Staff Recommendation:

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

Presenter:

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

CHAIR'S REPORT

November 19, 2024

Discussion: Information Item: Chair's Report

Staff Recommendation:

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

Presenter:

Michelle Williamson, Chair

CHAIR'S REPORT

November 19, 2024

Discussion: Information Item: Employee Milestones

Staff Recommendation:

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

Presenter:

Michelle Williamson, Chair

Years of Service	Seniority Date	Preferred Full Name	Position Title	Office Location	Bureau	Anniversary Year	Next Milestone
10	11/10/2014	Eryn Worthington	Business Development Manager	Brooksville	Regulatory Support	2024	11/10/2024
15	11/30/2009	Carmen Sanders	Land Use Program Specialist	Brooksville	Land Resources	2024	11/30/2024
20	11/22/2004	Mike Cacioppo	Budget Analyst	Brooksville	Finance	2024	11/22/2024
20	11/29/2004	Danielle Sailer	Regulatory Support Manager,	Brooksville	Regulatory Support	2024	11/29/2024
20	11/29/2004	James Ferrell	Lead Hydrologic Data Technician	Brooksville	Data Collection	2024	11/29/2024
30	11/07/1994	Michelle Weaver	Employee Outreach & General Services Director	Brooksville	Office of Executive	2024	11/07/2024