Governing Board Meeting

Agenda and Meeting Information

October 20, 2020
8:00 a.m.

District Headquarters
2379 Broad Street • Brooksville, Florida
(352) 796-7211 • 1-800-423-1476
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 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 Donna Eisenbeis, Sr. Performance Management Professional, at 2379 Broad St., Brooksville, FL 34604-6899; telephone (352) 796-7211 or 1-800-423-1476 (FL only), ext. 4706; 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

OCTOBER 20, 2020
8:00 AM

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

All meetings are open to the public

› Viewing of the Board meeting will be available through the District's website at WaterMatters.org. All or part of this meeting may be conducted by means of communications media technology.
› Public input for issues not listed on the published agenda will be heard shortly after the meeting begins.

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

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

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

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

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

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

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

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

Tampa Office
7601 Hwy 301 N (Fort King Highway)
Tampa, Florida 33637
(813) 985-7481 or 1-800-836-0797 (FL only)
1. **CONVENE MEETING OF THE GOVERNING BOARD**

1.1 Call to Order

1.2 Invocation and Pledge of Allegiance

1.3 Additions/Deletions to Agenda

1.4 Public Input for Issues Not Listed on the Agenda

2. **CONSENT AGENDA**

2.1 **Finance/Outreach and Planning Committee:** Resolution No. 20-15, Commending Jeffrey M. Adams for His Service as a Member of the Southwest Florida Water Management District Governing Board

2.2 **Finance/Outreach and Planning Committee:** Office of Inspector General Performance Measures

2.3 **Finance/Outreach and Planning Committee:** Budget Transfer Report

2.4 **Resource Management Committee:** Minimum Flows and Minimum Water Levels Priority List and Schedule Update

2.5 **Operations, Lands and Resource Monitoring Committee:** Management Agreement with Hernando County for the Management and Use of the Bayport Tract – Weekiwachee Preserve Project - SWF Parcel No. 15-773-160X

2.6 **Regulation Committee:** WUP No. 20005750.010 / City of Davenport / City of Davenport (Polk County)

2.7 **General Counsel’s Report:** Authorization to Issue Administrative Complaint and Order - Well Construction Violations - St. Pete Complete Environmental, Inc. - Unlicensed - CT Number 409223 - Pinellas County

2.8 **Executive Director’s Report:** Approve Governing Board Minutes - September 22, 2020

2.9 **Executive Director’s Report:** Approve Fiscal Year 2020 Final Budget Hearing Minutes - September 22, 2020

3. **FINANCE/OUTREACH & PLANNING COMMITTEE**

3.1 Consent Item(s) Moved for Discussion

3.2 **Discussion:** Action Item: Investment Strategy Quarterly Update

3.3 **Discussion:** Information Only : Annual Review of Board Policy, *District Investment Policy*

3.4 **Discussion:** Action Item: Development of Preliminary Budget for Fiscal Year 2022

3.5 **Submit & File:** Information Only: Office of Inspector General Quarterly Update - July 1, 2020 to September 30, 2020
4. RESOURCE MANAGEMENT COMMITTEE
   4.1 Consent Item(s) Moved for Discussion

5. OPERATIONS, LANDS, AND RESOURCE MONITORING COMMITTEE
   5.1 Consent Item(s) Moved for Discussion
   5.2 Discussion: Information Only: Hydrologic Conditions Report

6. REGULATION COMMITTEE
   6.1 Consent Item(s) Moved for Discussion
   6.2 Discussion: Information Only: Denials Referred to the Governing Board

7. GENERAL COUNSEL'S REPORT
   7.1 Consent Item(s) Moved for Discussion
   7.2 Discussion: Information Only: 2020 Sunshine Law Presentation

8. COMMITTEE/LIAISON REPORTS
   8.1 Discussion: Information Only: Agricultural and Green Industry Advisory Committee

9. EXECUTIVE DIRECTOR'S REPORT
   9.1 Discussion: Information Only: Executive Director's Report

10. CHAIR'S REPORT
   10.1 Discussion: Action Item: 2020 Employee Evaluation and 2021 Performance Goals for the Executive Director and Inspector General
   10.2 Discussion: Information Only: Chair's Report
   10.3 Discussion: Information Only: Employee Milestones

   ADJOURNMENT
GOVERNING BOARD OFFICERS, COMMITTEES AND LIAISONS
Effective August 25, 2020

<table>
<thead>
<tr>
<th>OFFICERS</th>
</tr>
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<tbody>
<tr>
<td>Chair</td>
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<tr>
<td>Vice Chair</td>
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<tr>
<td>Secretary</td>
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<td>Treasurer</td>
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<thead>
<tr>
<th>OPERATIONS, LANDS AND RESOURCE MONITORING COMMITTEE</th>
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<tbody>
<tr>
<td>Jack Bispham</td>
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<td>Seth Weightman</td>
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<tr>
<th>RESOURCE MANAGEMENT COMMITTEE</th>
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<tr>
<td>Seth Weightman</td>
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<td>Jack Bispham</td>
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<tr>
<th>REGULATION COMMITTEE</th>
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<tr>
<td>Roger Germann</td>
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<tr>
<td>Joel Schleicher</td>
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<tr>
<th>FINANCE/OUTREACH AND PLANNING COMMITTEE</th>
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<tbody>
<tr>
<td>James Murphy</td>
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<tr>
<td>Rebecca Smith</td>
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* Board policy requires the Governing Board Treasurer to chair the Finance Committee.

<table>
<thead>
<tr>
<th>STANDING COMMITTEE LIAISONS</th>
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<tbody>
<tr>
<td>Agricultural and Green Industry Advisory Committee</td>
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<tr>
<td>Environmental Advisory Committee</td>
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<tr>
<td>Industrial Advisory Committee</td>
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<tr>
<td>Public Supply Advisory Committee</td>
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<td>Well Drillers Advisory Committee</td>
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<tr>
<th>OTHER LIAISONS</th>
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<tbody>
<tr>
<td>Central Florida Water Initiative</td>
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<tr>
<td>Springs Coast Steering Committee</td>
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<td>Coastal &amp; Heartland National Estuary Partnership Policy Committee</td>
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<tr>
<td>Sarasota Bay Estuarian Program Policy Board</td>
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<td>Tampa Bay Estuarian Program Policy Board</td>
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<tr>
<td>Tampa Bay Regional Planning Council</td>
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Southwest Florida Water Management District Schedule of Meetings
Fiscal Year 2021
10/07/2020

Governing Board Meeting
October 20, 2020 – 8:00 a.m., Brooksville Office
November 17, 2020 – 9:00 a.m., Tampa Office
December 15, 2020 – 9:00 a.m., Brooksville Office
January 26, 2021 – 9:00 a.m., Tampa Office
February 23, 2021 – 10 a.m., TBD
March 23, 2021 – 9:00 a.m., Brooksville Office
April 27, 2021 – 10:00 a.m., Lake Eva Banquet Hall
May 25, 2021 – 9:00 a.m., Tampa Office
June 22, 2021 – 9:00 a.m., Brooksville Office
July 27, 2021 – 9:00 a.m., Tampa Office
August 24, 2021 – 9:00 a.m., Brooksville Office
September 28, 2021 – 3:00 p.m., Tampa Office

Governing Board Public Budget Hearing – 5:01 p.m., Tampa Office
2021 – September 14 & 28

Agricultural & Green Industry Advisory Committee – 10:00 a.m., Tampa Office
2020 – December 1
2021 – March 9, June 8, September 14

Environmental Advisory Committee – 10:00 a.m., Tampa Office
2020 – October 13
2021 – January 12, April 13, July 13

Industrial Advisory Committee – 10:00 a.m., Tampa Office
2020 – November 10
2021 – February 9, May 11, August 10

Public Supply Advisory Committee – 1:00 p.m., Tampa Office
2020 – November 10
2021 – February 9, May 11, August 10

Springs Coast Management Committee – 1:30 p.m., Brooksville Office
2020 – October 21, December 9
2021 – January 6, February 24, May 26, July 14

Springs Coast Steering Committee – 2:00 p.m., Brooksville Office
2020 – November 4
2021 – January 27, March 10, July 28

Well Drillers Advisory Committee – 1:30 p.m., Tampa Office
2020 – October 7
2021 – January 6, April 7, July 7

Cooperative Funding Initiative – all meetings begin at 10:00 a.m.
2021 – February 3 – Northern Region, Brooksville Office
2021 – February 4 – Southern Region, TBD
2021 – February 10 – Heartland Region, Bartow City Hall
2021 – February 11 – Tampa Bay Region, Tampa Office
2021 – April 7 – Northern Region, Brooksville Office
2021 – April 8 – Southern Region, TBD
2021 – April 14 – Heartland Region, Bartow City Hall
2021 – April 15 – Tampa Bay Region, Tampa Office

Public Meeting for Pending Permit Applications – 9:00 a.m., Tampa Office
2020 – October 7, November 4, December 2
2021 – January 6, February 3, March 3, April 7, May 5, June 2 July 7, August 4 September 1

Environmental Resource Permitting Advisory Group – 10:00 a.m., and
Water Use Permitting Advisory Group – 2:00 p.m., Tampa Office
2020 – November 18
2021 – March 31, July 28

Meeting Locations
Brooksville Office – 2379 Broad Street, Brooksville, FL 34604
Tampa Office – 7601 US Highway 301 North, Tampa, FL 33637
Lake Eva Banquet Hall – 799 Johns Avenue, Haines City, FL 33844
Bartow City Hall – 450 N. Wilson Avenue, Bartow, FL 33830
1. Public Hearing and Meeting
1. CONVENE MEETING OF THE GOVERNING BOARD

1.1 Call to Order........................................................................................................................................4
1.2 Invocation and Pledge of Allegiance .................................................................................................5
1.3 Additions/Deletions to Agenda ........................................................................................................6
1.4 Public Input for Issues Not Listed on the Agenda ..............................................................................7
CONVENE PUBLIC HEARING AND MEETING

October 20, 2020

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:
Kelly S. Rice, Chair
CONVENE PUBLIC HEARING AND MEETING

October 20, 2020

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:
Kelly S. Rice, Chair
CONVENE PUBLIC HEARING AND MEETING
October 20, 2020
Additions/Deletions to Agenda

Presenter:
Kelly S. Rice, Chair
CONVENE PUBLIC HEARING AND MEETING
October 20, 2020
Public Input for Issues Not Listed on the Agenda

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

Presenter:
Kelly S. Rice, Chair
2. Consent Agenda
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 No. 20-15, Commending Jeffrey M. Adams for His Service as a Member of the Southwest Florida Water Management District Governing Board ................................................................................................................................. 8

2.2 Finance/Outreach and Planning Committee: Office of Inspector General Performance Measures ........................................................................................................................................ 10

2.3 Finance/Outreach and Planning Committee: Budget Transfer Report ........................................................................................................................................ 12

2.4 Resource Management Committee: Minimum Flows and Minimum Water Levels Priority List and Schedule Update ........................................................................................................................................ 14


2.6 Regulation Committee: WUP No. 20005750.010 / City of Davenport / City of Davenport (Polk County) ........................................................................................................................................ 35

2.7 General Counsel’s Report: Authorization to Issue Administrative Complaint and Order - Well Construction Violations - St. Pete Complete Environmental, Inc. - Unlicensed - CT Number 409223 - Pinellas County ........................................................................................................................................ 56

2.8 Executive Director’s Report: Approve Governing Board Minutes - September 22, 2020 ........................................................................................................................................ 57

2.9 Executive Director's Report: Approve Fiscal Year 2020 Final Budget Hearing Minutes - September 22, 2020 ........................................................................................................................................ 66
CONSENT AGENDA

October 20, 2020

Resolution No. 20-15, Commending Jeffrey M. Adams for His Service as a Member of the Southwest Florida Water Management District Governing Board

To honor Mr. Jeffrey M. Adams for his term as a Governing Board member, District staff have prepared this resolution to commemorate his service. Mr. Adams was appointed by Governor Charlie Christ in April 2010 and served until May 2019.

Staff Recommendation:

Approve Resolution No. 20-15, Commending Jeffrey M. Adams for His Service as a Member of the Southwest Florida Water Management District Governing Board.

Presenter:
Virginia Singer, Board & Executive Services Manager
RESOLUTION NO. 20-15

COMMENDING
JEFFREY M. ADAMS
FOR HIS SERVICE AS A MEMBER OF THE
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT GOVERNING BOARD

WHEREAS, JEFFREY M. ADAMS was appointed by Governor Charlie Christ to the Southwest Florida Water Management District Governing Board on April 1, 2010 and served through May 3, 2019; and
WHEREAS, JEFFREY M. ADAMS was elected and served as the Co-Chair for the Pinellas-Anclote River Basin Board from April 2010 through May 2011. He served as the Governing Board’s Treasurer from October 2012 through June 2014, the Board’s Secretary from June 2014 through June 2016, the Board’s Vice Chair from June 2016 through June 2018, and the Board’s Chair from June 2018 through May 2019; and
WHEREAS, JEFFREY M. ADAMS served on the Tampa Bay Estuary Program Policy Board which governs the program’s mission to restore and protect Tampa Bay through implementation of a scientifically sound, community-based management plan; and
WHEREAS, JEFFREY M. ADAMS provided leadership and guidance in the development of the Polk Regional Water Cooperative, Central Florida Water Initiative, including development of the Regional Water Supply Plan and Water Resources Protection and Water Supply Strategies Plan; and
WHEREAS, JEFFREY M. ADAMS supported development of alternative water supplies and regional pipeline interconnections in partnership with water supply authorities, local governments and private utilities to help achieve reductions in groundwater pumping and supported regional cooperative projects including: the Pasco County 4-G Reclaimed Water Wetlands Recharge Project, Expansion & Interconnection of Pasco County’s Reuse System, and the Hernando County US 19 Reclaimed Water Project; and
WHEREAS, JEFFREY M. ADAMS completed the implementation of the Southern Water Use Caution Area (SWUCA) recovery strategy projects including the Lake Hancock Lake Level Modification project; and
WHEREAS, JEFFREY M. ADAMS continued to meet needs in the SWUCA, while reducing groundwater use, improving river flows and aquifer levels, and examining alternatives to restore lake levels in the Ridge Lakes area; and
WHEREAS, JEFFREY M. ADAMS was an advocate of environmental restoration projects, many of which received national acclaim during his tenure including the MacDill Air Force Base Restoration, Cockroach Bay Restoration, Clam Bayou Restoration and Stormwater Treatment, and Rock Ponds Ecosystem Restoration projects; and
WHEREAS, JEFFREY M. ADAMS supported the acquisition of public lands to protect Florida’s first- and second-magnitude springs, including Weki Wachee, Kings Bay, Three Sisters, Boat and Rainbow springs; and
WHEREAS, JEFFREY M. ADAMS supported a collaborative approach to develop joint SWIM Plans with key stakeholders for all five first-magnitude springs in the Springs Coast area, and began funding septic-to-sewer projects in these springsheds; and
WHEREAS, JEFFREY M. ADAMS stressed the importance of flood protection and public safety by supporting technological upgrades and refurbishments to the District’s complex flood and water control structures throughout the region as well as funding for Antilles and Oakhurst Drainage improvements and Pinellas Trail at 54th Avenue Stormwater improvements; and
WHEREAS, JEFFREY M. ADAMS championed the surplus lands program through the sale of less beneficial District parcels equaling 1,665 acres for a total of $8.6 million. These funds were then available to make critical land purchases; and
WHEREAS, JEFFREY M. ADAMS was a visionary leader in beneficial reuse of reclaimed water, setting a goal of 75 percent beneficial reuse, creating innovative approaches using reclaimed water to restore natural systems and help create a sustainable water supply; and
WHEREAS, JEFFREY M. ADAMS, as a member and Chair of the Governing Board, demonstrated exceptional skill, leadership, and discipline in championing fiscal responsibility and efficient business processes thereby reducing tax millage rates by more than 51 percent and ensuring the District’s operating budget was in line with ad valorem revenue levels since Fiscal Year 2010; and
WHEREAS, the Governing Board of the Southwest Florida Water Management District wishes to express its appreciation of these outstanding contributions, as well as those that are not mentioned but which will long be attributed to the service of JEFFREY M. ADAMS.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT that this Board honors JEFFREY M. ADAMS by adopting this resolution, expressing its appreciation for his commitment to the mission of the District, his outstanding work and his dedication to public service; and
BE IT FURTHER RESOLVED that this resolution be incorporated into the minutes of this District, permanently honoring the service of JEFFREY M. ADAMS to this District, and that this resolution be presented to him.

PASSED and ADOPTED this twentieth day of October 2020.

GOVERNING BOARD OF THE
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

BY ________________________________
Kelly Rice, Chair

ATTEST
Rebecca Smith, Secretary
CONSENT AGENDA
October 20, 2020
Office of Inspector General Performance Measures

Background and Purpose
In accordance with the OIG Charter Governing Board Policy, the OIG shall have performance measures defined by the Finance/Outreach & Planning Committee and approved by the Governing Board. After Governing Board approval, these will be the performance measures which the OIG will report on at least a semi-annual basis.

Staff Recommendation:
Staff recommends the Board approve the OIG performance measures.

Presenter:
Brian Werthmiller, Inspector General
October 20, 2020

MEMORANDUM

TO: Finance/Outreach & Planning Committee
   Remaining Governing Board members

FROM: Brian Werthmiller, CPA, Inspector General

SUBJECT: Office of Inspector General (OIG) Performance Measures

The purpose of this memo is to fulfill a requirement of Governing Board policy and comply with the Auditor General’s recommendation.

Per the Office of Inspector General Charter Governing Board Policy, the OIG shall have performance measures defined by the Finance/Outreach & Planning Committee and approved by the Governing Board. After Governing Board approval, these will be the performance measures which the OIG will report actual results of performance on at least a semi-annual basis.

<table>
<thead>
<tr>
<th>Office of Inspector General</th>
<th>Performance Measure</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Audit Plan</td>
<td>Submit to the Board January 2021</td>
</tr>
<tr>
<td></td>
<td>Appropriate Time Allocated to Efforts Resulting in Reporting to the Board</td>
<td>75% of Chargeable Hours</td>
</tr>
<tr>
<td></td>
<td>Inspector General Annual Report</td>
<td>Submit to the Board September 2021</td>
</tr>
<tr>
<td></td>
<td>Updates to the Finance/Outreach &amp; Planning Committee including IG Performance Measures</td>
<td>Submit to the Board the month following each quarter-end</td>
</tr>
<tr>
<td></td>
<td>Complete follow-up on two investigative recommendations from FY 2020</td>
<td>Complete follow-up by September 2021</td>
</tr>
<tr>
<td></td>
<td>Complete follow-up to the Department of Highway Safety and Motor Vehicles audit recommendations from FY 2020</td>
<td>Complete follow-up by September 2021</td>
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CONSENT AGENDA
October 20, 2020

Budget Transfer Report

Purpose
Request approval of the Budget Transfer Report covering all budget transfers made during the month of September 2020.

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 regularly presented to the Finance/Outreach & Planning Committee for approval on the Consent Agenda at the next scheduled meeting. The exhibit for this item reflects all such transfers executed since the date of the last report for the Committee's approval.

Staff Recommendation:
Request approval of the Budget Transfer Report covering all budget transfers for September 2020.

Presenter:
Melisa J. Lowe, Bureau Chief, Finance
### SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

**Budget Transfer Report**  
**September 2020**

#### Change from Original Budget Intent

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Bureau / Expenditure Category</th>
<th>Bureau / Expenditure Category</th>
<th>Reason For Transfer</th>
<th>Transfer Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Information Technology</td>
<td>Information Technology</td>
<td>Transfer of funds originally budgeted for business process management software for a required training project associated with the modernization of the ePermitting system. The training project was completed utilizing a trial version of the software provided by the vendor. The funds are needed for custom programming for reporting and interface development in an effort to move the District's chemistry laboratory to a paperless environment.</td>
<td>$ 27,052.00</td>
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#### Consistent with Original Budget Intent

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Bureau / Expenditure Category</th>
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<th>Reason For Transfer</th>
<th>Transfer Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Human Resources &amp; Risk Mgmt</td>
<td>Human Resources &amp; Risk Mgmt</td>
<td>Funds are needed for the original purpose budgeted for the District's Employee Wellness Program. The funds were allocated for the cost of a Wellness Coordinator and Wellness Initiatives based on the agreement with the District's Administrative Services Only health insurance provider. Renewal of the agreement reallocated a portion of the Wellness Coordinator funds to Wellness Initiatives.</td>
<td>$ 20,000.00</td>
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**Total Change from Original Budget Intent**  
$ 27,052.00

**Total Consistent with Original Budget Intent**  
$ 20,000.00

**Total Transfers for Governing Board Ratification**  
$ 47,052.00

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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 for Governing Board ratification on the Consent Agenda. This Board Policy limits transfers made for a purpose other than the original budget intent to $50,000. However, transfers made for accounting reallocation purposes consistent with original budget intent are not limited.
CONSENT AGENDA
October 20, 2020

Minimum Flows and Minimum Water Levels Priority List and Schedule Update

Purpose
To request approval of the District’s 2020 priority list and schedule for the establishment of minimum flows, minimum water levels and reservations (i.e., priority list) prior to submission to the Florida Department of Environmental Protection (DEP).

Background/History
Pursuant to Sections 373.036(7) and 373.042(3), Florida Statutes, the District is required to annually update and submit its priority list to the DEP by November 15th, for approval, and include the approved priority list in the District’s Consolidated Annual Report by March 1st.

Staff presented a draft 2020 priority list to the Governing Board as a Submit & File Report agenda item at the August 25, 2020 Board meeting. The draft priority list was subsequently posted to the District website and a public workshop (webinar) for soliciting comment on the draft document was held on August 26, 2020. During the workshop, which included participation by 20 stakeholders and 14 District staff members, staff responded to questions concerning minimum flows and levels development, reevaluations, and rulemaking. No specific comments on the draft priority list were provided during the workshop.

Staff also facilitated and participated in a joint public workshop (webinar) with the St. Johns River Water Management District and South Florida Water Management District on September 1, 2020 to solicit input on each district’s draft priority list generally, and in particular to solicit input on prioritization of water bodies in the Central Florida Water Initiative (CFWI) planning area. Discussion among the 103 workshop participants (including stakeholders and representatives from each district) addressed processes used for water body prioritization, minimum flow and level assessment tools, development of water reservations, cross-district withdrawal impacts, and time-lines for providing additional comment on each district’s priority list. No additions, deletions or schedule changes for water bodies included on any of the three district’s draft priority lists were identified during the webinar.

Staff also presented its draft priority list to the District’s Environmental Advisory Committee on July 14, 2020 and the Public Supply Advisory Committee on August 11, 2020. No changes to the draft priority list were suggested by committee members during these meetings.

On June 14, 2020, staff discussed preliminary updates to the District’s draft priority list with DEP. In addition, staff teleconferenced with staff from the DEP, South Florida Water Management District and St. Johns River Water Management District on August 14, 2020, to discuss each district’s draft priority list, with an emphasis on prioritized water bodies in the CFWI planning area. Staff from DEP did not identify any needed changes to the districts’ draft priority lists during these discussions.

Based on consideration of all stakeholder input, District staff did not identify an initial need for modification of the District’s draft priority list presented to the Governing Board at the August 25, 2020 Board meeting. However, because rulemaking was recently completed in association with the scheduled
2020 reevaluation of minimum levels for Lake Marion in Levy County, staff removed this planned reevaluation from the prioritized listings and identified the reevaluation as completed in the updated draft 2020 priority list included as an exhibit to this agenda item. The updated draft 2020 priority list was also amended to reflect the recent initiation of rulemaking associated with the reevaluation of the minimum level established for Cross Bar Q-25 (Stop #7) wetland in Pasco County and to correctly indicate that the Saltwater Intrusion Minimum Aquifer Level established for the Southern Water Use Caution Area is not anticipated to be affected by withdrawals in other water management districts.

Follow-Up Activities
In accordance with the annual requirement in the Florida Statutes, the District’s 2020 priority list will be submitted to DEP by November 15, 2020. At the request of DEP, the priority list information will be submitted to DEP in spreadsheet format to facilitate tracking of minimum flows and level and reservation establishment.

Following DEP approval, the 2020 priority list will be incorporated into the District’s 2021 Consolidated Annual Report that will be presented to the Board for consideration and approval in January and February 2020, respectively.

Benefits
The 2020 priority list includes water bodies for which the District anticipates establishment, i.e., adoption of minimum flows or minimum water levels by 2023. No reservations are prioritized for establishment on the draft priority list. Once adopted, minimum flows and levels and reservations are used to support regional water supply planning and District regulatory programs.

Staff Recommendation:
Approve the District’s Minimum Flows and Minimum Water Levels 2020 Priority List and Schedule for submission to DEP for review and approval as required by Chapter 373, F.S.

Presenter:
Doug Leeper, MFLs Program Lead, Environmental Flows and Assessments Section
SOUTHWEST FLORIDA WATER MANAGEMENT
2020 PRIORITY LIST AND SCHEDULE

Overview

Pursuant to Sections 373.036(7) and 373.042(3), Florida Statutes (F.S.), the Southwest Florida Water Management District is required to annually update its priority list and schedule for the establishment of minimum flows and minimum water levels, submit the updated list and schedule to the Florida Department of Environmental Protection (DEP) by November 15th for approval, and include the approved list and schedule in the District’s Consolidated Annual Report by March 1st. Minimum flows and minimum water levels are rules established by the state water management districts or DEP that define the limit at which further withdrawals would be significantly harmful to the water resources or ecology of the area. In addition to prioritized minimum flows and water levels, the priority list and schedule must include reservations proposed for establishment. Reservations are rules that reserve water from use by permit applications, as necessary for the protection of fish and wildlife or public health and safety.

The District prepared this 2020 priority list and schedule to address all relevant statutory directives, and guidance concerning minimum flow, minimum water level and water reservation prioritization included in Rules 62-40.473, and 62-40.474 within the State Water Resource Implementation Rule (Chapter 62-40, Florida Administrative Code (F.A.C.)).

District rules include minimum flows or minimum water levels for 205 water bodies (Chapter 40D-8, F.A.C.) and reservations for 2 water bodies (Chapter 40D-2, F.A.C.). As listed in this draft 2020 priority list and schedule, minimum flows or water levels have been established for 127 lakes, 36 wetlands, 23 freshwater and estuarine river segments, 10 springs or spring groups (including all first magnitude springs and all second magnitude springs within the District that occur within state or federal lands purchased for conservation purposes), 7 Upper Floridan aquifer (UFA) sites in the northern Tampa Bay area, an UFA site in the Dover/Plant City area, and the UFA in the Most Impacted Area of the Southern Water Use Caution Area. Ninety-one of these established minimum flows and levels have been reevaluated and revised, as necessary. As also noted in this draft 2020 priority list and schedule, reservations have been established for Lake Hancock/Lower Saddle Creek and Morris Bridge Sink to support minimum flow recovery in 2 rivers.

Minimum flows, minimum water levels and reservations proposed for establishment and reevaluation through 2023 are provided in tabular form in this 2020 priority list and schedule. Designation of water body type (aquifer, estuary, lake, river, river-estuary, spring and as appropriate, spring magnitude, which is associated with the rate of spring discharge) are provided along with location information. Water bodies that are part of a larger system, e.g., a spring group associated with a river, are listed by water body name and system.

The District’s intent regarding completion of voluntary, independent, scientific peer review is also identified for each prioritized water body. Voluntary scientific peer review is proposed for all prioritized spring and river segments identified for minimum flow establishment based on the expected level of complexity of the minimum flows, and the anticipated degree of public concern regarding their development. None of the prioritized lake minimum levels are expected to be subjected to voluntary scientific peer review, based on anticipated use of previously peer-reviewed methodologies for development of the minimum water levels.

Prioritized water bodies that may be affected by withdrawals occurring in other water management districts, i.e., are potentially subject to cross-boundary impacts, are identified to support coordination of regulatory activities among the districts and DEP. Development of minimum flow or water levels by the DEP for these water bodies is not, however, currently considered necessary or appropriate.

Finally, the status of rulemaking for each prioritized water body is also provided.
Southwest Florida Water Management District Water Bodies with Adopted and Effective Minimum Flow and Minimum Water Level Rules, Including Those That Have Been Reevaluated

- Alafia River (upper segment) 
- Alafia River (lower segment)/Lithia-Buckhorn Spring Group 
- Anclote River (lower segment) 
- Anclote River (upper segment) 
- Braden River (upper segment) 
- Chassahowitzka River/Chassahowitzka Spring Group (OFS) b and Blind Spring (reevaluated) 
- Citrus County Lakes – Ft. Cooper, Tsala Apopka – Floral City, Inverness and Hernando Pools 
- Crystal River/Kings Bay Spring Group (OFS) b 
- Crystal Springs 
- Dona Bay/Shakett Creek System 
- Dover/Plant City Water Use Caution Area Minimum Aquifer Level 
- Gum Slough Spring Run a 
- Hernando County Lakes – Hunters, Lindsey, Mountain, Neff, Spring, Tooke, Weekiawachee Prairie, Whitehurst 
- Highland County Lakes – Angelo a, Anoka a, Damon a, Denton a, Jackson a (reevaluated) a, Little Lake Jackson (reevaluated) a, June-in-Winter a, Letta a (reevaluated) a, Lotela (reevaluated) a, Placid a, Tulane a, Verona a 
- Hillsborough County Lakes – Alice (reevaluated), Allen (reevaluated), Barbara, Bird (reevaluated), Brant (reevaluated), Calm (reevaluated), Carroll, Charles (reevaluated), Church (reevaluated), Crenshaw, Crescent, Crystal (reevaluated), Cypress, Dan (reevaluated), Deer (reevaluated), Dosson (reevaluated), Echo (reevaluated), Ellen, Fairy [Maurine], Garden, Halfmoon, Hanna, Harvey (reevaluated), Helen, Hobbs (reevaluated), Hooker, Horse (reevaluated), Jackson, Juanita (reevaluated), Keene, Kell, Little Moon (reevaluated), Merrywater (reevaluated), Mound, Platt, Pretty, Rainbow (reevaluated), Raleigh, Reinheimer, Rogers, Round (reevaluated), Saddleback (reevaluated), Sapphire (reevaluated), Starvation, Stemper (reevaluated), Strawberry, Sunset (reevaluated), Sunshine (reevaluated), Taylor, Virginia (reevaluated), Wimauma 
- Hillsborough County Wetlands Sites – Cypress Bridge 32 (reevaluated), Cone Ranch 1 (reevaluated), Cone Ranch 2 (reevaluated), Cone Ranch 3 (reevaluated), Cone Ranch 4 (reevaluated), Cone Ranch 5 (reevaluated), Cone Ranch 6 (reevaluated), Eldridge Wilde 11 (NW-44) (reevaluated), Morris Bridge Clay Gully Cypress (MBR-88) (reevaluated), Morris Bridge Entry Dome (MBR-35) (reevaluated), Morris Bridge Unnamed (MBR-16) (reevaluated), Morris Bridge X-4 (MBR-89) (reevaluated) 
- Hillsborough River (lower segment) (reevaluated) 
- Hillsborough River (upper segment) 
- Homosassa River/Homosassa Spring Group (OFS) (reevaluated) b 
- Levy County Lake – Marion (reevaluated) 
- Marion County Lakes – Bonable, Little Bonable, Tiger 
- Myakka River (lower segment) 
- Myakka River (upper segment) 
- Northern Tampa Bay – 7 Wells – Upper Floridan aquifer/Saltwater Intrusion 
- Pasco County Lakes – Bell, Big Fish (reevaluated), Bird, Buddy (reevaluated), Camp (reevaluated), Clear, Crews, Green, Hancock, Iola, Jessamine, King, King [East], Linda, Middle, Moon (reevaluated), Padgett (reevaluated), Parker aka Ann, Pasadena (reevaluated), Pasco, Pierce (reevaluated), Unnamed #22 aka Loyce 
- Pasco County Wetland Sites – Cross Bar Q-1 (reevaluated), Cross Bar Q-25 (Stop #7), Cross Bar T-3 (reevaluated), Cypress Bridge A (reevaluated), Cypress Bridge 4 (reevaluated), Cypress Bridge 16 (reevaluated), Cypress Bridge 25 (reevaluated), Cypress Creek W-56 (G) (reevaluated), Cypress Creek W-11 (reevaluated), Cypress Creek W-12 (reevaluated), Cypress Creek W-17 (reevaluated), North Pasco 3 (reevaluated), North Pasco 21 (reevaluated), South Pasco 2 (NW-49) (reevaluated), South Pasco 6 (NW-50) (reevaluated), South Pasco South Cypress (reevaluated), Starkey Central
(reevaluated), Starkey Eastern (S-73) (reevaluated), Starkey M (S-69) (reevaluated), Starkey N (reevaluated), Starkey S-75 (reevaluated), Starkey S-99, Starkey Z (reevaluated)

- Peace River (lower segment) (reevaluated)
- Peace River (middle segment)
- Peace River (three upper segments – “low” minimum flows)
- Pinellas County Wetland Site – Eldridge Wilde 5
- Pithlachascotee River (lower segment)
- Pithlachascotee River (upper segment)
- Polk County Lakes – Annie a, Aurora a, Bonnie a, Clinch (reevaluated) a, Crooked (reevaluated) a, Crystal a, Dinner a, Eagle (reevaluated) a, Easy a, Eva a, Hancock, Lee a, Lowery a, Mabel a, McLeod (reevaluated) a, North Lake Wales a, Parker, Starr (reevaluated) a, Venus a, Wailes (reevaluated) a
- Rainbow River/Rainbow Spring Group (OFS) a,b
- Sulphur Springs
- Sumter County Lakes – Big Gant a, Black a, Deaton a, Miona a, Okahumpka a, Panasoffkee a
- Southern Water Use Caution Area – Upper Floridan aquifer a
- Tampa Bypass Canal
- Weeki Wachee River/Weeki Wachee Spring Group (OFS) b

**Southwest Florida Water Management District Water Bodies with Adopted and Effective Reservation Rules**

- Lake Hancock/Lower Saddle Creek (water reserved to contribute to achieving minimum flows adopted for the three upper segments of the Peace River for the protection of fish and wildlife)
- Morris Bridge Sink (water reserved to contribute to achieving or maintaining minimum flows adopted for the lower segment of the Hillsborough River for the protection of fish and wildlife)
Southwest Florida Water Management District Minimum Flows and Levels to be Adopted in 2020

<table>
<thead>
<tr>
<th>New or Re-Evaluation</th>
<th>Waterbody Name or Compliance Point</th>
<th>System Name c</th>
<th>Waterbody Type</th>
<th>County(s)</th>
<th>Voluntary Peer Review to be Completed?</th>
<th>Cross-Boundary Impacts from Adjacent WMD?</th>
<th>Latitude</th>
<th>Longitude</th>
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<tbody>
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Southwest Florida Water Management District Minimum Flows and Levels to be Adopted in 2021

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<th>System Name c</th>
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### Southwest Florida Water Management District Minimum Flows and Levels to be Adopted in 2022

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<th>System Name c</th>
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<td>New</td>
<td>Little Manatee River (upper segment)</td>
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### Southwest Florida Water Management District Minimum Flows and Levels to be Adopted in 2023

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<th>System Name c</th>
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<th>Cross-Boundary Impacts from Adjacent WMD?</th>
<th>Latitude</th>
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<td>Reevaluation</td>
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<td>Southern Water Use Caution Area Saltwater Intrusion Minimum Aquifer Level (SWIMAL)</td>
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<td>Hillsborough, Manatee, Sarasota</td>
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a Water body may be affected by groundwater withdrawals in an adjacent water management district.
b OFS = Outstanding Florida Spring.
c System name identifies larger system that the water body is associated with for minimum flows rule development; otherwise system name is same as waterbody name or compliance point
d Last rulemaking action taken: Notice of Rule Development published; Notice of Proposed Rule published; Rule challenge pending; Rule adopted, Ratification not required; Rule adopted, Awaiting ratification; Rule adopted, Ratified. N/A indicates formal rulemaking has not been initiated.
CONSENT AGENDA
October 20, 2020

Management Agreement with Hernando County for the Management and Use of the Bayport Tract – Weeki Wachee Preserve Project - SWF Parcel No. 15-773-160X

Purpose
Recommend the Governing Board approve a twenty-five year management agreement (Agreement) continuing a partnership with Hernando County (County) for the use of the District’s Bayport Tract. The management agreement, general location and site map are included as Exhibits 1, 2 and 3, respectively.

Background
The District acquired approximately 1,070 acres in 2000 as part of the Weeki Wachee Preserve project to preserve and protect the water, ecological, natural, cultural, and historical resources associated with the property. The District and the County then entered into an agreement on October 26, 2000 (Original Agreement) over 10 acres known as the Bayport Tract, allowing the County to expand their existing Bayport Park. The Original Agreement allowed for expansion that included additional parking spaces, provided an area for picnic pavilions, a kayak and canoe launch, a boardwalk, restrooms, and a hiking trail. In addition to providing recreational opportunities, the County was required pursuant to the Original Agreement to provide security, manage exotics plants and animals, and provide District recognition for the partnership.

The Original Agreement is set to expire on October 26, 2020 and allows for an additional 20-year term renewal with the County providing at least one-year’s notice that the County intends to exercise the renewal option. The County provided notice to the District on July 30, 2019 of their request to renew the management agreement for an additional 20 years. However, because some recreation grants require a grant recipient to demonstrate control of a property for a minimum of 25 years, the parties agreed to increase the renewal by five years for a total of twenty-five years.

Benefits/Costs
Approval of this no-cost Agreement will continue a successful partnership with the County and continue to provide recreational opportunities to the public including access to coastal waterways. The County will be responsible for all costs associated with the operation, maintenance and security of the Bayport Tract including, but not limited to the construction, operation, maintenance and security of fences, buildings, and facilities.

Staff Recommendation:
Management Agreement between the District and Hernando County for the Management and Use of the Bayport Tract SWF Parcel No. 15-773-160X

Presenter:
Ellen Morrison, Operations and Land Management Assistant Bureau Chief
This Management Agreement (Management Agreement) is made and entered into by and between the Southwest Florida Water Management District, a public corporation, (District) having a mailing address of 2379 Broad Street, Brooksville, Florida 34604-6899, and the Board of County Commissioners of Hernando County, Florida, a political subdivision of the State of Florida, (County), having a mailing address of 20 North Main Street, Room 263, Brooksville, Florida 34601, collectively the Parties, each singularly a Party.

WHEREAS, the District owns certain real property located in Hernando County, Florida commonly known as the Bayport Tract, and more particularly described in Exhibit A attached hereto (Property); and

WHEREAS, the District acquired the Property to preserve and protect its water, ecological, natural, cultural and historical resources; and

WHEREAS, the Parties previously executed a Management Agreement on October 26, 2000 (Original Agreement) authorizing the County to develop portions of the Property to provide the public with certain compatible and resource based recreational amenities such as picnic pavilions, nature trails, boat ramps, restrooms and vehicle parking areas; and

WHEREAS, the Parties executed an amendment to the Original Agreement on March 1, 2005, to extend the County's time period to utilize special funding dedicated to the recreational development of the Property, copies of the Original Agreement and the Amendment are attached hereto as composite Exhibit B; and

WHEREAS, the County has developed a Master Boat Ramp Plan and is evaluating expanding and improving the parking area within the Property and may require additional District-owned land that is adjacent to but not currently a part of the Property in order to implement the Master Boat Ramp Plan; and

WHEREAS, the Original Agreement as amended will expire October 26, 2020; and

WHEREAS, the Parties desire to continue their partnership concerning the operation and maintenance of the Property beyond the term of the Original Agreement as amended; and

WHEREAS, the Parties desire to enter into this Management Agreement to continue the management arrangement for the Property in accordance with Paragraph 2 of the Original Agreement and to specify the rights and responsibilities of each Party from this point forward.

NOW THEREFORE, the Parties, in consideration of the mutual terms, covenants and conditions set forth herein, agree as follows:

1. **Purpose:** The purpose of this Management Agreement is to specify the District's and the County's rights and associated responsibilities regarding the operation and maintenance of
the Property. The County will continue to use the Property for the enjoyment of the public as a recreational facility and for no other purpose without the prior written consent of the District.

2. Term and Renewal: The term of this Management Agreement will be for a period of twenty-five (25) years from the date of its execution by the last of the Parties.

3. Annual Work Plan:
   a. The County agrees to submit an Annual Work Plan to the District by October 1 of each year that summarizes the activities the County will perform on the Property consistent with the purpose and land management objectives set forth in Chapters 259 and 373, Florida Statutes, (F.S.). Said activities will include, but may not be limited to, habitat management, natural systems restoration, resource inventories or resource monitoring, invasive exotic species removal, security measures, construction of facilities or other improvements, if any, and public access/recreational opportunities. The Annual Work Plan will identify those activities the County will accomplish in its fiscal year together with the projected budget amounts for implementation of those activities.
   b. Review of the Annual Work Plan - The District will have thirty (30) days from receipt of the Annual Work Plan to review, provide written comments, and make recommendations to the Annual Work Plan. If the District provides written comments or recommendations to the Annual Work Plan, the County will have thirty (30) days from receipt of the District’s written comments or recommendations to respond to those comments or recommendations. The County may request additional time to respond to the District if additional research or investigation is necessary for the response, and the District will not deny a reasonable extension of time to the County for its response. The County's response will be in writing and include either a revised Annual Work Plan that incorporates the District's comments or recommendations, or a detailed explanation of why it is not feasible to revise the proposed Annual Work Plan in accordance with the District’s comments or recommendations.
   c. The County may at any time propose an amendment or modification of an existing Annual Work Plan to District staff for consideration when circumstances or conditions require, so long as the proposed amendment or modification continues to provide for the use and management of the Property in a manner consistent with the District’s reasons for acquisition of the Property.

4. Operation, Management and Maintenance
   a. The County has the right, during the term of this Management Agreement, to enter upon the Property for the purposes of managing, maintaining, and operating the Property under the terms set forth herein.
   b. The County will be responsible for all costs and expenses associated with the operation, maintenance and security of the Property including, but not limited to the construction, operation, maintenance and security of fences, buildings, facilities, amenities and other infrastructure.
c. The County agrees to operate, manage, and maintain the Property in a good, clean, attractive, and safe condition, suitable for the use and enjoyment of the public. The County agrees to operate, manage, and maintain the Property to further a balance between nature-based, recreational public use, and the restoration and protection of the Property’s natural state and condition. The Parties agree that they will neither cause nor authorize the destruction or degradation of any natural systems or habitats on the Property.

d. The County will be solely responsible for security within the Property.

e. The County will not plant or allow to be planted any species on the Florida Exotic Pest Plant Council’s category 1 or 2 Invasive Plant Species Lists, as may be amended from time to time, or any similar list promulgated by a successor to the Council. The County will also not allow the release or allow to be released upon the Property any wild or domestic animal. The removal of flora and fauna, including hunting and trapping, will be prohibited unless otherwise specified in the approved Annual Work Plan or otherwise approved in writing by the District. This provision will not be construed to prohibit the removal of fauna or flora permitted in the approved Annual Work Plan.

f. The County will not store or allow to be stored any equipment, supplies or materials on the Property that are not directly related to the maintenance of the Property. The County, through its agents and employees, will also prevent any use of the Property by third parties that is not in conformance with this Management Agreement.

g. The County will be responsible for all costs and expenses associated with any future facilities it elects to provide or create on the Property in accordance with an approved Annual Work Plan. Any work undertaken by the County to construct, maintain, refurbish or replace infrastructure or improvements located on the Property will be performed in accordance with all applicable building and construction codes, and with materials, finishes and workmanship of a kind and quality equal to or better than that currently existing on the Property.

h. The County will not proceed with construction of new improvements without the written approval of the District. At least ninety (90) days prior to any construction of new improvements on the Property, the County will notify the District in writing of the proposed construction and will provide one set of draft construction plans to the District for review and approval to proceed with construction. The District’s review and approval of the draft construction plans will only be regarding the proposed location, use, aesthetics, and consistency with the overall management objectives of the Property as stated herein, and does not constitute a representation or warranty that the District has verified the architectural, engineering, mechanical, electrical, or other components of the construction plans and documents, or that such plans and documents are in compliance with District rules and regulations or any other applicable rules, regulations, or laws. If the District provides written comments or recommendations, the County will have sixty (60) days from receipt to respond to the District. The County may request additional time to respond to the District if additional research or investigation is necessary for the response, and the District will not deny a reasonable extension of time to the County for its response. The County’s response will be in writing and include either revised construction plans that incorporate
the District's comments or recommendations, or a detailed explanation of why the County will not revise the proposed final construction plans. The County will not proceed with any construction of facilities or improvements without having received all necessary permits.

The District will cooperate in the execution of any permit applications, funding applications, or other similar applications or documents that may be required in connection with any District approved construction project on the Property.

5. **Archaeological and Historical Sites:** This Management Agreement does not affect either of the Parties' obligations pursuant to Chapter 267, F.S. The collection of artifacts or the disturbance of archaeological or historic sites on the Property is prohibited unless prior authorization has been obtained from the Division of Historical Resources of the Department of State. The County will implement all reasonable measures to locate, identify, protect and preserve any known or discovered archaeological and historic sites on the Property.

6. **Assignment:** The County may not assign any of its rights or delegate any of its obligations under this Management Agreement, in whole or in part, without the prior written consent of the District. If the County assigns its rights or delegates its obligations under this Management Agreement without the District’s prior written consent, the District is entitled to terminate this Management Agreement in accordance with paragraph 17 below. If the District terminates this Management Agreement, the termination is effective as of the date of the assignment or delegation. Any termination is without prejudice to the District’s claim for damages.

7. **Right to Inspect:** The District will have the right to enter upon and travel through and across the Property at any time for any purpose consistent with this Management Agreement or the District's ownership of the Property.

8. **Resource Impacts:** The County will design and implement improvements to the Property in such a manner that will minimize the impact on natural systems or any water resources.

9. **Property Condition:** The County will maintain the Property in good and safe condition. The County's closure of the Property in excess of ten (10) days must be approved in writing by the District. If not approved in writing by the District, the County's closure of the Property in excess of ten (10) days the District may terminate this Management Agreement in accordance with the provisions of Paragraph 17. Below.

10. **Destruction of Improvements:** If any buildings, facilities, infrastructure or amenities on the Property are totally destroyed or rendered unusable by a natural or manmade event, the District and the County each have the right to terminate this Management Agreement by giving written notice to the other, within ninety (90) days from the date of such destruction. If buildings, facilities, infrastructure or amenities on the Property are partially damaged by a natural or manmade event, or totally destroyed or rendered unusable but neither party elects to terminate this Management Agreement, then the County agrees to restore the damaged or destroyed buildings, facilities, infrastructure or amenities to a condition suitable for use by the public at the
11. **Property Damage:** The County will not do, or suffer to be done, in, on, or upon the Property or as affecting the Property, any act that may result in damage or depreciation of value to the Property or any part thereof. This includes but is not limited to generating, storing, producing, placing, treating releasing, or discharging any contaminants, pollutants or pollution, including, but not limited to, hazardous or toxic substances, chemicals or other agents, on, into, or from the Property or any adjacent lands or waters in any manner not permitted by law. For the purposes of this Management Agreement, "hazardous substances" will mean and include those elements or compounds defined by the Comprehensive Environmental Resource Compensation and Liability Act, 42 U.S.C. §§ 9601 et. seq., as amended by the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et. seq., or by any Florida Statute defining hazardous materials or which are contained in the list of hazardous substances adopted by the United States Environmental Protection Agency ("EPA")and the list of toxic pollutants designated by the United States Congress or the EPA or defined by any other federal, state, or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste, substance, material, pollutant or contaminant. "Pollutants" and "pollution" will mean those products or substances defined in Chapters 376 and 403, F.S., and the rules promulgated thereunder, all as amended or updated from time to time. The County will, at its sole cost and expense, promptly commence and diligently pursue any legally required closure, investigation, assessment, cleanup, decontamination, remediation, restoration and monitoring of (1) the Property, and (2) all off-site ground and surface waters and lands affected by the County's failure to comply, as may be necessary to bring the Property and affected off-site waters and lands into full compliance with all applicable federal, state or local statutes, laws, ordinances, codes, rules, regulations, orders and decrees, and to restore the damaged Property to the condition existing immediately prior to the occurrence which caused the damage. The County to the extent allowed by law and subject to the provisions of Section 768.28, F.S., will indemnify and hold the District harmless for any and all claims, loss, damage and expense, including attorney fees and costs and attorney fees and costs on appeal, arising from any failure of the County to comply with this paragraph. The County's obligations set forth in this paragraph will survive the termination or expiration of this Management Agreement.

12. **Unauthorized Use:** The County will, to the best of its abilities, through its agents and employees, prevent the unauthorized use of the Property or any use thereof not in conformance with this Management Agreement, including but not limited to the possession and use of unlawful drugs and substances and consumption of alcohol by anyone within or on the Property.

13. **District Recognition and Signage:** All public entrance signs will inform the public that the Property was made available for recreational use by the District and that the Property's operation is a cooperative effort between the District and the County and will advise the public of
all recreational opportunities available on the Property, the location of such opportunities and the hours of operation. The style and material of the signage will match the style and material of signage used by the District.

14. District Resource Management Activities: The District reserves the right to conduct or perform any resource management activity that, in its sole discretion, may be required to protect and preserve the Property, including but not limited to, controlled burns, wildfire suppression and exotics control, including flora and fauna. In the event the District plans to commence any of these activities, it will provide the County with thirty (30) days written notice.

15. Taxes and Assessments: If any ad valorem taxes, intangible property taxes, personal property taxes, or other taxes or assessments of any kind are assessed or levied lawfully on the Property or any structures or improvements located thereon, as a result of the County's use and occupancy during the term of this Management Agreement, the County will pay such taxes within thirty (30) days after receiving written notice thereof from the District. If the County fails to pay any such taxes, assessments, or fees within thirty (30) days after receiving written notice thereof from the District, the District may, at its sole option, pay the taxes, assessments or fees subject to immediate reimbursement thereof in full by the County, together with any interest thereon at the maximum rate allowed by law, and any administrative costs incurred by the District, including reasonable attorney's fees.

16. Fees and Revenue:
   a. The County may charge a parking or user fee to the visitors and users of the Property. Any such fees charged by the County will be used for actual and budgeted expenses incurred or to be incurred by the County in the operation, maintenance and security of the Property. The District will have the right, at any reasonable time, to inspect and audit the books and financial records of the County and any of its licensees as they pertain to the Property.
   b. Nothing in this Management Agreement will prohibit the County from seeking funding from federal or state agencies through grants or other sources to assist with its management responsibilities.

17. Termination:
   a. Either party may terminate this Management Agreement upon the other party's failure to comply with any term or condition of this Management Agreement, as long as the terminating party is not also in default of any term or condition of this Management Agreement. To initiate termination, the terminating party must provide the defaulting party with a written "Notice of Termination" stating its intent to terminate and describing all terms and conditions with which the defaulting party has failed to comply. If the defaulting party has not remedied its default within ninety (90) days after receiving the Notice of Termination, this Management Agreement will automatically terminate. All equipment, buildings, facilities or other permanent fixtures or structures present on the Property will become the property of the District upon termination unless otherwise agreed to by the parties in writing. Upon termination of this Management Agreement, all obligations of the parties under this
Management Agreement will cease and the parties will have no further obligations to each other.

b. Either party may terminate this Management Agreement without cause by giving One Hundred Eighty (180) days written notice of termination. Any such termination will be affected by delivery to the other party of a Notice of Termination specifying the extent to which performance of work under this Management Agreement is terminated, and the date upon which the termination becomes effective.

18. Liability: Each party hereto agrees to indemnify and hold the other harmless, to the extent allowed under Section 768.28, F.S., for all claims, loss, damage and expense, including attorneys' fees and costs and attorneys' fees and costs on appeal, arising from the negligent acts or omissions of its officers, employees, contractors and agents related to this Management Agreement. The County will bear the sole responsibility for any and all claims for personal injuries or property damage arising from, or incidental to, the use, occupation, or possession of the Property and any improvements or structures located thereon. This provision does not constitute a waiver of either the County's or the District's sovereign immunity under Section 768.28, F.S., or extend the limits of liability beyond the limits established in Section 768.28, F.S. This provision will survive the expiration or termination of this Management Agreement.

19. Works of the District: The Parties hereto expressly acknowledge and agree that the District reserves the right to operate, use and maintain the Property and the improvements thereon for the primary purposes of water management and water supply, which rights are paramount and superior to the uses authorized by this Management Agreement.

20. Notices: Any and all notices, requests or other communications relating to this Management Agreement or the performance of the Parties hereto will be deemed to have been duly given if in writing and if transmitted by hand delivery with receipt therefore, overnight delivery or by registered mail posted prior to the expiration date for such notice, return receipt requested and first class postage prepaid. Such written notice will be addressed as follows:

To the County: Hernando County
20 North Main Street, Room 263
Brooksville, Florida 34601
Attention: County Administrator

To the District: Southwest Florida Water Management District
2379 Broad Street
Brooksville, Florida 34604-6899
Attention: Manager, Land Resources Section

21. Effective Date: This Management Agreement will be effective upon the date of approval of both the Board of County Commissioners of Hernando County and the Governing Board of the Southwest Florida Water Management District, whichever is later.

22. Binding Effect: This Management Agreement will be binding upon and inure to the
benefit of the Parties hereto, and their successors, and assigns.

23. Law Compliance: Each party will comply with all applicable federal, state and local laws, rules, regulations and guidelines, related to this Management Agreement.

24. Easements, Liens and other Encumbrances: Fee title to the Property is held by the District. The County will not do or permit anything which purports to create an easement, lien or encumbrance of any kind against the Property without the prior written approval of the District. Any easement, lien or encumbrance not approved in writing by the District will be void and without legal effect.

25. Insurance Requirements: During the full term of this Management Agreement, the County will obtain and maintain comprehensive general public liability insurance or self-insurance with limits pursuant to Section 728.28, F.S. and worker's compensation coverage pursuant to Chapter 440, F.S. Such coverage will provide for Thirty (30) days written notification to the District of any material change or cancellation. The Board will provide to the District evidence of such insurance by means of a Certificate of Insurance or on County letterhead as appropriate.

26. Nonwaiver: No provision, term or condition of this Management Agreement will be construed as a waiver by the District, or the County of any rights provided for by any provision of law, including but not limited to Section 768.28, F.S.

27. Severability: If any term, covenant, or condition of this Management Agreement or the application thereof to any person or circumstances will, to any extent, be deemed lawfully invalid or unenforceable, the remainder of this Management Agreement, or the application of such term, covenant, or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be effected thereby and each term, covenant, and condition of this Management Agreement will be valid and enforced to the fullest extent permitted by law.

28. Survivability: Any term, condition or obligation that requires performance by either party subsequent to the termination of this Management Agreement will remain enforceable against such party subsequent to termination.

29. Headings: The headings used in this Management Agreement are for convenience only and are not intended to imply or restrict application.

30. Surrender of Improvements: Upon expiration or termination of this Management Agreement, the County will surrender the Property to the District and all improvements, including both physical structures and modifications to the Property determined to be “permanent” by the County and the District in an Annual Work Plan will become the property of the District. All improvements, including both physical structures and modifications to the Property determined to be “temporary” by the County and the District in an Annual Work Plan will be removed at the discretion of the District and expense of the County. If the District requires the removal of any temporary improvements the District will provide the County with ninety (90) days written notice that identifies which temporary improvements the County must remove prior to the expiration or
of this Management Agreement. The remaining improvements will become the property of the District. Prior to surrender of all or any part of the Property, the District's representatives will perform an onsite inspection and the keys to any buildings or gates on the Property will be turned over to the District. If the Property and improvements located thereon do not meet the conditions set forth in Paragraph 9 herein, the County will pay all costs necessary to meet the prescribed conditions.

31. **Entire Agreement**: This Management Agreement and the attached exhibits constitute the entire agreement between the Parties and, unless otherwise provided herein, may be amended only in writing, signed by all Parties to this Management Agreement. In the event of a conflict of contract terminology between the attached exhibits and the body of this Management Agreement.

[The remainder of this page is intentionally left blank.]
IN WITNESS WHEREOF, the Parties hereto, or their lawful representatives, have executed this Management Agreement on the day and year set forth next to their signatures below.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

By: __________________________
    Kelly S. Rice, Chair

Attest: __________________________
       Rebecca Smith, Secretary

Date: ___________________________

ATTEST:
DOUG CHORVAT, JR

By: __________________________
    Deputy Clerk

HERNANDO COUNTY, a Political Subdivision of the State of Florida

By: __________________________
    John Mitten, Chair

Date: _______________________

Reviewed as to form and legal sufficiency

________________________________
County Attorney’s Office/Date

Reviewed as to form and legal sufficiency

________________________________
Office of General Counsel/Date
Exhibit 2, General Location Map
Management Agreement with Hernando County for the Management and Use of the Bayport Tract – Weekiwachee Preserve Project - SWF Parcel No. 15-773-160X
Exhibit 3, Site Map
Management Agreement with Hernando County for the Management and Use of the Bayport Tract – Weekiwachee Preserve Project - SWF Parcel No. 15-773-160X

Bayport Park

Southwest Florida
Water Management District

0 200 400
Feet
CONSENT AGENDA
October 20, 2020
WUP No. 20005750.010 / City of Davenport / City of Davenport (Polk County)

This is a renewal of an existing water use permit issued to the City of Davenport (City) for public supply use with a permit duration of five years.

The City, located within the Central Florida Water Initiative (CFWI) area, is a member of the Polk Regional Water Cooperative (PRWC). The City expects to receive up to 1,000,000 gallons per day (gpd) in Alternative Water Supply (AWS) from the PRWC during the term of this permit renewal from projects in which the PRWC and the District are cooperatively engaged. Accordingly, the City agreed to a five-year permit duration based on its expectation of receiving those AWS quantities from the PRWC within the next five years. The five-year permit duration also provides for additional time to evaluate projected population growth rates within the City’s public supply service area.

The authorized quantities represent an increase from those previously permitted. The annual average quantity increases from 1,001,700 gpd to 2,163,700 gpd, and the peak month quantity increases from 1,756,400 gpd to 2,684,000 gpd. There is no change in Use Type from the prior revision. Quantities are based on a 2025 projected population of 16,427 and a compliance per capita rate of 128 gallons per person per day. The previous permit had a 2020 population projection of 6,710 and a per capita rate of 149 gallons per person per day. Davenport has adopted the Florida Water Star program for all new home construction.

The permit application meets all Rule 40D-2 Conditions for Issuance.

Staff Recommendation:
Approve the proposed permit attached as an exhibit.

Presenter:
Darrin Herbst, P.G., Bureau Chief, Water Use Permit Bureau
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
WATER USE PERMIT
Individual
PERMIT NO. 20 005750.010

PERMIT ISSUE DATE: October 20, 2020 EXPIRATION DATE: October 20, 2025

The Permittee is responsible for submitting an application to renew this permit no sooner than one year prior to the expiration date, and no later than the end of the last business day before the expiration date, whether or not the Permittee receives prior notification by mail. Failure to submit a renewal application prior to the expiration date and continuing to withdraw water after the expiration date is a violation of Chapter 373, Florida Statutes, and Chapter 40D-2, Florida Administrative Code, and may result in a monetary penalty and/or loss of the right to use the water. Issuance of a renewal of this permit is contingent upon District approval.

TYPE OF APPLICATION: Renewal
GRANTED TO: City of Davenport
Po Box 125
Davenport, FL 33836

PROJECT NAME: City of Davenport
WATER USE CAUTION AREA(S): Not in a WUCA
COUNTY: Polk

<table>
<thead>
<tr>
<th>TOTAL QUANTITIES AUTHORIZED UNDER THIS PERMIT (in gallons per day)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ANNUAL AVERAGE</strong></td>
</tr>
<tr>
<td><strong>PEAK MONTH</strong></td>
</tr>
</tbody>
</table>

1 Peak Month: Average daily use during the highest water use month.

ABSTRACT:

This is a renewal of an existing water use permit for public supply use. The authorized quantities are changed from those previously permitted. The annual average quantity increases from 1,001,700 gallons per day (gpd) to 2,163,700 gpd, and the peak month quantity increases from 1,756,400 gpd to 2,684,000 gpd. There is no change in Use Type from the prior revision. Quantities are based on a 2025 projected population of 16,427 and a per capita rate of 128 gallons per person per day. The previous permit had a 2020 population projection of 6,710 and a per capita rate of 149 gallons per person per day. Davenport is located within the area of the Central Florida Water Initiative (CFWI) and has adopted the Florida Water Star program for all new home construction. The city is also a member of the Polk Regional Water Cooperative (PRWC) and is expected to receive up to 1,000,000 gpd in Alternative Water Supply (AWS) from the PRWC during the term of this renewal, which is issued with a duration of five years.

This application satisfies existing conditions for permit issuance because reasonable assurances have been approved that demonstrate that water resources, existing legal users, offsite land uses, and surface water and groundwater quality will not be adversely impacted. Additionally, documentation has been provided that demonstrates the request is necessary to fulfill a reasonable demand, conservation measures will be incorporated, and an evaluation of alternative water has been provided. The recommended permit duration is commensurate with the applicant's ability to satisfy conditions of permit issuance. The CFWI is a collaborative regional water supply endeavor to protect, conserve, and restore water resources in the area by working to accomplish the goals presented in the Central Florida Water Initiative Guidance Document. These goals include crafting long-term water supply solutions for the Central Florida region.
The CFWI effort may also result in specific regulatory requirements. While the scope and content of these regulatory requirements are unknown at this time, it is possible they may include requirements that are related to the Permittee’s relative contribution to the water resource impact being addressed, the timing of permit issuance compared to other existing legal users, and/or include other considerations identified by the CFWI Solutions Planning and Regulatory Teams. Therefore, this permit includes Special Conditions that provide specific notification that the permit may be modified during the term of the permit to address unanticipated harm or impacts to existing legal users that is occurring or is projected to occur from the Permittee’s authorized withdrawal over the permit duration. Since this application is located within the CFWI area, it is necessary for the applicant to consider implementing the heightened water conservation requirements defined in the Special Conditions. The applicant is advised to carefully consider its infrastructure investments in light of the on-going Central Florida Water Initiative.

Other Special Conditions include those that require the Permittee to report monthly meter readings, to perform meter accuracy checks every five years, to adhere to well construction specifications, to provide a Well Completion Report and results of specific capacity testing, to cap wells not in use, to modify the permit upon receipt of AWS from PRWC, to cease or reduce groundwater withdrawals if the mitigation activity provided in support of this permit is not effective or no longer occurring, to continue implementation of the approved Environmental Monitoring Plan as modified herein, to comply with rate structure, per capita, and customer billing requirements, and to submit the Public Supply Annual Report by April 1 each year.

### WATER USE TABLE (in gpd)

<table>
<thead>
<tr>
<th>USE TYPE</th>
<th>ANNUAL AVERAGE</th>
<th>PEAK MONTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Supply</td>
<td>2,163,700</td>
<td>2,684,000</td>
</tr>
<tr>
<td>Common Area Irrigation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential Multi-Family</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential Single Family</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treatment Losses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Backflushing)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### PUBLIC SUPPLY:

Population Served: 16,427  
Per Capita Rate: 128 gpd/person

### WITHDRAWAL POINT QUANTITY TABLE

Water use from these withdrawal points are restricted to the quantities given below:

<table>
<thead>
<tr>
<th>I.D. NO.</th>
<th>PERMITTEE/ DISTRICT</th>
<th>DIAM (in.)</th>
<th>TTL./CSD. FT. (feet bbls)</th>
<th>USE DESCRIPTION</th>
<th>AVERAGE (gpd)</th>
<th>PEAK MONTH (gpd)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 / 1</td>
<td>8</td>
<td>450 / 98</td>
<td>Public Supply</td>
<td>376,000</td>
<td>467,000</td>
<td></td>
</tr>
<tr>
<td>3 / 3</td>
<td>12</td>
<td>485 / 98</td>
<td>Public Supply</td>
<td>623,800</td>
<td>773,000</td>
<td></td>
</tr>
<tr>
<td>4 / 4</td>
<td>18</td>
<td>558 / 297</td>
<td>Public Supply</td>
<td>1,163,900</td>
<td>1,444,000</td>
<td></td>
</tr>
<tr>
<td>7 / 7</td>
<td>18</td>
<td>700 / 415</td>
<td>Public Supply</td>
<td>1,163,900</td>
<td>1,444,000</td>
<td></td>
</tr>
<tr>
<td>Standby</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### WITHDRAWAL POINT LOCATION TABLE

<table>
<thead>
<tr>
<th>DISTRICT I.D. NO.</th>
<th>LATITUDE/LONGITUDE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>28° 09' 47.32&quot;/81° 36' 20.99&quot;</td>
</tr>
<tr>
<td>3</td>
<td>28° 09' 45.71&quot;/81° 36' 20.98&quot;</td>
</tr>
<tr>
<td>4</td>
<td>28° 09' 51.65&quot;/81° 37' 34.38&quot;</td>
</tr>
<tr>
<td>7</td>
<td>28° 09' 52.68&quot;/81° 37' 33.10&quot;</td>
</tr>
</tbody>
</table>
STANDARD CONDITIONS:
The Permittee shall comply with the Standard Conditions attached hereto, incorporated herein by reference as Exhibit A and made a part hereof.

SPECIAL CONDITIONS:

1. All reports and data required by condition(s) of the permit shall be submitted to the District according to the due date(s) contained in the specific condition. If the condition specifies that a District-supplied form is to be used, the Permittee should use that form in order for their submission to be acknowledged in a timely manner. The only alternative to this requirement is to use the District Permit Information Center (www.swfwmd.state.fl.us/permits/epermitting/) to submit data, plans or reports online. There are instructions at the District website on how to register to set up an account to do so. If the report or data is received on or before the tenth day of the month following data collection, it shall be deemed as a timely submittal.

All mailed reports and data are to be sent to:
Southwest Florida Water Management District
Tampa Service Office, Water Use Permit Bureau
7601 U.S. Hwy. 301 North
Tampa, Florida 33637-6759

Submission of plans and reports: Unless submitted online or otherwise indicated in the special condition, the original and two copies of each plan and report, such as conservation plans, environmental analyses, aquifer test results, per capita annual reports, etc. are required.

Submission of data: Unless otherwise indicated in the special condition, an original (no copies) is required for data submittals such as crop report forms, meter readings and/or pumpage, rainfall, water level, evapotranspiration, or water quality data.

(499)

2. The quantities included in the permit are based on an average per capita rate of 128 gpd. By rule, the per capita rate in any given year shall not exceed 150 gpd. However, failure to maintain, on average, the per capita rate on which the permitted quantity is based could result in noncompliance with the terms of the permit. The per capita rate will be monitored via the Annual Report and the Reclaimed Water Supplier Report that are required to be submitted by April 1 of each year for the term of the permit. (67)

3. The South Florida Water Management District Water Use Permit No. 53-00293 (Southeast Polk Wellfield Permit), identifies demands of 1,000,000 gallons per day for the City of Davenport as a basis for the issuance of the permit. Therefore, pursuant to the Southeast Polk Wellfield Permit, Davenport shall utilize a baseline quantity of 1,000,000 gallons per day to meet the Public Supply use type demand identified in this permit upon completion of the connections necessary to provide Davenport with quantities from the Southeast Polk Wellfield project. This condition does not prohibit the utilization of any other Alternative Water Supply quantities developed by the City of Davenport prior to the completion of the Southeast Polk Wellfield project. (68)

4. The annual average and peak month quantities for District ID Nos. 1, 3, 4 and 7, Permittee ID Nos. 1, 3, 4, and 7 shown in the withdrawal point quantity table are estimates based on historic and/or projected distribution of pumpage, and are for water use inventory and impact analysis purposes only. The quantities listed for these individual sources are not intended to dictate the distribution of pumpage from permitted sources. The Permittee may make adjustments in pumpage distribution as necessary so long as adverse environmental impacts do not result and the Permittee complies with all other conditions of this Permit. In all cases, the total annual average daily withdrawal and the total peak month daily withdrawal are limited to 2,164,700 gpd and 2,684,000 gpd, respectively. (221)

5. The Permittee shall construct the proposed wells according to the surface diameter and casing depth specifications below. The casing shall be continuous from land surface to the minimum depth stated and is specified to prevent the unauthorized interchange of water between different water bearing
zones. If a total depth is listed below, this is an estimate, based on best available information, of the depth at which high producing zones are encountered. However, it is the Permittee's responsibility to have the water in the well sampled during well construction, before reaching the estimated total depth. Such sampling is necessary to ensure that the well does not encounter water quality that cannot be utilized by the Permittee, and to ensure that withdrawals from the well will not cause salt-water intrusion. All depths given are in feet below land surface. For Well Construction requirements see Exhibit B, Well Construction Instructions, attached to and made part to this permit.

District ID No. 7, Permittee ID No. 7, having a surface diameter of 18 inches, with a minimum casing depth of 415 feet below land surface (ft bsls), drilled to an estimated total depth of 700 ft bsls. (240)

6. For the purpose of determining site-specific transmissivity of the Avon Park Formation, a step drawdown and constant rate specific capacity test shall be performed on District ID No. 7, Permittee ID No. 7, after the well has been fully developed. The test shall be performed in accordance with the specifications set forth in Part C - Water Use Design Aids, Design Aid 3, Section B, "Single Well Aquifer Test" on the District website, www.watermatters.org/permits/wup. Three copies of the testing methodology, recorded raw data and the results of the test shall be submitted to the Water Use Permit Bureau, within thirty days of completion of the well if submitted in hardcopy or two copies are required if submitted on CD. Only one submission is required if submitted online via the District's data website; however, any color documentation shall also be scanned in color. (530)

7. Any wells not in use, and in which pumping equipment is not installed shall be capped or valved in a water tight manner in accordance with Chapter 62-532.500, F.A.C. (583)

8. The Permittee shall submit a copy of the well completion reports to the District's Water Use Permit Bureau, within 30 days of each well completion. (583)

9. Beginning January 1, 2012, the Permittee shall comply with the following requirements:
A. Customer billing period usage shall be placed on each utility-metered, customer's bill.
B. Meters shall be read and customers shall be billed no less frequently than bi-monthly.
C. The following information, as applicable to the customer, shall be provided at least once each calendar year and a summary of the provisions shall be provided to the District annually as described in Section D, below. The information shall be provided by postal mailings, bill inserts, online notices, on the bill or by other means. If billing units are not in gallons, a means to convert the units to gallons must be provided.
   1. To each utility-metered customer in each customer class - Information describing the rate structure and shall include any applicable:
      a. Fixed and variable charges,
      b. Minimum charges and the quantity of water covered by such charges,
      c. Price block quantity thresholds and prices,
      d. Seasonal rate information and the months to which they apply, and
      e. Usage surcharges
   2. To each utility-metered single-family residential customer - Information that the customer can use to compare its water use relative to other single-family customers or to estimate an efficient use and shall include one or more of the following:
      a. The average or median single-family residential customer billing period water use calculated over the most recent three year period, or the most recent two year period if a three year period is not available to the utility. Data by billing period is preferred but not required.
      b. A means to calculate an efficient billing period use based on the customer's characteristics, or
      c. A means to calculate an efficient billing period use based on the service area's characteristics.

D. Annual Report: The following information shall be submitted to the District annually by October 1 of each year of the permit term to demonstrate compliance with the requirements above. The information shall be current as of the October 1 submittal date.
   1. Description of the current water rate structure (rate ordinance or tariff sheet) for potable and non-potable water.
   2. Description of the current customer billing and meter reading practices and any proposed changes to these practices (including a copy of a bill per A above).
   3. Description of the means the permittee uses to make their metered customers aware of rate structures, and how the permittee provides information their metered single-family residential
customers can use to compare their water use relative to other single-family customers or estimate an efficient use (see C 1 & 2 above).

(592)

10. This renewal includes an increase in the authorized allocation, supported in part by numerical simulation of aquifer recharge at a rapid infiltration basin which is predicted to mitigate the effects of increased groundwater withdrawals. The Permittee shall cease or reduce withdrawals on an annual average basis when the mitigation activity that provided for the authorized increase is determined by the District to not provide the anticipated benefit, or if the mechanism or activity by which that benefit was provided is no longer in effect.(659)

11. The Permittee shall maintain a water conserving rate structure for the duration of the permit term. Any changes to the water conserving rate structure described in the application shall be described in detail as a component of the next Annual Report on Water Rate, Billing and Meter Reading Practices of the year following the change.(659)

12. The Permittee shall submit a "Public Supply Annual Report" to the District by April 1 of each year on their water use during the preceding calendar year using the form, "Public Supply Water Use Annual Report Form" (Form No. LEG-R.103.00 (05/14)), referred to in this condition as "the Form," and all required attachments and documentation. The Permittee shall adhere to the "Annual Report Submittal Instructions" attached to and made part of this condition in Exhibit B. The Form addresses the following components in separate sections.

Per Capita Use Rate
A per capita rate for the previous calendar year will be calculated as provided in Part A of the Form using Part C of the Form to determine Significant Use deduction that may apply. Permittees that cannot achieve a per capita rate of 150 gpd according to the time frames included in the "Instructions for Completion of the Water Use Annual Report," shall include a report on why this rate was not achieved, measures taken to comply with this requirement, and a plan to bring the permit into compliance.

Residential Use
Residential use shall be reported in the categories specified in Part B of the Form, and the methodology used to determine the number of dwelling units by type and their quantities used shall be documented in an attachment.

Non-Residential Use
Non-residential use quantities provided for use in a community but that are not directly associated with places of residence, as well as the total water losses that occur between the point of output of the treatment plant and accountable end users, shall be reported in Part B of the Form.

Water Conservation
In an attachment to the Form, the Permittee shall describe the following:

1. Description of any ongoing audit program of the water treatment plant and distribution systems to address reductions in water losses.

2. An update of the water conservation plan that describes and quantifies the effectiveness of measures currently in practice, any additional measures proposed to be implemented, the scheduled implementation dates, and an estimate of anticipated water savings for each additional measure.

3. A description of the Permittees implementation of water-efficient landscape and irrigation codes or ordinances, public information and education programs, water conservation incentive programs, identification of which measures and programs, if any, were derived from the Conserve Florida Water Conservation Guide, and provide the projected costs of the measures and programs and the projected water savings.

Water Audit
If the current water loss rate is greater than 10% of the total distribution quantities, a water audit as described in the "Instructions for Completion of the Water Use Annual Report" shall be conducted and completed by the following July 1, with the results submitted by the following October 1. Indicate on Part A of the Form whether the water audit was done, will be done, or is not applicable.
Alternative Water Supplied Other Than Reclaimed Water

If the Permittee provides Alternative Water Supplies other than reclaimed water (e.g., stormwater not treated for potable use) to customers, the information required on Part D of the Form shall be submitted along with an attached map depicting the areas of current Alternative Water Use service and areas that are projected to be added within the next year.

Suppliers of Reclaimed Water

1. Permittees having a wastewater treatment facility with an annual average design capacity equal to or greater than 100,000 gpd:
   The Permittee shall submit the "SWFWMD Annual Reclaimed Water Supplier Report" on quantities of reclaimed water that was provided to customers during the previous fiscal year (October 1 to September 30). The report shall be submitted in Excel format on the Compact Disk, Form No. LEG-R.026.00 (05/09), that will be provided annually to them by the District. A map depicting the area of reclaimed water service that includes any areas projected to be added within the next year, shall be submitted with this report.

2. Permittees that have a wastewater treatment facility with an annual average design capacity less than 100,000 gpd:
   a. The Permittee has the option to submit the "SWFWMD Annual Reclaimed Water Supplier Report," Form No. LEG-R.026.00, as described in sub-part (1) above, or
   b. Provide information on reclaimed water supplied to customers on Part E of the Form as described in the "Instructions for Completion of the Water Use Annual Report".

Updated Service Area Map

If there have been changes to the service area since the previous reporting period, the Permittee shall update the service area using the map that is maintained in the District's Mapping and GIS system. (660)

13. Permittees having their own wastewater treatment plant that generate at least advanced-secondary treated effluent (high-level disinfection, as described in Rule 62-600.440(5), F.A.C.) to the minimum FDEP requirements for public access reuse shall respond in a timely manner to inquiries about availability from water use permit applicants for water uses where such reclaimed water is appropriate. If reclaimed water is or will be available to that permit applicant within the next six years, the Permittees shall provide a cost estimate for connection to the applicant. (674)

14. The Permittee shall continue to implement the "City of Davenport Environmental Management Plan - October 2009" (EMP), which is incorporated herein by reference, and including two additional monitoring sites (DID Nos. 40 and 41). The EMP is to address how environmental conditions in the vicinity of the Permittee's wellfields will be monitored, how unacceptable adverse impacts will be identified, and how and when unacceptable adverse impacts caused by water production will be mitigated by the Permittee. An annual report compiling the results, analyses, and conclusions of the hydrologic and vegetative monitoring from the preceding October 1 to September 30 shall be submitted by August 1 of each year of the permit. The report shall identify and describe any trends of vegetative and/or hydrologic changes in the EMP network using the methodology outlined in the EMP to determine if District Performance Standards for lakes and wetlands have been met. The annual report and all required supporting documentation shall be submitted to the Water Use Permit Bureau if submitted in hard copy. If submitted electronically, it is required that any documentation that is in color be scanned in color. During the permit term, the Permittee may submit a proposal to enhance or revise the EMP. Such revisions are subject to approval by the Water Use Permit Bureau Chief. (676)

15. The following withdrawal facilities shall continue to be maintained and operated with existing, non-resettable, totalizing flow meters or other measuring devices as approved by the Water Use Permit Bureau Chief: District ID Nos. 1, 3, and 4, Permittee ID Nos. 1, 3, and 4. Monthly meter reading and reporting, as well as meter accuracy checks every five years shall be in accordance with instructions in Exhibit B, Metering Instructions, attached to and made part of this permit. (719)

16. The following proposed Standby withdrawal facilities (those that provide back-up water for another withdrawal point in the event the other withdrawal point becomes unusable) shall be metered within 90 days of construction: District ID No. 7, Permittee ID No. 7. Monthly meter reading and reporting, as well as meter accuracy checks every five years shall be in accordance with instructions in Exhibit B, Metering Instructions, attached to and made part of this permit. (721)
17. Within 90 days of permit issuance, the Permittee shall install and maintain a District-approved staff gauge in the water bodies specified below, at a mutually agreed upon location, and report measurements of water levels referenced to the North American Vertical Datum 1988 at the frequency indicated. Instructions for recording and reporting the data are given in Exhibit B, Water Level Instructions, attached to and made part of this permit.

Proposed District ID No. 20, Permittee ID No. P4 to monitor water levels at Lake Davenport, with a reporting frequency of every other week
Proposed District ID No. 21, Permittee ID No. P5 to monitor water levels at wetland SW-AO located on Polk County property at Pink Apartment Road, with a reporting frequency of every other week

To the maximum extent possible, water levels shall be recorded on the same day of each week and reported to the Water Use Permit Bureau, online via the WUP Portal on the District website, or in hardcopy on District-provided forms on or before the tenth day of the following month. The frequency of recording may be modified by the Water Use Permit Bureau Chief, as necessary to ensure the protection of the resource.

(761)

18. The Permittee shall continue to maintain the District-approved staff gauge in the water bodies at the locations specified below and report measurements of water levels referenced to North American Vertical Datum 1988 at the frequency indicated.

District ID No. 27, Permittee ID No. R located at unnamed reference lake, with a reporting frequency of every other week
District ID No. 28, Permittee ID No. P1A located at wetland SW-AF, with a reporting frequency of every other week
District ID No. 29, Permittee ID No. P3 located at Crystal Lake, with a reporting frequency of every other week
District ID No. 38, Permittee ID No. P1B located at wetland SW-AF, with a reporting frequency of every other week

To the maximum extent possible, water levels shall be recorded on the same day of each week and reported to the Water Use Permit Bureau, online via the WUP Portal on the District website, or in hardcopy on District-provided forms on or before the tenth day of the following month. The frequency of recording may be modified by the Water Use Permit Bureau Chief, as necessary to ensure the protection of the resource.

(762)

19. This project is located in the Central Florida Water Initiative (CFWI) area, an area with on-going impacts to water resources which are being addressed by the CFWI. If the District determines that adverse impacts to water resources or existing legal users are occurring or are projected to occur because of the Permittee’s authorized withdrawals over the permit duration, the District, upon reasonable notice to the Permittee and including a statement of facts upon which the District based its determination, may modify quantities permitted or other conditions of the permit, as appropriate, to address the impact, but only after an opportunity for the Permittee to resolve or mitigate the impact or to request a hearing. Such modification, if any, will consider such factors as the Permittee’s relative contribution to the water resource impact being addressed due to groundwater withdrawals, the timing of this permit issuance compared to presently existing legal use of water, and other considerations identified by the CFWI Solutions Planning and Regulatory Teams. Modifications may include mitigation of impacts and / or reconsideration of allocations or requirements to timely implement required actions that are consistent with the long-term, regional water supply solutions as implemented by rules. Such actions may include the development of alternative water supplies, the implementation of water resource and / or water supply development projects, the application of impact offsets or substitution credits, operating plans, heightened water conservation or other appropriate actions. Nothing in this condition is intended to abrogate the rights of the Governing Board or of any other person under Section 373.233, Florida Statute.(1025)
20. The Central Florida Water Initiative documented existing water resource environmental impacts within its boundaries. This Initiative remains underway and is, in part, crafting long-term water supply solutions for the region. As a component of immediate, interim measures the Permittee is encouraged to participate in the District’s on-going, heightened water conservation public education program. Given the Permittee’s use class, opportunities may include such activities as participation in water conservation public service announcements, demonstrations of irrigation efficiency at community gardens, posting water conservation information or links on the Permittee’s website. Please contact the Water Use Permit Bureau Chief at 813 985-7481, to discuss opportunities for participation in this important District effort.(1026)
WATER USE PERMIT STANDARD CONDITIONS

1. With advance notice to the Permittee, District staff with proper identification shall have permission to enter, inspect, collect samples, take measurements, observe permitted and related facilities and collect and document any information deemed necessary to determine compliance with the approved plans, specifications and conditions of this permit. The Permittee shall either accompany District staff onto the property or make provision for access onto the property.

2. When necessary to analyze impacts to the water resource or existing users, the District shall require the Permittee to install flow metering or other measuring devices to record withdrawal quantities and submit the data to the District.

3. A District identification tag shall be prominently displayed at each withdrawal point that is required by the District to be metered or for which withdrawal quantities are required to be reported to the District, by permanently affixing the tag to the withdrawal facility.

4. The Permittee shall mitigate any adverse impact to environmental features or offsite land uses as a result of withdrawals. When adverse impacts occur or are imminent, the District shall require the Permittee to mitigate the impacts. Examples of adverse impacts include the following:
   A. Significant reduction in levels or flows in water bodies such as lakes, impoundments, wetlands, springs, streams or other watercourses; or
   B. Damage to crops and other vegetation causing financial harm to the owner; and
   C. Damage to the habitat of endangered or threatened species.

5. The Permittee shall mitigate any adverse impact to existing legal uses caused by withdrawals. When adverse impacts occur or are imminent, the District may require the Permittee to mitigate the impacts. Adverse impacts include:
   A. A reduction in water levels which impairs the ability of a well to produce water;
   B. Significant reduction in levels or flows in water bodies such as lakes, impoundments, wetlands, springs, streams or other watercourses; or
   C. Significant inducement of natural or manmade contaminants into a water supply or into a usable portion of an aquifer or water body.

6. Permittee shall notify the District in writing within 30 days of any sale, transfer, or conveyance of ownership or any other loss of permitted legal control of the Project and / or related facilities from which the permitted consumptive use is made. Where Permittee’s control of the land subject to the permit was demonstrated through a lease, the Permittee must either submit documentation showing that it continues to have legal control or transfer control of the permitted system / project to the new landowner or new lessee. All transfers of ownership are subject to the requirements of Rule 40D-1.6105, F.A.C. Alternatively, the Permittee may surrender the consumptive use permit to the District, thereby relinquishing the right to conduct any activities under the permit.

7. All withdrawals authorized by this WUP shall be implemented as conditioned by this permit, including any documents submitted as part of the permit application incorporated by reference in a permit condition. This permit is subject to review and modification, enforcement action, or revocation, in whole or in part, pursuant to Section 373.136 or 373.243, F.S.

8. This permit does not convey to the Permittee any property rights or privileges other than those specified herein, nor relieve the Permittee from complying with any applicable local government, state, or federal law, rule, or ordinance.

9. The Permittee shall cease or reduce surface water withdrawal as directed by the District if water levels in lakes fall below the applicable minimum water level established in Chapter 40D-8, F.A.C., or rates of flow in streams fall below the minimum levels established in Chapter 40D-8, F.A.C.

10. The Permittee shall cease or reduce withdrawal as directed by the District if water levels in aquifers fall below the minimum levels established by the Governing Board.
11. A Permittee may seek modification of any term of an unexpired permit. The Permittee is advised that section 373.239, F.S., and Rule 40D-2.331, F.A.C., are applicable to permit modifications.

12. The Permittee shall practice water conservation to increase the efficiency of transport, application, and use, as well as to decrease waste and to minimize runoff from the property. At such time as the Governing Board adopts specific conservation requirements for the Permittee’s water use classification, this permit shall be subject to those requirements upon notice and after a reasonable period for compliance.

13. The District may establish special regulations for Water-Use Caution Areas. At such time as the Governing Board adopts such provisions, this permit shall be subject to them upon notice and after a reasonable period for compliance.

14. Nothing in this permit should be construed to limit the authority of the District to declare a water shortage and issue orders pursuant to chapter 373, F.S. In the event of a declared water shortage, the Permittee must adhere to the water shortage restrictions, as specified by the District. The Permittee is advised that during a water shortage, reports shall be submitted as required by District rule or order.

15. This permit is issued based on information provided by the Permittee demonstrating that the use of water is reasonable and beneficial, consistent with the public interest, and will not interfere with any existing legal use of water. If, during the term of the permit, it is determined by the District that a statement in the application and in the supporting data are found to be untrue and inaccurate, the use is not reasonable and beneficial, in the public interest, or does impact an existing legal use of water, the Governing Board shall modify this permit or shall revoke this permit following notice and hearing, pursuant to sections 373.136 or 373.243, F.S. The Permittee shall immediately notify the District in writing of any previously submitted information that is later discovered to be inaccurate.

16. All permits are contingent upon continued ownership or legal control of all property on which pumps, wells, diversions or other water withdrawal facilities are located.
Exhibit B
Instructions

METERING INSTRUCTIONS

The Permittee shall meter withdrawals from surface waters and/or the ground water resources, and meter readings from each withdrawal facility shall be recorded on a monthly basis within the last week of the month. The meter reading(s) shall be reported to the Water Use Permit Bureau on or before the tenth day of the following month for monthly reporting frequencies. For bi-annual reporting, the data shall be recorded on a monthly basis and reported on or before the tenth day of the month following the sixth month of recorded data. The Permittee shall submit meter readings online using the Permit Information Center at www.swfwmd.state.fl.us/permits/epermitting/ or on District supplied scanning forms unless another arrangement for submission of this data has been approved by the District. Submission of such data by any other unauthorized form or mechanism may result in loss of data and subsequent delinquency notifications. Call the Water Use Permit Bureau in Tampa at (813) 985-7481 if difficulty is encountered.

The meters shall adhere to the following descriptions and shall be installed or maintained as follows:

1. The meter(s) shall be non-resettable, totalizing flow meter(s) that have a totalizer of sufficient magnitude to retain total gallon data for a minimum of the three highest consecutive months permitted quantities. If other measuring device(s) are proposed, prior to installation, approval shall be obtained in writing from the Water Use Permit Bureau Chief.

2. The Permittee shall report non-use on all metered standby withdrawal facilities on the scanning form or approved alternative reporting method.

3. If a metered withdrawal facility is not used during any given month, the meter report shall be submitted to the District indicating the same meter reading as was submitted the previous month.

4. The flow meter(s) or other approved device(s) shall have and maintain an accuracy within five percent of the actual flow as installed.

5. Meter accuracy testing requirements:
   A. For newly metered withdrawal points, the flow meter installation shall be designed for inline field access for meter accuracy testing.
   B. The meter shall be tested for accuracy on-site, as installed according to the Flow Meter Accuracy Test Instructions in this Exhibit B, every five years in the assigned month for the county, beginning from the date of its installation for new meters or from the date of initial issuance of this permit containing the metering condition with an accuracy test requirement for existing meters.
   C. The testing frequency will be decreased if the Permittee demonstrates to the satisfaction of the District that a longer period of time for testing is warranted.
   D. The test will be accepted by the District only if performed by a person knowledgeable in the testing equipment used.
   E. If the actual flow is found to be greater than 5% different from the measured flow, within 30 days, the Permittee shall have the meter re-calibrated, repaired, or replaced, whichever is necessary. Documentation of the test and a certificate of re-calibration, if applicable, shall be submitted within 30 days of each test or re-calibration.

6. The meter shall be installed according to the manufacturer’s instructions for achieving accurate flow to the specifications above, or it shall be installed in a straight length of pipe where there is at least an upstream length equal to ten (10) times the outside pipe diameter and a downstream length equal to two (2) times the outside pipe diameter. Where there is not at least a length of ten diameters upstream available, flow straightening vanes shall be used in the upstream line.

7. Broken or malfunctioning meter:
   A. If the meter or other flow measuring device malfunctions or breaks, the Permittee shall notify the District within 15 days of discovering the malfunction or breakage.
   B. The meter must be replaced with a repaired or new meter, subject to the same specifications given above, within 30 days of the discovery.
   C. If the meter is removed from the withdrawal point for any other reason, it shall be replaced with another meter having the same specifications given above, or the meter shall be reinstalled within 30 days of its removal from the withdrawal. In either event, a fully functioning meter shall not be off the withdrawal point for more than 60 consecutive days.

8. While the meter is not functioning correctly, the Permittee shall keep track of the total amount of time the withdrawal point was used for each month and multiply those minutes times the pump capacity (in gallons per minute) for total gallons. The estimate of the number of gallons used each month during that period shall be submitted on District scanning forms and noted as estimated per instructions on the form. If the data is submitted
by another approved method, the fact that it is estimated must be indicated. The reason for the necessity to estimate pumpage shall be reported with the estimate.

9. In the event a new meter is installed to replace a broken meter, it and its installation shall meet the specifications of this condition. The permittee shall notify the District of the replacement with the first submittal of meter readings from the new meter.

FLOW METER ACCURACY TEST INSTRUCTIONS

1. **Accuracy Test Due Date** - The Permittee is to schedule their accuracy test according to the following schedule:

   A. For existing metered withdrawal points, add five years to the previous test year, and make the test in the month assigned to your county.
   
   B. For withdrawal points for which metering is added for the first time, the test is to be scheduled five years from the issue year in the month assigned to your county.
   
   C. For proposed withdrawal points, the test date is five years from the completion date of the withdrawal point in the month assigned to your county.
   
   D. For the Permittee’s convenience, if there are multiple due-years for meter accuracy testing because of the timing of the installation and/or previous accuracy tests of meters, the Permittee can submit a request in writing to the Water Use Permit Bureau Chief for one specific year to be assigned as the due date year for meter testing. Permittees with many meters to test may also request the tests to be grouped into one year or spread out evenly over two to three years.
   
   E. The months for accuracy testing of meters are assigned by county. The Permittee is requested but not required to have their testing done in the month assigned to their county. This is to have sufficient District staff available for assistance.

   January  Hillsborough
   February  Manatee, Pasco
   March    Polk (for odd numbered permits)*
   April    Polk (for even numbered permits)*
   May      Highlands
   June     Hardee, Charlotte
   July     None or Special Request
   August   None or Special Request
   September Desoto, Sarasota
   October  Citrus, Levy, Lake
   November Hernando, Sumter, Marion
   December Pinellas

   * The permittee may request their multiple permits be tested in the same month.

2. **Accuracy Test Requirements.** The Permittee shall test the accuracy of flow meters on permitted withdrawal points as follows:

   A. The equipment water temperature shall be set to 72 degrees Fahrenheit for ground water, and to the measured water temperature for other water sources.
   
   B. A minimum of two separate timed tests shall be performed for each meter. Each timed test shall consist of measuring flow using the test meter and the installed meter for a minimum of four minutes duration. If the two tests do not yield consistent results, additional tests shall be performed for a minimum of eight minutes or longer per test until consistent results are obtained.
   
   C. If the installed meter has a rate of flow, or large multiplier that does not allow for consistent results to be obtained with four- or eight-minute tests, the duration of the test shall be increased as necessary to obtain accurate and consistent results with respect to the type of flow meter installed.
   
   D. The results of two consistent tests shall be averaged, and the result will be considered the test result for the meter being tested. This result shall be expressed as a plus or minus percent (rounded to the nearest one-tenth percent) accuracy of the installed meter relative to the test meter. The percent accuracy indicates the deviation (if any), of the meter being tested from the test meter.

3. **Accuracy Test Report:** The Permittees shall demonstrate that the results of the meter test(s) are accurate by submitting the following information within 30 days of the test:

   A. A completed Flow Meter Accuracy Verification Form, Form LEG-R.101.00 (5/14) for each flow meter tested. This form can be obtained from the District’s website (www.watermatters.org) under “ePermitting and Rules” for Water Use Permits.
B. A printout of data that was input into the test equipment, if the test equipment is capable of creating such a printout;
C. A statement attesting that the manufacturer of the test equipment, or an entity approved or authorized by the manufacturer, has trained the operator to use the specific model test equipment used for testing;
D. The date of the test equipment's most recent calibration that demonstrates that it was calibrated within the previous twelve months, and the test lab's National Institute of Standards and Testing (N.I.S.T.) traceability reference number.
E. A diagram showing the precise location on the pipe where the testing equipment was mounted shall be supplied with the form. This diagram shall also show the pump, installed meter, the configuration (with all valves, tees, elbows, and any other possible flow disturbing devices) that exists between the pump and the test location clearly noted with measurements. If flow straightening vanes are utilized, their location(s) shall also be included in the diagram.
F. A picture of the test location, including the pump, installed flow meter, and the measuring device, or for sites where the picture does not include all of the items listed above, a picture of the test site with a notation of distances to these items.

WATER LEVEL INSTRUCTIONS
The staff gauge(s) shall be surveyed according to instructions given on the District website and referenced to the North American Vertical Datum 1988, and a copy of the survey indicating the datum reference shall be submitted with the first water level data report. The staff gauge(s) shall be scaled in one-tenth foot increments and shall be sized and placed so as to be clearly visible from an easily accessible point of land. Water levels shall be recorded on a frequency as indicated in the table provided in the special condition and reported to the Water Use Permit Bureau, online via the WUP Portal at the District website or in hardcopy on District-provided forms on or before the tenth day of the following month. To the maximum extent possible, water levels shall be recorded on a regular schedule as indicated in the recording timetable below. The frequency of recording may be modified by the Water Use Permit Bureau Chief, as necessary to ensure the protection of the resource.

Water Level Recording Timetable

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Recording Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td>Same time of each day</td>
</tr>
<tr>
<td>Weekly</td>
<td>Same day of each week</td>
</tr>
<tr>
<td>Monthly</td>
<td>Same week of each month</td>
</tr>
<tr>
<td>Quarterly</td>
<td>Same week or months specified</td>
</tr>
</tbody>
</table>

WELL CONSTRUCTION INSTRUCTIONS
All wells proposed to be constructed shall be drilled and constructed as specified below:

1. All well casing (including liners and/or pipe) must be sealed to the depth specified in the permit condition.
2. The proposed well(s) shall be constructed of materials that are resistant to degradation of the casing/grout due to interaction with the water of lesser quality. A minimum grout thickness of two (2) inches is required on wells four (4) inches or more in diameter.
3. A minimum of twenty (20) feet overlap and two (2) centralizers is required for Public Supply wells and all wells six (6) inches or more in diameter.
4. Any variation from estimated, maximum or minimum total depths; maximum or minimum casing depths; well location or casing diameter specified in the condition requires advanced approval by the Water Use Permit Bureau Chief, or the Well Construction Section Manager.
5. The Permittee is notified that a proposal to significantly change any of these well construction specifications may require permit modification if the District determines that such a change would result in significantly greater withdrawal impacts than those considered for this Permit.
6. The finished well casing depth shall not vary from these specifications by greater than ten (10) percent unless advance approval is granted by the Water Use Permit Bureau Chief, or the Well Construction Section Manager.
The “Public Supply Water Use Annual Report Form” (Form No. LEG-R.023.00 (01/09)), is designed to assist the Permittee with the annual report requirements, but the final authority for what must be included in the Water Use Annual Report is in this condition and in these instructions. Two identical copies of the “Public Supply Water Use Annual Report Form” and two identical copies of all required supporting documentation shall be included if submitted in hard copy. "Identical copy" in this instance means that if the original is in color, then all copies shall also be printed in color. If submitted electronically, only one submittal is required; however, any part of the document that is in color shall be scanned in color.

1. **Per Capita Use Rate** - A per capita rate for the previous calendar year will be progressively calculated until a rate of 150 gpd per person or less is determined whether it is the unadjusted per capita, adjusted per capita, or compliance per capita. The calculations shall be performed as shown in Part A of the Form. The Permittee shall refer to and use the definitions and instructions for all components as provided on the Form and in the Water Use Permit Applicant's Handbook Part B. Permittees that have interconnected service areas and receive an annual average quantity of 100,000 gpd or more from another permittee are to include these quantities as imported quantities. Permittees in the Southern Water Use Caution Area (SWUCA) or the Northern Tampa Bay Water Use Caution Area (NTBWUCA), as it existed prior to October 1, 2007, shall achieve a per capita of 150 gpd or less, and those in these areas that cannot achieve a compliance per capita rate of 150 gpd or less shall include a report on why this rate was not achieved, measures taken to comply with this requirement, and a plan to bring the permit into compliance. Permittees not in a Water Use Caution Area that cannot achieve a compliance per capita rate of 150 gpd or less by December 31, 2019 shall submit this same report in the Annual Report due April 1, 2020.

2. **Residential Use** - Residential water use consists of the indoor and outdoor water uses associated with each category of residential customer (single family units, multi-family units, and mobile homes), including irrigation uses, whether separately metered or not. The Permittee shall document the methodology used to determine the number of dwelling units by type and the quantities used. Estimates of water use based upon meter size will not be accepted. If mobile homes are included in the Permittees multi-family unit category, the information for them does not have to be separated. The information for each category shall include:

   A. Number of dwelling units per category,
   B. Number of domestic metered connections per category,
   C. Number of metered irrigation connections,
   D. Annual average quantities in gallons per day provided to each category, and
   E. Percentage of the total residential water use provided apportioned to each category.

3. **Non-Residential Use** - Non-residential use consists of all quantities provided for use in a community not directly associated with places of residence. For each category below, the Permittee shall include annual average gpd provided and percent of total non-residential use quantities provided. For each category 1 through 6 below, the number of metered connections shall be provided. These non-residential use categories are:

   A. Industrial/commercial uses, including associated lawn and landscape irrigation use,
   B. Agricultural uses (e.g., irrigation of a nursery),
   C. Recreation/Aesthetic, for example irrigation (excluding golf courses) of Common Areas, stadiums and school yards,
   D. Golf course irrigation,
   E. Fire fighting, system testing and other accounted uses, -
   F. K-through-12 schools that do not serve any of the service area population, and
   G. Water Loss as defined as the difference between the output from the treatment plant and accounted residential water use (B above) and the listed non-residential uses in this section.

4. **Water Audit** - The water audit report that is done because water losses are greater than 10% of the total distribution quantities shall include the following items:

   A. Evaluation of:
      1) leakage associated with transmission and distribution mains,
      2) overflow and leakage from storage tanks,
      3) leakage near service connections,
      4) illegal connections,
      5) description and explanations for excessive distribution line flushing (greater than 1% of the treated water volume delivered to the distribution system) for potability,
      6) fire suppression,
      7) un-metered system testing,
      8) under-registration of meters, and
9) other discrepancies between the metered amount of finished water output from the treatment plant less the metered amounts used for residential and non-residential uses specified in Parts B and C above, and

B. A schedule for a remedial action plan to reduce the water losses to below 10%.

5. Alternative Water Supplied other than Reclaimed Water - Permittees that provide Alternative Water Supplies other than reclaimed water (e.g., stormwater not treated for potable use) shall include the following on Part D of the Form:
   A. Description of the type of Alternative Water Supply provided,
   B. County where service is provided,
   C. Customer name and contact information,
   D. Customer’s Water Use Permit number (if any),
   E. Customer’s meter location latitude and longitude,
   F. Meter ownership information,
   G. General customer use category,
   H. Proposed and actual flows in annual average gallons per day (gpd) per customer,
   I. Customer cost per 1,000 gallons or flat rate information,
   J. Delivery mode (e.g., pressurized or non-pressurized),
   K. Interruptible Service Agreement (Y/N),
   L. Month/year service began, and
   M. Totals of monthly quantities supplied.

6. Suppliers of Reclaimed Water - Depending upon the treatment capacity of the Permittees wastewater treatment plant, the Permittee shall submit information on reclaimed water supplied as follows:
   A. Permittees having a wastewater treatment facility with an annual average design capacity equal to or greater than 100,000 gpd shall utilize the “SWFWMD Annual Reclaimed Water Supplier Report” in Excel format on the Compact Disk, Form No. LEG-R.026.00 (05/09). The “SWFWMD Annual Reclaimed Water Supplier Report” is described in Section 3.1 of Chapter 3, under the subheading “Reclaimed Water Supplier Report” and is described in detail in the Water Use Permit Applicant’s Handbook Part B.
   B. Permittees that have a wastewater treatment facility with an annual average design capacity less than 100,000 gpd can either utilize the “SWFWMD Annual Reclaimed Water Supplier Report,” Form No. LEG-R.026.00, as described in sub-part (1) above or provide the following information on Part E of the Form:
      1) Bulk customer information:
         a) Name, address, telephone number,
         b) WUP number (if any),
         c) General use category (residential, commercial, recreational, agricultural irrigation, mining),
         d) Month/year first served,
         e) Line size,
         f) Meter information, including the ownership and latitude and longitude location,
         g) Delivery mode (pressurized, non-pressurized).
      2) Monthly flow in gallons per bulk customer.
      3) Total gallons per day (gpd) provided for metered residential irrigation.
      4) Disposal information:
         a) Site name and location (latitude and longitude or as a reference to the service area map),
         b) Contact name and telephone,
         c) Disposal method, and
         d) Annual average gpd disposed.
Authorized Signature
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

This permit, issued under the provision of Chapter 373, Florida Statues and Florida Administrative Code 40D-2, authorizes the Permittee to withdraw the quantities outlined above, and may require various activities to be performed by the Permittee as described in the permit, including the Special Conditions. The permit does not convey to the Permittee any property rights or privileges other than those specified herein, nor relieve the Permittee from complying with any applicable local government, state, or federal law, rule, or ordinance.
Notice of Rights

ADMINISTRATIVE HEARING

1. You or any person whose substantial interests are or may be affected by the District’s intended or proposed action may request an administrative hearing on that action by filing a written petition in accordance with Sections 120.569 and 120.57, Florida Statutes (F.S.), Uniform Rules of Procedure Chapter 28-106, Florida Administrative Code (F.A.C.) and District Rule 40D-1.1010, F.A.C. Unless otherwise provided by law, a petition for administrative hearing must be filed with (received by) the District within 21 days of receipt of written notice of agency action. "Written notice" means either actual written notice, or newspaper publication of notice, that the District has taken or intends to take agency action. "Receipt of written notice" is deemed to be the fifth day after the date on which actual notice is deposited in the United States mail, if notice is mailed to you, or the date that actual notice is issued, if sent to you by electronic mail or delivered to you, or the date that notice is published in a newspaper, for those persons to whom the District does not provide actual notice.

2. Pursuant to Subsection 373.427(2)(c), F.S., for notices of intended or proposed agency action on a consolidated application for an environmental resource permit and use of sovereignty submerged lands concurrently reviewed by the District, a petition for administrative hearing must be filed with (received by) the District within 14 days of receipt of written notice.

3. Pursuant to Rule 62-532.430, F.A.C., for notices of intent to deny a well construction permit, a petition for administrative hearing must be filed with (received by) the District within 30 days of receipt of written notice of intent to deny.

4. Any person who receives written notice of an agency decision and who fails to file a written request for a hearing within 21 days of receipt or other period as required by law waives the right to request a hearing on such matters.

5. Mediation pursuant to Section 120.573, F.S., to settle an administrative dispute regarding District intended or proposed action is not available prior to the filing of a petition for hearing.

6. A request or petition for administrative hearing must comply with the requirements set forth in Chapter 28.106, F.A.C. A request or petition for a hearing must: (1) explain how the substantial interests of each person requesting the hearing will be affected by the District’s intended action or proposed action, (2) state all material facts disputed by the person requesting the hearing or state that there are no material facts in dispute, and (3) otherwise comply with Rules 28-106.201 and 28-106.301, F.A.C. Chapter 28-106, F.A.C. can be viewed at www.firules.org or at the District's website at www.WaterMatters.org/permits/rules.

7. A petition for administrative hearing is deemed filed upon receipt of the complete petition by the District Agency Clerk at the District's Tampa Service Office during normal business hours, which are 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding District holidays. Filings with the District Agency Clerk may be made by mail, hand-delivery or facsimile transfer (fax). The District does not accept petitions for administrative hearing by electronic mail. Mailed filings must be addressed to, and hand-delivered filings must be delivered to, the Agency Clerk, Southwest Florida Water Management District, 7601 Highway 301 North,Tampa,FL 33637-6759. Faxed filings must be transmitted to the District Agency Clerk at (813) 367-9776. Any petition not received during normal business hours shall be filed as of 8:00 a.m. on the next business day. The District's acceptance of faxed petitions for filing is subject to certain conditions set forth in the District's Statement of Agency Organization and Operation, available for viewing at www.WaterMatters.org/about.
JUDICIAL REVIEW

1. Pursuant to Sections 120.60(3) and 120.68, F.S., a party who is adversely affected by District action may seek judicial review of the District's action. Judicial review shall be sought in the Fifth District Court of Appeal or in the appellate district where a party resides or as otherwise provided by law.

2. All proceedings shall be instituted by filing an original notice of appeal with the District Agency Clerk within 30 days after the rendition of the order being appealed, and a copy of the notice of appeal, accompanied by any filing fees prescribed by law, with the clerk of the court, in accordance with Rules 9.110 and 9.190 of the Florida Rules of Appellate Procedure (Fla. R. App. P.). Pursuant to Fla. R. App. P. 9.020(h), an order is rendered when a signed written order is filed with the clerk of the lower tribunal.
CONSENT AGENDA

October 20, 2020

Authorization to Issue Administrative Complaint and Order - Well Construction Violations - St. Pete Complete Environmental, Inc. - Unlicensed - CT Number 409223 - Pinellas County

St. Pete Complete Environmental Inc. is an unlicensed water well contractor whose mailing address is 4610 46th Avenue North, Saint Petersburg, Florida 33714.

On April 7, 2020, District staff received an anonymous complaint regarding construction of two (2) irrigation water wells at private property located in St. Petersburg (Property). District staff visited the Property on April 15, 2020 to investigate the complaint. At the Property, District staff were notified by the Property owner that two (2) sand point irrigation wells had been constructed by St. Pete Complete Environment Inc. District staff determined that St. Pete Complete Environmental Inc. did not have permits for the construction of the wells, and that no licensed water well contractors are currently doing business under the company name.

The Office of General Counsel issued a Notice of Violation and proposed Consent Order to the Respondent on May 18, 2020, which provided for $6,500.00 in fines in accordance with the 2014 Water Well Contractor Disciplinary Guidelines and Citations Dictionary. Further, the proposed Consent Order stated that St. Pete Complete Environmental Inc. was required to obtain permits for the wells, and to properly plug and abandon each well. Despite numerous attempts to reach an amicable resolution, St. Pete Complete has not agreed to the terms of the proposed Consent Order.

Staff Recommendation:
1) Authorize District staff to issue an Administrative Complaint and Order to St. Pete Complete Environmental, Inc. to obtain compliance, recover an administrative fine/civil penalty, and recover any District cost and fees, if appropriate.

2) Authorize District staff to obtain compliance with the terms of the Administrative Complaint and Order in Circuit Court, if necessary.

Presenter:
Allison Dhand, Staff Attorney
CONSENT AGENDA
October 20, 2020
Approve Governing Board Minutes - September 22, 2020

Staff Recommendation:
Approve minutes as presented.

Presenter:
Brian J. Armstrong, P.G., Executive Director
Due to the COVID-19 virus, this meeting was held through electronic media to reduce public gatherings and practice social distancing.

The Governing Board of the Southwest Florida Water Management District (District) met for its regular meeting at 3:00 p.m., on September 22, 2020, at its Brooksville Office, 2379 Broad Street, Brooksville, Florida. The following persons were in attendance either in person or via electronic media:

Board Members Present
Kelly Rice, Chair
Joel Schleicher, Vice Chair*
Rebecca Smith, Ph.D., Secretary*
James Murphy, Treasurer*
Roger Germann, Member*
Jack Bispham, Member*
Seth Weightman, Member*

*Attended via electronic media

Staff Members
Brian J. Armstrong, Executive Director
Amanda Rice, Assistant Executive Director
Karen E. West, General Counsel
John J. Campbell, Division Director
Brian Starford, Division Director
Michael Molligan, Division Director
Jennette Seachrist, Division Director
Michelle Hopkins, Division Director

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

Approved minutes from previous meetings can be found on the District's website (www.WaterMatters.org).

CONVENE PUBLIC HEARING AND MEETING

1.1 Call to Order
Chair Rice called the meeting to order and opened the public hearing.

Chair Rice provided a telephone number to any member of the public wishing to address the Governing Board concerning any item listed on the agenda or any item that does not appear on the agenda. Chair Rice stated that comments would be limited to three minutes per speaker, and when appropriate, exceptions to the three-minute limit may be granted by the chair. He also requested that several individuals wishing to speak on the same issue/topic designate a spokesperson.

At this time, the meeting was briefly recessed to allow for communication with any members of the public who were providing input via telephone.

Chair Rice reconvened the meeting.

1.2 Invocation and Pledge of Allegiance
Chair Rice offered the invocation and led the Pledge of Allegiance.

Chair Rice introduced each member of the Governing Board (this served as roll call), and
staff at the dais. He noted that the Board meeting was being recorded for broadcast on
government access channels, and public input was only taken during the meeting via
telephone communication.

1.3 Additions/Deletions to Agenda
Mr. Brian Armstrong, executive director, stated the following additions were made to the
Agenda.

Consent Agenda - General Counsel’s Report
2.13 District’s Fiscal Year 2020-2021 Annual Regulatory Plan

Discussion Agenda - Resource Management Committee
4.4 Weeki Wachee River Channel Restoration Project Funding

Mr. Armstrong also stated that the Finance Committee was being moved to follow the
Operations, Lands and Resource Monitoring Committee.

Vice Chair Joel Schleicher requested the following items be moved to Discussion:

Resource Management Committee
2.6 FARMS – North Joshua Grove, LLC – Hog Island Grove (H788), DeSoto County

General Counsel’s Report
2.8 Governing Board Concurrence - Emergency Order No. SWF 20-034 - Emergency
Measures Made Necessary by COVID-19

1.4 Public Input for Issues Not Listed on the Published Agenda
No requests were submitted.

Chair Rice stated there was good cause to amend the agenda as allowed by Section
120.525, Florida Statutes. (Audio – 00:6:45)

Consent
Finance/Outreach and Planning Committee
2.1 Budget Transfer Report
Staff requested approval of the Budget Transfer Report covering all budget transfers for
August 2020.

2.2 Board Encumbrance of the Sarasota Office Renovations
Staff recommended the Governing Board approve the encumbrance of $422,690.28
budgeted in FY2020 to carry forward into FY2021 to complete the renovations at the
Sarasota service office via the Capital Improvements Plan.

2.3 Board Encumbrance of the Capital Field Equipment Fund
Staff recommended the Governing Board approve the encumbrance up to $544,810, plus
any additional savings achieved on purchases completed before September 30, 2020, in
remaining FY2020 funds within the Capital Field Equipment Fund to carry forward into
FY2021 for future years planned expenditures.

Resource Management Committee
2.4 Approve Use of the Updated Alafia River Watershed Management Plan Floodplain
Information to Update Flood Insurance Rate Maps in Hillsborough County (N588)
Staff requested the Board approve use of the updated Alafia River Watershed Management
Plan floodplain information to update Flood Insurance Rate Maps in Hillsborough County.
2.5 Five-Year Water Resource Development Work Program
Staff requested the Board authorize submittal of the proposed Five-Year Water Resource Development Work Program to the Florida Department of Environmental Protection for review.

2.6 FARMS – North Joshua Grove, LLC – Hog Island Grove (H788), DeSoto County
Staff requested the Board:
1. Approve the North Joshua Grove, LLC project for a not-to-exceed project reimbursement of $186,000 with $186,000 provided by the Governing Board.
2. Authorize the transfer of $186,000 from fund 010 H017 Governing Board FARMS Fund to the H788 North Joshua Grove, LLC project fund.
3. Authorize the Assistant Executive Director to sign the agreement.

Operations, Lands & Resource Monitoring Committee
2.7 FY2020 Board Designated Encumbrance for S-353 Spillway Repairs (B882)
Staff requested the board approve the encumbrance of $735,000 from FY2020 to carry forward into FY2021 for the spillway repair of the S-353 structure.

General Counsel’s Report
2.8 Governing Board Concurrence - Emergency Order No. SWF 20-034 - Emergency Measures Made Necessary by COVID-19
Staff requested the Board approve the Fourth Amended and Reinstated Emergency Order No. SWF 20 034 and concur with the Executive Director’s determinations regarding the State of emergency and the actions necessary to meet the emergency.

2.9 Approval of Consent Order Between SWFWMD and DGNL, LLC – Permit Condition Violations - Environmental Resource Permit No. 43028559.003 – CT No. 407350 – Sarasota County
Staff requested the Board:
1) Approve the Consent Order.
2) Authorize District staff to pursue additional enforcement measures to obtain compliance with the terms and conditions of the Consent Order, including filing any appropriate actions in circuit court, if necessary.

2.10 Approval of Interagency Agreement between SJRWMD and SWFWMD - Designation of Regulatory Responsibility - Village Center Community Development District - Sumter County
Approve the Interagency Agreement designating regulatory responsibility for Village Center Community Development District to the St. Johns River Water Management District.

2.11 Authorization to Issue Administrative Complaint and Order – Well Construction Violations - William D. Going - License Number 1564 - CT No. 409525 - Pinellas County
Staff requested the Board:
1. Authorize District staff to issue an Administrative Complaint and Order to William D. Going to obtain compliance, recover an administrative fine/civil penalty, and recover any District costs and fees, if appropriate.
2. Authorize District staff to obtain compliance with the terms of the Administrative Complaint and Order in Circuit Court, if necessary.

Executive Director’s Report
2.12 Approve Governing Board Minutes - August 25, 2020
Staff requested the Board approve the minutes as presented.
A motion was made and seconded to approve the Consent Agenda. The motion carried unanimously. (Audio - 00:07:28)

Chair Rice relinquished the gavel to the Resource Management Committee Chair Seth Weightman, who called the meeting to order. (Audio – 00:08:37)

Discussion
Resource Management Committee
4.1 Consent Item(s) Moved for Discussion

2.6 FARMS – North Joshua Grove, LLC – Hog Island Grove (H788), DeSoto County
Vice Chair Schleicher asked that a vote be completed on this item.

Staff requested the Board:
3. Approve the North Joshua Grove, LLC project for a not-to-exceed project reimbursement of $186,000 with $186,000 provided by the Governing Board.
4. Authorize the transfer of $186,000 from fund 010 H017 Governing Board FARMS Fund to the H788 North Joshua Grove, LLC project fund.
3. Authorize the Assistant Executive Director to sign the agreement.

A motion was made and seconded to approve staff’s recommendation. The motion carried with six in favor and one opposed. Vice Chair Schleicher stated his opposition was due to his concerns regarding funding projects at the 75 percent cost share. (Audio: 00:10:04)

4.2 FARMS – Luna Berry Farms, LLC – Amendment (H671), Polk County
Mr. Randy Smith, Natural Systems & Restorations Bureau chief, provided a presentation. Mr. Smith explained that the scope changes to Facilitating Agricultural Resource Management Systems (FARMS) projects are atypical. He presented information on the original project, the proposed scope changes, reasons for those changes and the associated cost reductions.

Staff asked the Board:
1. Approve the amendment to the Luna Berry Farms, LLC project for a reduction in the not-to-exceed project reimbursement to $88,844.21.
2. Authorize the Division Director to sign the amendment.

A motion was made and seconded to approve the staff’s recommendation. The motion carried unanimously. (Audio - 00:17:42)

4.3 FARMS – Schwartz Farms, Inc. – Amendment (H672), Sarasota County
Mr. Randy Smith provided a presentation. He presented information on the original project, the proposed scope changes, reasons for those changes and the associated cost reductions.

1. Approve the amendment to the Schwartz Farms, Inc. H762 project for a reduction in the not-to-exceed project reimbursement to $55,672.37.
2. Authorize the Division Director to sign the amendment.

A motion was made and seconded to approve the staff’s recommendation. The motion carried unanimously. (Audio - 00:23:30)

4.4 Weeki Wachee River Channel Restoration Project Funding
Ms. Jennette Seachrist, Resource Management director, provided a presentation. She reminded the Board that state revenue for construction of this project was approved at the
August 2020 Board meeting. Ms. Seachrist stated the District is recommending approval of a cost share to make this project more competitive. She outlined the project objectives and the benefits associated with the project. Ms. Seachrist explained that the proposed cost share would be split 50/50 with the Florida Department of Environmental Protection (FDEP).

Vice Chair Schleicher asked if this project was vetted through the Cooperative Funding Initiative (CFI) process. Ms. Seachrist responded in the negative and stated the project was a District Initiative. Mr. Brian Armstrong, executive director, explained the Board previously approved design and permitting of project as a District Initiative with funding from a state grant. Vice Chair Schleicher expressed concern for the lateness of the request. Mr. Armstrong explained that staff found out that most of the other FDEP funding requests had a cooperator match and to be competitive staff are recommending providing a 50 percent match.

Vice Chair Schleicher inquired about the impact to the FY2021 budget. Mr. John Campbell, Management Services director, stated that the expenditure budget is not changing. The change is the source of funding for the 50 percent cost share of $4.195 million state funding approved at the August Board meeting.

Staff recommended the Board approve the following changes to be incorporated into the FY2021 budget:

a. Reduce FDEP funding for the Weeki Wachee River Channel Restoration Project from $4,195,000 to $2,097,500.

b. Increase Balance from Prior Years by $2,097,500 to fund the District’s share of the project.

A motion was made and seconded to approve staff’s recommendation. The motion carried with six in favor and one opposed. Vice Chair Schleicher stated his opposition was due to his concerns regarding the lateness of this request for funding. (Audio - 00:34:43)

Committee Chair Weightman relinquished the gavel to the Operations, Lands & Resource Monitoring Committee Chair Jack Bispham, who called the Committee to order. (Audio — 00:45:10)

Operations, Lands & Resource Monitoring Committee

5.1 Consent Item(s) Moved for Discussion - None

5.2 Accept offer from the Florida Department of Transportation (FDOT) to purchase the District’s Old Florida Plantation (OFP) property, Lake Hancock Project SWF Parcel No. 21-502-109S

Ms. Ellen Morrison, Assistant Bureau chief, provided historical information regarding the acquisition of the property. She outlined the information related to the offer from the FDOT. Ms. Morrison explained the total acreage will be confirmed by a pending survey. She stated the District will retain easements for two data collection sites.

Ms. Morrison explained the Board previously approved the surplus or sale of portions of this property no longer necessary for District purposes. She explained the sale of this property will reduce the District’s land management responsibilities and eliminate an existing cattle lease.

Vice Chair Schleicher expressed concern regarding the comparison of the District’s purchase price per acre in 2003 and the current selling price per acre. Discussion ensued.
Staff requested the Board:
- Determine the property identified is no longer required for District purposes; and
- Approve the Purchase Agreement and authorize the Executive Director to sign on the behalf of the District; and
- Authorize the Chairman and Secretary of the Governing Board to execute the Quit Claim Deed.
- Authorize the conveyance of the District’s interest in all phosphate, minerals, metals, and petroleum in or on or under the land upon the request of the buyer; and
- Authorize staff to execute any other documents necessary to complete the transaction in accordance with the approved terms.

A motion was made and seconded to approve the staff’s recommendation. The motion carried unanimously. (Audio - 00:52:27)

Committee Chair Bispham relinquished the gavel to the Regulation Committee Chair Roger Germann, who called the Committee to order. (Audio - 00:56:13)

Regulation Committee
6.1 Consent Item(s) Moved for Discussion - None

6.2 Consider Water Shortage Order(s) as Necessary
None were presented.

6.2 Denials Referred to the Governing Board
None were presented.

Committee Chair Germann relinquished the gavel to the Finance/Outreach & Planning Committee Chair James Murphy who called the Committee to order. (Audio - 00:56:53)

Finance/Outreach & Planning Committee
Discussion
3.1 Consent Item(s) Moved for Discussion – None

3.2 Fiscal Year (FY) 2022 Business Plan Update
Mr. Kevin Wills, Cooperative Funding Initiative lead, provided a presentation regarding the Business Plan update for Fiscal Year (FY) 2022. Mr. Wills provided an overview that outlined the purpose, the development process, a summary of the FY2021 Business Plan, FY2022 drivers, multi-year performance metrics, staffing considerations, resource trends and the next steps going forward.

This item was presented for the Board’s information, and no action was required.

3.3 Office of Inspector General 2020 Annual Report
Mr. Brian Werthmiller, Inspector General, provided a presentation for the Office of Inspector General Fiscal Year (FY) 2020 annual report. Mr. Werthmiller explained this report is required pursuant to Florida Statute and Governing Board policy. He stated that this report summarizes the completed work products and other activities associated with the Inspector General office.

Mr. Werthmiller explained the Office of Inspector General works independently and reports directly to the Governing Board. He explained that audits are conducted in accordance with the Generally Accepted Government Auditing Standards, also known as the Yellow Book. He explained that investigations are conducted in accordance with the Principles and Standards for Offices of Inspector General, also known as the Green Book.
Mr. Werthmiller stated he requested an external peer review which was performed by the Association of Inspectors Generals (AIG) in January 2020. The District received the highest passing rating with unanimous conclusion that all professional standards were fully met.

Mr. Werthmiller outlined the functions performed by the Office of Inspector General, which includes audits, investigations, and reviews. He provided an overview of internal audits that were completed for FY2020.

Mr. Werthmiller provided an overview of the operational audit that was performed by the Auditor General. He stated the audit disclosed no findings and recommendations regarding District processes and administrative activities within the scope of their audit. He stated this is an extraordinary achievement.

This item was presented for the Board’s information, and no action was required.

Chair Rice made a motion to accept the Auditor General’s operational audit and place on file. The motion carried unanimously. (01:23:55)

Committee Chair Murphy relinquished the gavel to Chair Rice. (Audio – 01:25:10)

General Counsel’s Report
7.1 Consent Item(s) Moved for Discussion

2.8 Governing Board Concurrence - Emergency Order No. SWF 20-034 - Emergency Measures Made Necessary by COVID-19
Mr. Chris Tumminia, deputy general counsel, responded to questions.

Staff requested the Board approve the Fourth Amended and Reinstated Emergency Order No. SWF 20-034 and concur with the Executive Director’s determinations regarding the State of emergency and the actions necessary to meet the emergency.

A motion was made and seconded to approve staff’s recommendation. The motion Carried with six in favor and one opposed. Vice Chair Schleicher stated his opposition was due to the inability to return to pre-COVID conditions to conduct District business. (Audio - 00:43:27)

Committee/Liaison Reports
8.1 Industrial Advisory Committee
A written summary of the August 11 meeting was provided.

8.2 Public Supply Advisory Committee
A written summary of the August 11 meeting was provided.

Executive Director’s Report
9.1 Executive Director’s Report
Mr. Armstrong reminded the Board Members it was time for the annual review of the executive director and the inspector general. He provided an overview of the accomplishments. A written report was provided.
Chair's Report

10.1 Chair's Report
Chair Rice outlined some of his expectations during his tenure as chair.

The next Board meeting is scheduled for October 20 at 8:00 a.m. and is scheduled to be held via virtual media.

10.2 Executive Director's and Inspector General's Annual Accomplishments and Evaluations
Chair Rice stated that performance evaluation packets were mailed to the Board and Board Members were asked to follow the instructions in the packets.

10.3 Employee Milestones
Chair Rice recognized staff who reached at least 20 years of service with the District and thanked them for their service. The following staff were recognized: Bob Brady, Kim Schwartz and Greg Johnston.

The meeting adjourned at 4:49 p.m.

______________________________
Chair

Attest:

______________________________
Secretary
CONSENT AGENDA
October 20, 2020

Approve Fiscal Year 2020 Final Budget Hearing Minutes - September 22, 2020

Staff Recommendation:
Approve minutes as presented.

Presenter:
Brian J. Armstrong, P.G., Executive Director
Due to the COVID-19 virus, this meeting was held through electronic media to reduce public gatherings and practice social distancing.

The Governing Board of the Southwest Florida Water Management District met at 5:01 p.m. on September 22, 2020 at the Brooksville Office. The following persons were in attendance:

**Board Members Present**
- Kelly Rice, Chair
- Joel Schleicher, Vice Chair*
- Rebecca Smith, Ph.D., Secretary*
- James Murphy, Treasurer*
- Jack Bispham, Member*
- Roger Germann, Member*
- Seth Weightman, Member*

**Staff Members Present**
- Brian Armstrong, Executive Director
- Amanda Rice, Assistant Executive Director
- Karen West, General Counsel
- John J. Campbell, Division Director
- Jennette Seachrist, Division Director
- Brian Starford, Division Director
- Michael Molligan, Division Director
- Michelle Hopkins, Division Director

**Board Administrative Support**
- Virginia Singer, Board & Executive Services Manager
- Lori Manuel, Administrative Assistant

This meeting was available for viewing through internet streaming. Approved minutes from previous meetings can be found on the District's Web site (www.WaterMatters.org).

**1. Call to Order, Roll Call and Approval of Tentative Fiscal Year 2021 Annual Service Budget Public Hearing Minutes**

Chair Rice called the meeting to order. He introduced the other members of the Board. This served as roll call and a quorum was confirmed. Chair Rice led the invocation and the Pledge of Allegiance.

Chair Rice provided information to members of the public wishing to address the Governing Board concerning any item listed on the agenda or any item that does not appear on the agenda. Chair Rice stated that comments would be limited to three minutes per speaker, and, when appropriate, exceptions to the three-minute limit may be granted by the chair. He also requested that several individuals wishing to speak on the same issue/topic designate a spokesperson.

The meeting was briefly recessed to allow for communication with any members of the public who wished to provide input.

Chair Rice requested a motion to approve the minutes from the September 8, 2020 Tentative Fiscal Year (FY) 2021 Annual Service Budget Public Hearing.

**A motion was made and seconded. The Motion carried unanimously.** (Audio – 01:49:40)

Chair Rice turned the gavel over to Treasurer Murphy.
2. **Opening Comments**
   Treasurer Murphy stated the purpose of this final Truth in Millage (TRIM) public hearing was to provide an opportunity for the public to speak and ask questions prior to the Governing Board’s adoption of a final millage rate and budget for FY2021.

3. **Budget Overview**
   Mr. John Campbell, Management Services director, stated there were changes to the budget since the September 8, 2020 Governing Board meeting. These changes will be presented under agenda item 5.

4. **Public Announcement of the Name of the Taxing Authority, Rolled-Back Rate, Percentage Increase Over Rolled-Back Rate, and Millage Rate to be Levied for Fiscal Year 2021**
   Mr. Campbell presented the required public announcement of the name of the taxing authority, the rolled-back rate, the percentage of increase over the rolled-back rate, and the millage rate to be levied for FY2021 and read into the record as required for the District.

<table>
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<th>TAXING AUTHORITY</th>
<th>ROLLED-BACK RATE</th>
<th>PERCENTAGE OF INCREASE OVER ROLLED-BACK RATE</th>
<th>FINAL MILLAGE</th>
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<td>0.2669 mill</td>
<td>0.0%</td>
<td>0.2669</td>
</tr>
</tbody>
</table>

5. **Reconciliation of Tentative to Final Fiscal Year 2021 Budget**
   Mr. Campbell stated there were no changes to the expenditure budget since the September 8, 2020 Governing Board meeting.

   Mr. Campbell outlined the changes to the revenue budget that occurred since the September 8, 2020 Governing Board meeting. He explained the state funding for the Weeki Wachee River Channel Restoration project was reduced from $4,195,000 to $2,097,500. The balance from prior years was increased by $2,097,500 to fund the District’s share of the restoration project.

6. **Public Comments**
   a. **Letters/Resolutions Received**
      Treasurer Murphy noted that any letters and resolutions received regarding the final millage rate and budget have been compiled into an Appendix “C” and are hereby incorporated, by reference, into the public record of this meeting.

   b. **Persons Wishing to Address the Board**
      Mr. David Ballard Geddes spoke in opposition of a water district levy.

7. **Adopt Final Fiscal Year 2021 Millage Rate**
   SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
   RESOLUTION NO. 20-13  
   ADOPTION OF FINAL MILLAGE RATE FOR FISCAL YEAR 2021

   This resolution is made a part of these minutes as if set forth in full, but for convenience, is filed in the permanent resolution files of the District.

   Vice Chair Schleicher stated he would like to see further reductions in the millage rate.

   A motion was made to adopt Resolution No. 20-13, Adoption of Final Millage Rate for Fiscal Year 2021, of 0.2669 mill, which was seconded. The motion carried unanimously.  
   (Audio – 02:02:20)
8. **Adopt Final Fiscal Year 2021 Budget**

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

RESOLUTION NO. 20-14

ADOPTION OF FINAL BUDGET FOR FISCAL YEAR 2021

This resolution is made a part of these minutes as if set forth in full but, for convenience, is filed in the permanent resolution files of the District.

A motion was made to adopt Resolution No. 20-14, Adoption of Final Budget for Fiscal Year 2021, in the amount of $183,494,869, which was seconded. The motion carried with six in favor and one opposed. Vice Chair Schleicher stated his opposition is based on fiscal concerns associated with any new expenditures due to the uncertain economic impacts. (Audio: 02:03:27)

9. **Introduce All Materials as Composite Exhibit**

Treasurer Murphy stated the record will reflect all materials presented today are part of the permanent record of the public hearing.

10. **Adjournment**

Chair Rice adjourned the meeting at 5:25 p.m.

Chair

Attest:

Secretary

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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 Donna Eisenbeis, Sr. Performance Management Professional, at 2379 Broad St., Brooksville, FL 34604-6899; telephone (352) 796-7211 or 1-800-423-1476 (FL only), ext. 4706; 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.
3. Finance/Outreach & Planning
3. **FINANCE/OUTREACH & PLANNING COMMITTEE**

3.1 Consent Item(s) Moved for Discussion................................................................. 70

3.2 **Discussion:** Action Item: Investment Strategy Quarterly Update .................... 71

3.3 **Discussion:** Information Only: Annual Review of Board Policy, *District Investment Policy*. .... 72

3.4 **Discussion:** Action Item: Development of Preliminary Budget for Fiscal Year 2022 ........ 142

3.5 **Submit & File:** Information Only: Office of Inspector General Quarterly Update –
July 1, 2020 to September 30, 2020 ........................................................................ 143
FINANCE/OUTREACH & PLANNING COMMITTEE
October 20, 2020
Consent Item(s) Moved for Discussion

Presenter:
Michael Molligan, Division Director, Employee and External Relations
FINANCE/OUTREACH & PLANNING COMMITTEE
October 20, 2020

Action Item
Investment Strategy Quarterly Update

Purpose
Provide quarterly update of the investment portfolio.

Background
In accordance with Board Policy, District Investment Policy, a quarterly investment report shall include the following:

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

Attachment will be provided under separate cover.

Staff Recommendation:
Accept and place on file the District’s Quarterly Investment Reports for the quarter ended September 30, 2020.

Presenter:
John F. Grady III, Managing Director, Public Trust Advisors, LLC
FINANCE/OUTREACH & PLANNING COMMITTEE
October 20, 2020
Information Only

Annual Review of Board Policy, District Investment Policy

Purpose
To provide the Board with recommended modifications to the District’s Investment Policy and to solicit input prior to the November 17, 2020 Board meeting.

Background
The Policy requires a review of the District’s Investment Policy within sixty (60) days following the end of each fiscal year and approval of any modifications made thereto. Fiscal year 2019-20 ended September 30, 2020 and a review is required. The policy has been reviewed by management and the District’s investment advisory firm and the following four modifications are recommended:

1. Add language to include the ICE BofA 0-3 Year US Treasury & Agency Index and the ICE BofA 0-5 Year Treasury Index or other similar index of a nationally recognized benchmark. This will reflect the District’s buy and hold style and will also give the District flexibility to change the benchmark back to an active strategy style without necessarily changing the benchmark language within the policy. Even though this would allow flexibility within the policy, any strategy changes would be discussed with the Board prior to any strategy changes being made.

2. Increase the allocation to Federal Instrumentality United States Government Sponsored Enterprises (GSE) debt to 75% and maintain the 40% per issuer. 75% would be inclusive of Mortgage Backed Securities. GSE debt issues offer a yield advantage to United States Treasuries in certain maturities along the yield curve and this would provide additional opportunity to utilize this sector.

3. Update the rating requirements to define that the Commercial Paper has a minimum rating of A-1 for S&P and P-1 for Moody’s. This language provides a little more clarity for the ratings for Commercial Paper.

4. Reduce Commercial Paper exposure by issuer to 5%. This would result in further diversification of the overall investment program.

Benefits
By reviewing and updating the District’s Investment Policy within sixty (60) days following the end of the fiscal year, the Governing Board and management will be in compliance with the Investment Policy.
Staff Recommendation:
This item is presented for the Board’s information, and no action is requested. A copy of the current Investment Policy with the recommended changes redlined throughout the document is attached. Also attached, is a “clean draft copy” of the revised Investment Policy that will be included as a consent item in the November 2020 Board packet and approval will be requested at that time.

Presenter:
John J. Campbell, Division Director, Management Services
GOVERNING BOARD POLICY
Southwest Florida Water Management District

Title: Investments
Document Owner: Finance Bureau Chief
Approved By: Board Chair
Effective Date: 11/17/2020
Supersedes: 10/22/2019

CONTENTS
PURPOSE ......................................................................................................................... 1
SCOPE ............................................................................................................................. 1
AUTHORITY ....................................................................................................................... 1
DEFINITIONS .................................................................................................................... 1
STANDARDS .................................................................................................................... 2
POLICY ............................................................................................................................ 3
DISTRIBUTION ................................................................................................................ 10
REFERENCES .................................................................................................................. 10
REVIEW PERIOD .......................................................................................................... 10
DOCUMENT DETAILS ................................................................................................... 34
APPROVAL ...................................................................................................................... 34

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.
District. Southwest Florida Water Management District.

Division Director. The Management 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:
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.

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.

   (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:

   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.

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

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

II. **DELEGATION OF AUTHORITY:**

The District’s Governing Board shall be responsible for approving changes to the District’s Policy. The responsibility for providing guidance and approval of the District’s investment strategy, within the parameters of the Policy, resides with the Committee. The management responsibility for all District funds in the Portfolio and investment transactions is delegated to the Division Director or, 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. Performance calculations will not include any balances invested in the overnight sweep accounts. A benchmark should not be chosen that will induce the individual making the investment to take on undue risk in order to outperform the benchmark.

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

(b) Investment performance of funds designated as Core Funds and other non-operating funds that have a longer-term investment horizon (long-term portfolio) will be compared to a national recognized benchmark that may include the ICE Merrill Lynch 1-3 Year U.S. Treasury/Agency Note Index and ICE Merrill Lynch 1-5 Year U.S. Treasury/Agency Note Index, or the ICE BofA 0-3 Year US Treasury & Agency Index and ICE BofA 0-5 Year Treasury Index or similar index. The appropriate index will have a duration and asset mix that approximates that of the Investment Portfolio and will be utilized as a benchmark to be compared to the Investment Portfolio’s total rate of return. The District can choose different performance benchmarks if the investment strategy for the Investment Portfolio changes.

IV. MATURITY AND LIQUIDITY:

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

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

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

V. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION:

Investments should be made subject to the District’s cash-flow needs. Such cash-flows are subject to revisions as market conditions and the District’s needs change. However, when the
invested funds are needed in whole or in part for the purpose originally intended or for more optimal investments, the Division Director 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 requirements for investment types and issuers are calculated based on the market value 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, 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.

<table>
<thead>
<tr>
<th>Security Type</th>
<th>Minimum Rating Requirement</th>
<th>Maturity Limits</th>
<th>Maximum Allocation Limit</th>
<th>Maximum Issuer Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Florida PRIME</td>
<td>AAAm</td>
<td>N/A</td>
<td>50%</td>
<td>N/A</td>
</tr>
<tr>
<td>(b) United States Government Securities</td>
<td>N/A</td>
<td>5 Years</td>
<td>100%</td>
<td>N/A</td>
</tr>
<tr>
<td>(c) United States Government Agencies (full faith and credit of the United States Government)</td>
<td>N/A</td>
<td>5 Years</td>
<td>50%</td>
<td>25%</td>
</tr>
<tr>
<td>(d) Federal Instrumentalities (United States Government Sponsored Enterprises (“GSE”) which are non-full faith and credit).*</td>
<td>N/A</td>
<td>5 Years</td>
<td>75%</td>
<td>40%</td>
</tr>
<tr>
<td>(e) Mortgage-Backed Securities (MBS) *</td>
<td>N/A</td>
<td>5 Years</td>
<td>30%</td>
<td>20%</td>
</tr>
<tr>
<td>(f) Non-Negotiable Interest Bearing Time Deposits or Savings Accounts</td>
<td>N/A</td>
<td>1 Years</td>
<td>25%</td>
<td>15%</td>
</tr>
<tr>
<td>(g) State and/or Local Government Taxable and/or Tax-Exempt Debt</td>
<td>Single “A” category by two NRSROs**</td>
<td>5 Years</td>
<td>25%</td>
<td>10%</td>
</tr>
<tr>
<td>(h) Registered Investment Companies (Money Market Mutual Funds)</td>
<td>AAAm</td>
<td>N/A</td>
<td>50%</td>
<td>25%</td>
</tr>
<tr>
<td>(i) Registered Investment Companies (Mutual Funds)</td>
<td>AAAf</td>
<td>N/A</td>
<td>25%</td>
<td>15%</td>
</tr>
<tr>
<td>(j) Repurchase Agreements</td>
<td>N/A</td>
<td>90 Days</td>
<td>50%</td>
<td>25%</td>
</tr>
<tr>
<td>(k) Bankers’ Acceptances</td>
<td>Highest rating by two NRSROs**</td>
<td>180 Days</td>
<td>35%</td>
<td>10%</td>
</tr>
<tr>
<td>(l) Commercial Paper***</td>
<td>A-1/Prime-1</td>
<td>270 Days</td>
<td>35%</td>
<td>5%</td>
</tr>
<tr>
<td>(m) Corporate Notes***</td>
<td>Single “A” category by any two NRSROs**</td>
<td>5 Years</td>
<td>35%</td>
<td>5%</td>
</tr>
<tr>
<td>(n) Intergovernmental Investment Pool</td>
<td>AAAm</td>
<td>N/A</td>
<td>25%</td>
<td>N/A</td>
</tr>
</tbody>
</table>
GOVERNING BOARD POLICY
Title: Investments
Effective Date: 11/17/2020
Page 7 of 34

*The combined maximum amount of available funds invested in Federal Instrumentalities and mortgage-backed securities will not exceed fifty percent (50%).
**National Recognized Statistical Rating Organization (NRSRO).
***The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the combination of Section (l) Commercial Paper and Section (m) Corporate Notes shall not exceed forty percent (40%). Corporate Notes are limited to 15% per industry.

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, 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 bids/offers are 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. 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 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.
D. When the transaction involves new issues or issues in the “when issued” market. 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 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 POLICY ADOPTION:

This Policy shall be adopted by the Governing Board.

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.
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.

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

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

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

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

**Book Entry Securities.** Securities that are recorded in a customer’s account electronically through one of the financial markets electronic delivery and custody systems, such as the Fed Securities wire, DTC, and PTC.

(as opposed to bearer or physical securities). The trend is toward a certificate-free society in order to cut down on paperwork and to diminish investors’ concerns about the certificates themselves. The vast majority of securities are now book entry securities.

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

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

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

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

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. A 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.

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. 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.

**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 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.


**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. Therefore, los 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.

**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’ acceptances, 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.

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.)

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

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.”

**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.


**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.

**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.

**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 and 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.

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.
**GOVERNING BOARD POLICY**
**Title:** Investments  
**Effective Date:** 11/17/2020  
**Page 25 of 34**

**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 insure 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.”

**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 time line. The traditional yield curve depicts yields on U.S. Treasuries, although yield curves exist for Federal Agencies and various credit quality corporates as well. Yield curves can be positively sloped (normal) where longer-term investments have higher yields, or “inverted” (uncommon) where longer-term investments have lower yields than shorter ones.

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

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

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

Investment Pool/Fund Questionnaire

1. A description of eligible investment securities, and a written statement of investment policy and objectives.

2. A description of interest calculations and how it is distributed, and how gains and losses are treated.

3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced, and the program audited.

4. A description of who may invest in the program, how often, what size deposit, and withdrawal are allowed.

5. A schedule for receiving statements and portfolio listings.

6. Are reserves, retained earnings, etc. utilized by the pool/fund?

7. A fee schedule, and when and how is it assessed.

8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?
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. 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
   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.
III. 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 be 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
   - 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.
IV. 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 50%.

3. **Limits on Individual Issuers.** A maximum of 40% of available funds may be invested in individual Federal Instrumentalities.

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.

V. 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 50%.

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

   The maximum percentage invested in securities of any one issuer is inclusive of MBS of the same 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.
VI. 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.

VII. Municipal Obligations

1. **Purchase Authorization.** Invest in municipal obligations.

2. **Portfolio Composition.** A maximum of 25% of available funds may be invested in municipal obligations.

3. **Limits on Individual Issuers.** A maximum of 10% of available funds may be invested with any one issuer.

4. **Ratings Requirements.** Municipal obligations purchased must be rated at the time of purchase at a minimum single “A” category by any two NRSROs or rated at least “MIG-2” by Moody’s or “SP-2” by Standard & Poor’s for short-term debt.

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

VIII. 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.

**IX. 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.

**X. 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.

**XI. 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.

**XII. Commercial Paper**

1. **Purchase Authorization.** Invest in commercial paper of any United States company.

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 (l) Commercial Paper and Section (m) 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.

**XIII. 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 Statues 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 (I) Commercial Paper and Section (m) Corporate Notes shall not exceed forty percent (40%).

3. **Limits on Individual Industry.** A maximum of 15% of available funds may be directly invested in any one industry. Security industry classification will be determined using the Bloomberg Industry Classification Standards (BICS).

4. **Limits on Individual Issuers.** A maximum of 5% of available funds may be invested with any one issuer.

5. **Ratings Requirements.** Corporate notes that have a long-term debt rating, at the time of purchase, at a minimum of a single “A” category by any two NRSROs.

6. **Maturity Limitations.** The maximum length to maturity for corporate notes shall be five (5) years from the date of settlement.

**XIV. 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. 163.01, F.S.

2. **Portfolio Composition.** A maximum of 25% of available funds may be invested in intergovernmental investment pools.

3. **Rating Requirements.** The intergovernmental investment pool shall be rated “AAA” by Standard & Poor’s or the equivalent by another NRSRO.

4. **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.
GOVERNING BOARD POLICY
Title: Investments
Effective Date: 11/17/2020
Page 34 of 34

DOCUMENT DETAILS

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APPROVAL

Kelly Rice
Chair

Date
GOVERNING BOARD POLICY
Southwest Florida Water Management District

Title: Investments
Document Owner: Finance Bureau Chief
Approved By: Board Chair
Effective Date: 11/17/2020
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CONTENTS
PURPOSE .............................................................................................................................................. 1
SCOPE .................................................................................................................................................. 1
AUTHORITY .......................................................................................................................................... 1
DEFINITIONS ....................................................................................................................................... 1
STANDARDS ......................................................................................................................................... 2
POLICY ............................................................................................................................................... 3
DISTRIBUTION ..................................................................................................................................... 10
REFERENCES ..................................................................................................................................... 10
REVIEW PERIOD ............................................................................................................................... 10
DOCUMENT DETAILS .......................................................................................................................... 34
APPROVAL ......................................................................................................................................... 34

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: 11/17/2020
Page 2 of 34

District. Southwest Florida Water Management District.

Division Director. The Management 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:
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.

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.

(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:

   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.

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

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

II. **DELEGATION OF AUTHORITY:**

The District’s Governing Board shall be responsible for approving changes to the District’s Policy. The responsibility for providing guidance and approval of the District’s investment strategy, within the parameters of the Policy, resides with the Committee. The management responsibility for all District funds in the Portfolio and investment transactions is delegated to the Division Director or, 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. Performance calculations will not include any balances invested in the overnight sweep accounts. A benchmark should not be chosen that will induce the individual making the investment to take on undue risk in order to outperform the benchmark.

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

(b) Investment performance of funds designated as Core Funds and other non-operating funds that have a longer-term investment horizon (long-term portfolio) will be compared to a national recognized benchmark that may include the ICE Merrill Lynch 1-3 Year U.S. Treasury/Agency Note Index and ICE Merrill Lynch 1-5 Year U.S. Treasury/Agency Note Index, or the ICE BofA 0-3 Year US Treasury & Agency Index and ICE BofA 0-5 Year Treasury Index or similar index. The appropriate index will have a duration and asset mix that approximates that of the Investment Portfolio and will be utilized as a benchmark to be compared to the Investment Portfolio’s total rate of return. The District can choose different performance benchmarks if the investment strategy for the Investment Portfolio changes.

IV. MATURITY AND LIQUIDITY:

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

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

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

V. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION:

Investments should be made subject to the District’s cash-flow needs. Such cash-flows are subject to revisions as market conditions and the District’s needs change. However, when the
invested funds are needed in whole or in part for the purpose originally intended or for more optimal investments, the Division Director 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 requirements for investment types and issuers are calculated based on the market value 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, 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.

<table>
<thead>
<tr>
<th>Security Type</th>
<th>Minimum Rating Requirement</th>
<th>Maturity Limits</th>
<th>Maximum Allocation Limit</th>
<th>Maximum Issuer Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Florida PRIME</td>
<td>AAAm</td>
<td>N/A</td>
<td>50%</td>
<td>N/A</td>
</tr>
<tr>
<td>(b) United States Government Securities</td>
<td>N/A</td>
<td>5 Years</td>
<td>100%</td>
<td>N/A</td>
</tr>
<tr>
<td>(c) United States Government Agencies (full faith and credit of the United States Government)</td>
<td>N/A</td>
<td>5 Years</td>
<td>50%</td>
<td>25%</td>
</tr>
<tr>
<td>(d) Federal Instrumentalities (United States Government Sponsored Enterprises (“GSE”) which are non-full faith and credit).*</td>
<td>N/A</td>
<td>5 Years</td>
<td>50.75%</td>
<td>40%</td>
</tr>
<tr>
<td>(e) Mortgage-Backed Securities (MBS) *</td>
<td>N/A</td>
<td>5 Years</td>
<td>30%</td>
<td>20%</td>
</tr>
<tr>
<td>(f) Non-Negotiable Interest Bearing Time Deposits or Savings Accounts</td>
<td>N/A</td>
<td>1 Years</td>
<td>25%</td>
<td>15%</td>
</tr>
<tr>
<td>(g) State and/or Local Government Taxable and/or Tax-Exempt Debt</td>
<td>Single “A” category by two NRSROs**</td>
<td>5 Years</td>
<td>25%</td>
<td>10%</td>
</tr>
<tr>
<td>(h) Registered Investment Companies (Money Market Mutual Funds)</td>
<td>AAAm</td>
<td>N/A</td>
<td>50%</td>
<td>25%</td>
</tr>
<tr>
<td>(i) Registered Investment Companies (Mutual Funds)</td>
<td>AAAf</td>
<td>N/A</td>
<td>25%</td>
<td>15%</td>
</tr>
<tr>
<td>(j) Repurchase Agreements</td>
<td>N/A</td>
<td>90 Days</td>
<td>50%</td>
<td>25%</td>
</tr>
<tr>
<td>(k) Bankers’ Acceptances</td>
<td>Highest rating by two NRSROs**</td>
<td>180 Days</td>
<td>35%</td>
<td>10%</td>
</tr>
<tr>
<td>(l) Commercial Paper***</td>
<td>Highest rating by two NRSROs**A-1/Prime-1</td>
<td>270 Days</td>
<td>35%</td>
<td>40.5%</td>
</tr>
<tr>
<td>(m) Corporate Notes***</td>
<td>single “A” category by any two NRSROs**</td>
<td>5 Years</td>
<td>35%</td>
<td>5%</td>
</tr>
<tr>
<td>(n) Intergovernmental Investment Pool</td>
<td>AAAm</td>
<td>N/A</td>
<td>25%</td>
<td>N/A</td>
</tr>
</tbody>
</table>
GOVERNING BOARD POLICY
Title: Investments
Effective Date: 11/17/2020
Page 7 of 34

*The combined maximum amount of available funds invested in Federal Instrumentalities and mortgage-backed securities will not exceed fifty percent (50%).
**National Recognized Statistical Rating Organization (NRSRO).
***The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the combination of Section (l) Commercial Paper and Section (m) Corporate Notes shall not exceed forty percent (40%). Corporate Notes are limited to 15% per industry.

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, 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 bids/offers are 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. 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 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.
D. When the transaction involves new issues or issues in the “when issued” market.

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 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 POLICY ADOPTION:

This Policy shall be adopted by the Governing Board.

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.
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.

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

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

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

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

**Book Entry Securities.** Securities that are recorded in a customer’s account electronically
through one of the financial markets electronic delivery and custody systems, such as the Fed
Securities wire, DTC, and PTC

(as opposed to bearer or physical securities). The trend is toward a certificate-free society in
order to cut down on paperwork and to diminish investors’ concerns about the certificates
themselves. The vast majority of securities are now book entry securities.

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

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

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

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

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 ¼, would have a principal cost of $955 per $1,000 of face value.

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. 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.

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 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.


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. Therefore, los 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.

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.

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.)

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

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 entailng 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.”

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.


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.

**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.

**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 and 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.

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 insure 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.”

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 time line. The traditional yield curve depicts yields on U.S. Treasuries, although yield curves exist for Federal Agencies and various credit quality corporates as well. Yield curves can be positively sloped (normal) where longer-term investments have higher yields, or “inverted” (uncommon) where longer-term investments have lower yields than shorter ones.

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

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

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

**Investment Pool/Fund Questionnaire**

1. A description of eligible investment securities, and a written statement of investment policy and objectives.

2. A description of interest calculations and how it is distributed, and how gains and losses are treated.

3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced, and the program audited.

4. A description of who may invest in the program, how often, what size deposit, and withdrawal are allowed.

5. A schedule for receiving statements and portfolio listings.

6. Are reserves, retained earnings, etc. utilized by the pool/fund?

7. A fee schedule, and when and how is it assessed.

8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?
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.

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
   - 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.
III. 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 be 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
   - 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.
IV. 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 5075% 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 50%.

3. **Limits on Individual Issuers.** A maximum of 40% of available funds may be invested in individual Federal Instrumentalities.

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.

V. 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 50%.

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

   The maximum percentage invested in securities of any one issuer is inclusive of MBS of the same 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.
VI. 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.

VII. Municipal Obligations

1. **Purchase Authorization.** Invest in municipal obligations.

2. **Portfolio Composition.** A maximum of 25% of available funds may be invested in municipal obligations.

3. **Limits on Individual Issuers.** A maximum of 10% of available funds may be invested with any one issuer.

4. **Ratings Requirements.** Municipal obligations purchased must be rated at the time of purchase at a minimum single “A” category by any two NRSROs or rated at least “MIG-2” by Moody’s or “SP-2” by Standard & Poor’s for short-term debt.

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

VIII. 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.

IX. **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.

X. **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.

**XI. 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.

**XII. Commercial Paper**

1. **Purchase Authorization.** Invest in commercial paper of any United States company.

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 (l) Commercial Paper and Section (m) Corporate Notes shall not exceed forty percent (40%).

3. **Limits on Individual Issuers.** A maximum of 105% of available funds may be invested with any one issuer.

4. **Ratings Requirements.** Commercial paper that **is has a minimum S&P rating of A-1 and minimum Moody’s rating of Prime-1 rated at the time of purchase, in the highest category by at least two NRSROs.** 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.

XIII. 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 (l) Commercial Paper and Section (m) Corporate Notes shall not exceed forty percent (40%).

3. **Limits on Individual Industry.** A maximum of 15% of available funds may be directly invested in any one industry. Security industry classification will be determined using the Bloomberg Industry Classification Standards (BICS).

4. **Limits on Individual Issuers.** A maximum of 5% of available funds may be invested with any one issuer.

5. **Ratings Requirements.** Corporate notes that have a long-term debt rating, at the time of purchase, at a minimum of a single “A” category by any two NRSROs.

6. **Maturity Limitations.** The maximum length to maturity for corporate notes shall be five (5) years from the date of settlement.

XIV. 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. 163.01, F.S.

2. **Portfolio Composition.** A maximum of 25% of available funds may be invested in intergovernmental investment pools.

3. **Rating Requirements.** The intergovernmental investment pool shall be rated “AAA” by Standard & Poor’s or the equivalent by another NRSRO.

4. **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.
GOVERNING BOARD POLICY
Title: Investments
Effective Date: 11/17/2020
Page 34 of 34

DOCUMENT DETAILS

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<td>Accounting Manager and Finance Bureau Chief</td>
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APPROVAL

______________________________    _________________
Kelly Rice                        Date
Chair
FINANCE/OUTREACH & PLANNING COMMITTEE
October 20, 2020
Action Item
Development of Preliminary Budget for Fiscal Year 2022

Purpose
Present the general budget assumptions for development of the District’s preliminary budget for fiscal year (FY) 2022.

Background
Pursuant to Section 373.535, Florida Statutes, the water management districts (WMDs) are required to submit a preliminary budget for the next fiscal year to the Florida Legislature for review by January 15.

The statutory language specifies the information to be included in the preliminary budget submission. The President of the Senate and the Speaker of the House of Representatives may submit comments regarding the preliminary budgets to the WMDs on or before March 1 of each year. Each WMD must respond to those comments in writing on or before March 15 of each year.

To initiate the preliminary budget development process, staff will provide the Governing Board an overview of factors affecting budget development and recommend acceptance of the general budget assumptions necessary to prepare the District’s preliminary budget for FY2022. A draft of the preliminary budget will be submitted to the Department of Environmental Protection and the Executive Office of the Governor in early December for initial review and comment. On December 15, 2020, staff will provide the draft FY2022 Preliminary Budget to the Governing Board, including any furnished comments, with a request to approve for submission to the Legislature by January 15, 2021.

Staff Recommendation:
Approve the general budget assumptions as outlined in the October 20, 2020 budget presentation for the development of the preliminary budget for FY2022.

Presenter:
John J. Campbell, Division Director, Management Services
FINANCE/OUTREACH & PLANNING COMMITTEE

October 20, 2020

Submit and File Report - Information Only

Office of Inspector General Quarterly Update - July 1, 2020 to September 30, 2020

**Background and Purpose**

In accordance with the Office of Inspector General Charter Governing Board Policy, the Inspector General is required, on a quarterly basis, to update the Committee regarding work and other matters.

**Staff Recommendation:**

This item is for the Board’s information; no action is needed.

**Presenter:**

Brian Werthmiller, Inspector General
October 20, 2020

MEMORANDUM

TO:   Finance/Outreach & Planning Committee
      Remaining Governing Board members

FROM:  Brian Werthmiller, CPA, Inspector General

SUBJECT: Office of Inspector General Quarterly Update – July 1, 2020 to September 30, 2020

The purpose of this memo is to satisfy the Office of Inspector General (OIG) Charter Governing Board Policy regarding updates with the Finance/Outreach and Planning Committee.

I am pleased to provide you the most recent quarterly update. During the quarter ending September 30, 2020:

- The IG quarterly update for the quarter ending June 30, 2020 was submitted to the Governing Board on July 28, 2020.

- The OIG FY 2020 Annual Report was submitted to the Governing Board on September 22, 2020. This report provides relevant information regarding performance measures, a description of recommendations for corrective actions, a description of corrective actions from previous annual reports that have not been completed, a summary of audits, reviews, and investigations, and other accomplishments during the period

- The OIG performed 37 reviews per the requests of management.

- The Auditor General released their operational audit report September 2020 which revealed the District had taken corrective action on all previously reported findings and recommendations from their operational audit report released July 2018. This included the completion of corrective action in which the AG recommended the OIG to:
  - Prepare and maintain records demonstrating the effective utilization of the OIG.
  - Complete an external peer review.
  - Include a long-term component in the audit plan.
  - Make necessary updates to the OIG Charter Governing Board Policy.
  - Have the OIG performance measures approved by the Governing Board and report at least semi-annually.
  - Advise the Governing Board of District-wide performance measures.
In addition, the Auditor General’s operational audit report from September 2020 did not disclose any findings and recommendations regarding District processes and administrative activities included within the scope of their audit. Their audit period was October 2018 through December 2019.

An investigation was completed which resulted from a citizen’s complaint alleging a District employee performed outside business services on District time. This investigation was conducted in accordance with the Quality Standards for Investigations found within the Principles and Standards for Offices of Inspector General. In communication to the Governing Board on September 4, 2020, the OIG concluded the complaint was unsubstantiated and no further investigation was considered necessary.

One investigation is in progress.
4. Resource Management
4. RESOURCE MANAGEMENT COMMITTEE

4.1 Consent Item(s) Moved for Discussion

...
RESOURCE MANAGEMENT COMMITTEE
October 20, 2020
Consent Item(s) Moved for Discussion

Presenter:
Jennette M. Seachrist, P.E., Division Director, Resource Management
5. OPERATIONS, LANDS, AND RESOURCE MONITORING COMMITTEE

5.1 Consent Item(s) Moved for Discussion

5.2 Discussion: Information Only: Hydrologic Conditions Report
Item 5.1

OPERATIONS, LANDS, AND RESOURCE MONITORING COMMITTEE
October 20, 2020
Consent Item(s) Moved for Discussion

Presenter:
Brian S. Starford, P.G., Division Director, Operations, Lands and Resource Monitoring
OPERATIONS, LANDS, AND RESOURCE MONITORING COMMITTEE
October 20, 2020
Information Only
Hydrologic Conditions Report

See attached report.

Staff Recommendation:

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

Presenter:
Granville Kinsman, Hydrologic Data Manager
Hydrologic Conditions Report

SUMMARY OF CONDITIONS

- September is the last month of the four-month wet season (June through September). Rainfall has been scattered, regionally variable and associated with typical summertime afternoon/evening rain showers, as well as effects from the mid-month Tropical Storm Sally and a late-month cold front.

- **Rainfall:** Provisional rainfall totals (as of September 29) are within the normal range in all three regions of the District. The District-wide 12-month cumulative rainfall totals have improved in September and are at a deficit of about 0.3 inch below the long-term historical average. The rainfall deficit remains greatest in the southern counties at about 2.0 inches below the mean.

- **Streamflow:** Provisional monthly data (as of September 28) indicates flow has increased at all 12 monitoring stations, compared to last month. Six stations are within the normal range of historical values, while six are above normal. Regional streamflow, based on three index rivers, is within the normal range in the northern region, while it is slightly above-normal in the central and southern regions.

- **Groundwater:** Provisional regional aquifer levels (as of September 27) have increased in all three regions of the District, compared to last month. All regions are within the normal range.

- **Lake Levels:** Provisional water level data (as of September 29) indicates that regional lake levels have increased in all four lake regions, compared to last month. All four lake regions are at normal to above-normal levels.

- **Overall:** All regional hydrologic indicators improved in September and are in the normal to above-normal range of historical values. The tropics remain very active and may bring additional rainfall into Fall.

RAINFALL

**RELATIONSHIP OF PROVISIONAL SEPTEMBER 2020 RAINFALL TO HISTORICAL RAINFALL AVERAGE**

Regional Summary (in inches):

<table>
<thead>
<tr>
<th>Region</th>
<th>SEP 2020 Average Rainfall</th>
<th>Historical Average For SEP</th>
<th>Departure From Historical Average</th>
<th>Cumulative 12-month Rainfall OCT 2019 – SEP 2020</th>
<th>Historical 12-month Cumulative Rainfall</th>
<th>Departure From Historical 12-month Cumulative</th>
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</thead>
<tbody>
<tr>
<td>Northern Counties</td>
<td>6.39</td>
<td>6.24</td>
<td>0.15</td>
<td>52.41</td>
<td>53.56</td>
<td>-1.15</td>
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<td>Central Counties</td>
<td>7.76</td>
<td>6.90</td>
<td>0.86</td>
<td>54.66</td>
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<td>Southern Counties</td>
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<td>7.52</td>
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<td>50.68</td>
<td>52.48</td>
<td>-1.82</td>
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<td>District All Counties</td>
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<td>6.89</td>
<td>0.45</td>
<td>52.66</td>
<td>52.92</td>
<td>-0.26</td>
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Monthly Streamflow for September 2020 Compared to Historical Streamflow for the Month of the Year

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<tr>
<th>Map ID</th>
<th>Station Name</th>
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<tbody>
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<td>1</td>
<td>Withlacoochee River nr Holder</td>
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<tr>
<td>2</td>
<td>Withlacoochee River at Trilby</td>
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<tr>
<td>3</td>
<td>Hillsborough River nr Zephyrhills</td>
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<td>4</td>
<td>Pithlachascotee River nr New Port Richey</td>
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<td>Anclote River nr Elfers</td>
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<td>Peace River at Arcadia</td>
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<td>Peace River at Bartow</td>
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<td>Myakka River nr Sarasota</td>
</tr>
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<td>12</td>
<td>Manatee River nr Myakka Head</td>
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</tbody>
</table>

Streamflow Category
- **Record Low**
- **Much below normal**
- **Below normal**
- **Normal**
- **Above normal**
- **Much above normal**
- **Record High**
- Region boundary

Southwest Florida Water Management District
WATERS.MATTERS.ORG • 1-800-423-1476
Monthly Groundwater for September 2020 Compared to Historical Levels for the Month of the Year

Water-Level Category
- Record low
- Much below normal
- Below normal
- Normal
- Above normal
- Much above normal
- Record above normal
- Record high

Region boundary

Southwest Florida Water Management District
WATERMATTERS.ORG - 1-800-423-1476
GROUNDWATER (Continued)

Groundwater Levels: Northern Counties
January 2004 through September 2020

Groundwater Levels: Central Counties
January 2004 through September 2020

Groundwater Levels: Southern Counties
January 2004 through September 2020
NOAA Climate Prediction Center: Precipitation and Temperature Forecast

October through December: The three-month forecast, as of September 17, 2020, predicts equal chances (i.e., below-normal, normal, or above-normal) of rainfall throughout the District during the composite three-month period of October through December 2020. The temperature forecast for this same time-period indicates above-normal temperatures in all three regions of the District. For more information log on to the CPC’s website at: https://www.cpc.ncep.noaa.gov/products/predictions/90day/.
6. Regulation
6. REGULATION COMMITTEE

6.1 Consent Item(s) Moved for Discussion

6.2 Discussion: Information Only: Denials Referred to the Governing Board
REGULATION COMMITTEE
October 20, 2020
Consent Item(s) Moved for Discussion

Presenter:
Michelle Hopkins, P.E., Division Director, Regulation
REGULATION COMMITTEE

October 20, 2020

Information Only

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
7. General
Counsel's Report
7. **GENERAL COUNSEL’S REPORT**

7.1 Consent Item(s) Moved for Discussion .............................................................................................................. 157

7.2 **Discussion:** Information Only: 2020 Sunshine Law Presentation ................................................................. 158
GENERAL COUNSEL'S REPORT
October 20, 2020
Consent Item(s) Moved for Discussion

Presenter:
Karen West, General Counsel
GENERAL COUNSEL'S REPORT
October 20, 2020
Information Only
2020 Sunshine Law Presentation

Florida's Government in the Sunshine Law, Section 286.011, Florida Statutes ("F.S."), commonly referred to as the Sunshine Law, provides a right of access to governmental proceedings of public boards or commissions at both the state and local levels. Importantly, the law is applicable to any gathering of two or more members of the same board to discuss any matter that will foreseeably come before that board for action. The three basic requirements of the Sunshine Law are:

1. Meetings of public boards or commissions must be open to the public;
2. Reasonable notice of such meetings must be given; and
3. Minutes of the meetings must be taken and promptly recorded.

Both the District and the Governing Board are subject to the Sunshine Law. Failure to comply with Sunshine Law requirements could result in invalidation of official board action, imposition of criminal penalties, civil liability, and suspension or removal from office.

Some of the particular requirements for the general principles of the Sunshine Law listed above are not intuitive. Additionally, communicating through social media may trigger the requirements of the Sunshine Law in certain instances, and it is particularly important for Governing Board members to understand the extent of the Sunshine Law requirements and when they apply. As a result, the Office of General Counsel will provide a Sunshine Law presentation for current Governing Board members to address frequently recurring topics and any recent updates in the law.

Staff Recommendation:
This item is presented for informational purposes only. No action is required.

Presenter:
Megan R. Albrecht, Staff Attorney
8. Committees/Liaison Reports
COMMITTEE/LIAISON REPORTS
October 20, 2020
Information Only
Agricultural and Green Industry Advisory Committee

Presenter:
Jack Bispham, Board Member
EXECUTIVE DIRECTOR'S REPORT
October 20, 2020
Executive Director's Report

Presenter:
Brian J. Armstrong, P.G., Executive Director
10. Chair's Report
CHAIR’S REPORT
October 20, 2020
Action Item
2020 Employee Evaluation and 2021 Performance Goals for the Executive Director and Inspector General

Board Policy No. 710-2 governs the performance evaluation process for the Executive Director and Inspector General. The Policy provides that:

- Each Board member shall independently provide input on the Executive Director’s and Inspector General’s performance in anticipation of Governing Board approval of the annual employee evaluation for each employee.
- The Executive Director shall provide input on the 2020 administrative performance of the Inspector General.
- With this input, the Governing Board Chair will draft the Executive Director’s 2020 evaluation and the Governing Board Treasurer drafts the Inspector General’s 2020 evaluation.
- The Executive Director and Inspector General shall provide the Board with their proposed goals for 2021, against which they will be reviewed in the next year.

Consistent with Board Policy No. 710-2, at this meeting:

1. The Board Chair will provide to the Governing Board his draft 2020 evaluation for the District’s Executive Director, Brian J. Armstrong, and the Board Treasurer will provide to the Governing Board his draft 2020 evaluation for the District’s Inspector General, Brian R. Werthmiller. The Governing Board will have an opportunity to review, discuss and make any changes that it may wish to make to these draft evaluations. The Governing Board will also be asked to approve these evaluations so that they can be finalized and delivered to the employees.

2. Executive Director Brian J. Armstrong will present his proposed 2021 performance goals for approval. Inspector General Brian R. Werthmiller’s goals were included as part of the Inspector General Performance Measures item on today’s consent agenda.

Staff Recommendation:
1. Adopt and approve the 2020 employee evaluations of Executive Director Brian J. Armstrong and Inspector General Brian R. Werthmiller that were completed by the Governing Board Chair and the Governing Board Treasurer, respectively.

2. Adopt and approve the 2021 Executive Director goals.

Presenters:
Kelly S. Rice, Chair and James G. Murphy, Treasurer
CHAIR’S REPORT  
October 20, 2020  
Chair's Report

Presenter:
Kelly S. Rice, Chair
CHAIR’S REPORT
October 20, 2020
Information Only
Employee Milestones

Presenter:
Kelly S. Rice, Chair
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<td>Communications and Board Services Bureau Chief</td>
<td>Brooksville</td>
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<td>Bartow</td>
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