

Governing Board Policy
Southwest Florida Water Management District

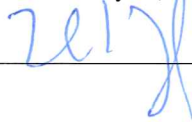
Title: Cooperative Funding Initiative

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PURPOSE

In accordance with Chapter 373, Florida Statutes, the Governing Board (Board) may participate and cooperate with county governments, municipalities, water supply authorities, and other interested entities in water management programs and projects of mutual benefit, provided such programs and projects are consistent with the District's statutory authority and will ensure proper development, utilization, and conservation of the water resources and ecology within the jurisdictional boundaries of the District. In addition, the Governing Board will implement the state's Water Protection and Sustainability Program through its Cooperative Funding Initiative if state funds are appropriated for this program.

SCOPE

This policy applies to projects submitted by cooperators as a part of the Cooperative Funding Initiative.

AUTHORITY

Chapter 373, Florida Statutes, (F.S.)

POLICY GUIDELINES:

The following guidelines apply to all projects. The Board may deviate from the guidelines for a specific project if it determines that such deviation would be appropriate.

1. The Board will give priority consideration to those projects designed to further the implementation of the District Strategic Plan, Water Management Plan, Comprehensive Watershed Management Plans, Surface Water Improvement and Management Plans, and Regional Water Supply Plan.

2. The District is committed to supplier diversity in the performance of all contracts associated with District Cooperative Funding projects. The District requires the second party to make good faith efforts to encourage the participation of minority and women-owned business enterprises, both as prime contractors and sub-contractors, in accordance with applicable laws. Applicants will be required to document all contractors and sub-contractors who perform work in association with the project, including the amount spent and, to the extent such information is known, whether each contractor or sub-contractor was a minority owned or small business enterprise. The applicant will be required to provide the District a report of this information upon completion of the project prior to final payment, or within 30 days of the execution of any amendment of an agreement that increases project funding and prior to disbursement of any additional funds by the District.
3. The Board will consider the applicant's efforts in developing, implementing, and enforcing best water management practices, including but not limited to, conservation-oriented water rate structures and irrigation, landscape and flood protection ordinances.
4. Funding may be provided to assist with the cost of data collection, research, feasibility studies, conservation and environmental education initiatives; ecosystem restoration, water resource investigation and plan development; and design, permitting and construction of capital projects. Funding is not available for operation and maintenance, payment of debtor submittal, and responses to required District permits.
5. Funding assistance will be contingent upon concurrent project action and commitment by the county, municipality, water supply authority, or other interested entity to ensure the project goals will be implemented.
6. The Board will consider funding based on the applicant's ability to demonstrate that such funding is necessary to make the project economically feasible.
7. The cooperating entity must demonstrate any matching funds have been appropriated, are contained within a Capital Improvement Plan, or otherwise committed to the project.
8. Any state or federal appropriations or grant monies received by a county government, a municipality, or a water supply authority for a specific project shall be first applied toward the total cost of the cooperator's proposed project. The District will typically fund up to 50 percent of the remaining project costs with a similar match from the cooperator.
9. Pursuant to the provisions of Section 288.06561, Florida Statutes, the Board may reduce or waive requirements for matching funds when requested by rural counties or municipalities, as defined by Subsection 288.0656(2), F.S.
10. All applications submitted for funding consideration by the Board must be signed by a single Senior Administrator acting as a coordinator for the Cooperative Funding Initiative for the county, municipality, water supply authority, or interested entity. If an entity submits multiple applications, an overall ranking of the projects is required. Final decisions regarding the funding of project proposals are the exclusive responsibility of the Board.

11. The Board will create four regional sub-committees that match the District's regional water supply planning areas. The subcommittees will consist of Governing Board members from those areas and Board members from other areas as needed to create a committee of at least three members who will be appointed by the Board Chair. The regional sub-committees will hold two public meetings to review project applications. The role of the sub-committees will be to:
 - a. Review project information, project rankings, and funding recommendations;
 - b. Accept cooperator and general public comments on projects;
 - c. Identify any projects that need to be presented for full Board consideration;
 - d. Provide funding recommendations to the Board for all projects in that region.

The Board will provide final funding approval on all projects.

12. Construction projects estimated to cost more than \$5,000,000 will undergo a third-party review at the completion of the 30 percent design stage. This review is to confirm the project cost, schedule, and ability of the project to meet the proposed resource benefit. Additionally, projects that cost between \$1,000,000 and \$5,000,000 that staff has determined will benefit from a third-party review will also undergo such review at the completion of the 30-percent design stage. Results of the third-party review will be presented to the Board before the project can proceed to final design.

The following additional guidelines apply to potable alternative water supply projects:

It is the express intent of the Board to utilize its incentive based funding to encourage the development of fully integrated, robust, multijurisdictional water supply systems composed of diverse sources (i.e., groundwater, surface water, off-stream reservoirs, desalination, etc.), managed in a manner that takes full advantage of Florida's intense climatic cycles to ensure reliable, sustainable and drought resistant systems, which maximize the use of alternative supplies to the greatest extent practicable. Alternative water supplies include indirect and direct potable reuse (IPR/DPR) projects. Multijurisdictional means two or more water utilities or local governments that have been organized into a larger entity or have entered into an interlocal agreement or contract for the purpose of more efficiently pursuing water supply development or alternative water supply development projects pursuant to a regional water supply plan. The water supply systems of the multijurisdictional entity must be interconnected and must have a formalized operational management agreement that ensures the interconnected supplies are managed in a manner consistent with the Board's intent as described herein. All operational agreements between multijurisdictional entities will be evaluated by the District and must be deemed consistent with the Board's intent as described herein. Consistent with Section 373.707, Florida Statutes, the District shall prioritize funding for alternative water supply projects as follows:

- Highest priority - Alternative water supply projects owned, operated and controlled, or perpetually controlled by a Regional Water Supply Authority (RWSA) or a regional entity created by an interlocal agreement that establishes a separate legal entity, with sufficient authority to fund, own, construct, operate and maintain alternative potable water supply systems. The regional entity must be recognized by the Board through a commitment of funds that assist in the establishment of the entity.

- Medium priority - Alternative water supply projects that are not owned, operated and controlled, or perpetually controlled by a RWSA, but meet the definition of multijurisdictional.
 - Lowest priority - Projects that do not meet the multijurisdictional criteria.
13. If a member government of a RWSA proposes a potable water supply project, it must be submitted by the RWSA to be considered for District funding.
 14. Projects submitted by non-member governments within the service area of a RWSA will be considered for funding only if the non-member government has reviewed its plan with the RWSA to ensure the project is not inconsistent with the RWSA plan. The non-member government must submit an affirmative written statement from the RWSA indicating that the project is not inconsistent with RWSA plan.
 15. All potable alternative water supply projects will be required to identify the quantity of alternative water supply that will be made available upon completion of the project. It is the intent of the Board that the quantity made available will be used as "base supply". The base supply will be clearly defined by the cooperator on a project-by-project basis and will include, but not be limited to, the overall alternative water supply system capacity, typically expressed in million gallons per day, the expected annual average use for the life of the project, as well as the frequency and timing of use of the available alternative water supply quantities. The base supply defined by the cooperator will be reviewed and approved by the Board as a part of the Cooperative Funding Initiative project review and budgeting process. The cooperative funding agreement between the District and the cooperator will include the base supply requirements approved by the Board. The Board may consider adjustments to a project's base supply quantity and definition by amendment of the cooperative funding agreement.
 16. In determining whether, and how much funding will be provided by the District, the District will consider the project's total cost per 1,000 gallons and the cost per gallon of water supply produced. These costs shall exclude distribution system components and will be compared to, among other things:
 - a. The cost of other available potable water supply that could be purchased by the applicant from a supplier who can meet the demand.
 - b. The cost to develop other viable alternative water supplies.
 - c. The unitary rate or wholesale water cost of the RWSA in the area where the applicant is located. For applicants outside the area of a RWSA or within the service area of a RWSA that does not own, operate and control an alternative water supply project, cost information from other RWSAs with alternative water supplies can be used for comparison purposes.
 - d. The applicant's current cost of water supply and projected cost of water supply after the project is in operation.

All cost information must be certified and adjusted to reflect present values for the current fiscal year.

17. The District will consider the applicant's conservation-oriented water rate structure(s) and per capita water use as factors in its incentive-based funding. Where an applicant has not achieved the District per capita water use requirements as described in Chapter 40D-2,

Florida Administrative Code, or where they have not adopted an effective conservation rate structure, District funding may be limited to consideration of water conservation projects only.

DISTRIBUTION

This Policy will be stored in the Governing Board Policy Repository.

REFERENCES

Chapter 373, Florida Statutes
Chapter 40D-2, Florida Administrative Code

PERIODIC REVIEW

This Policy will be reviewed annually by staff. Any necessary changes will be brought to the Governing Board.