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Mr. Borja Crane-Amores
Division of Water Resource Management
Stormwater & Technical Services Program
Florida Department of Environmental Protection

Transmitted via e-mail: Borja.CraneAmores@FloridaDEP.gov

RE: Resource Environmental Solutions, LLC Comments Regarding Proposed Rule Chapter 62-332, F.A.C., Water Quality Enhancement Areas

Dear Mr. Crane-Amores,

Resource Environmental Solutions (RES) is pleased to provide comments to the Florida Department of Environmental Protection (FDEP) regarding the Proposed Rule Chapter 62-332, F.A.C., Water Quality Enhancement Areas. RES supports the permitting of WQEAs to develop water quality enhancement credits to provide offsite compensatory treatment under Section 373.4134, F.S., and as permitted under Chapter 62-330, F.A.C., Environmental Resource Permitting, and to provide alternatives to stakeholders to meet BMAP and RAP allocations. RES appreciates FDEP's efforts to improve the rule. To ensure the rule and the WQEA program are implementable, efficient and accountable, RES offers the comments for three subject areas. The slide deck (included as a separate document) provides more detailed examples to illustrate the importance of the below comments.

LVF / Attenuation Factor (Section 62-332.500, F.A.C.)
The proposed rule should clarify the process for how the attenuation factor/LVF will be established and applied. As discussed, requiring project-specific BMAP-style modeling for each permittee requested transaction would be cost-prohibitive, time-intensive, and not scalable for a functioning water quality credit market. We request that FDEP provide a clear, standardized pathway for establishing LVF at the time of WQEA permitting, using an approach that is transparent, repeatable, and practical for both applicants and FDEP.

Credit Release Schedule (Sections <u>62-332.400 (3), 62-332.550(1), and 62-332.800, F.A.C.)</u>
We request removal of the first-year monitoring restriction to allow an initial phased credit release upon construction completion and acceptance of as-built plans, rather than requiring the completion of the first year of monitoring before any credits may be released. A phased release schedule tied to objective milestones would better balance environmental protection with the ability to finance, especially where construction has already delivered measurable hydrologic and water quality benefits. The rule can retain project-specific justification and monitoring requirements while allowing flexibility for appropriate early release. Where credit release schedules include credit release before monitoring, financial assurances should be required for construction. Once construction is complete, construction financial assurances would then be released and replaced by operations and maintenance financial assurances.

Land Conversion and other Non-flowthrough Projects – Information Requirements and Monitoring and Credit Verification (Sections 62-332.50 and 62-332.800, F.A.C.)
The rule should broaden the requirements to provide an appropriate and clear monitoring pathway for land conversion or comparable projects without defined inflows or outflows, which differ fundamentally from flow-through BMPs. For projects such as pasture-to-wetland restoration, inflow/outflow mass-balance monitoring is often not applicable because there are no discrete influent and effluent locations to measure. In those cases, crediting should be based on existing-versus-post-restoration loading calculations, with monitoring focused on hydrology, vegetation success, and other ecological performance criteria sufficient to verify the perpetual land use change and associated nutrient reduction.

Financial Responsibility - Surety Bond (Section 62-332.550)
The Model Bond Form may have an unintended issue. Full payment into a standby trust fund is not necessary when a bond or insurance policy is used for financial assurances. Once a claim is reported, the company puts a loss reserve on its books as a liability, and the coverage stays in effect indefinitely until the claim is closed out by the final payment. The insurance company must settle the reported claim regardless of the time it takes. In contrast, full payment into a standby trust fund based on a letter of credit is needed because letters of credit are limited to one year and must be renewed annually.

Thank you for your consideration of RES's comments and recommendations to create a beneficial program to address statewide water quality issues. Please let us know if FDEP has any questions or would like any additional examples regarding the above issue points to assist FDEP with updating the language. We look forward to continuing to serve as an industry resource with FDEP.

Kind Regards,

Justin Freedman
General Manager