



# SOUTH FLORIDA WATER MANAGEMENT DISTRICT

October 6, 2017

The Honorable Rick Scott  
The Capitol  
Tallahassee, Florida 32399-0001

The Honorable Joe Negron  
President of the Senate  
409 The Capitol  
Tallahassee, FL 32399-1100

The Honorable Richard Corcoran  
Speaker of the House of  
Representatives 420 The Capitol  
Tallahassee, FL 32399-1300

**Subject: South Florida Water Management District Final Adopted Budget for  
Fiscal Year 2017-2018**

Dear Governor Scott, President Negron and Speaker Corcoran:

Respectfully, on behalf of our Governing Board, the South Florida Water Management District's adopted budget of \$758.3 million for Fiscal Year 2017-2018, pursuant to Section 373.536 (6)(a)1, Florida Statutes is submitted for your review.

The Final Fiscal Year 2017-2018 Budget of \$758.3 million supports ongoing progress in environmental restoration and water resource projects throughout South Florida while ensuring the District continues to deliver on its core mission of flood control, water supply, water quality and natural systems. Without raising taxes on our citizens for the seventh consecutive year, this 2017-2018 budget supports the agency's mission-critical functions and statutory obligations, including:

- Providing flood control and hurricane response (including sufficient emergency and capital reserves);
- Improving water quality and implementing projects to restore the Everglades;
- Meeting ongoing water supply and water resource development needs;
- Administering streamlined regulatory programs; and
- Meeting debt service payments, without any proposed additional debt.

## Budget Highlights

- By prudent oversight and limiting operating costs, administrative overhead and non-mission related projects, the District is ensuring that fiscal resources support mission-critical functions.
- Ongoing cost-saving initiatives include:
  - Continuing debt service payment reductions due to past refinancing of outstanding Certificates of Participation;
  - Reducing operating costs for new structures through operational efficiencies;
  - Reducing the fleet to avoid cost;
  - Leasing available space in district offices;
  - Continuing to pursue opportunities for price concessions from vendors;
  - Ensuring that staffing resources support the agency's operational needs by rigorous oversight of the personnel budget.
- New cost-saving initiatives include:
  - Increasing investment earnings and generating additional anticipated revenue due to amending the District's investment strategy;
  - Aggressively negotiating health insurance premium costs that result in no increases for staff or taxpayers;
  - Implementing health insurance plan design changes that have a positive impact on healthcare costs through tighter pharmacy controls and establishing initiatives for employees to utilize lower-cost benefits.
- Approximately 85 percent of the 2017-2018 budget is dedicated to support flood control, operations and maintenance of lands and advancing ecosystem restoration goals which includes a significant infusion of state revenues, in the amount of **\$249.6 million** appropriated by the Legislature to accelerate the pace of restoration projects.
- The 2017-2018 budget dedicates **\$48.9 million** towards implementing the next phases of Governor Scott's Restoration Strategies plan to improve Everglades water quality, project highlights including:
  - **\$30.5 million** to increase capacity at Stormwater Treatment Area (STA) 1 West;
  - **\$8.7 million** for Bolles Canal conveyance improvements construction;

- **\$4.4 million** to continue implementation of the Science Plan to monitor and improve the water cleansing performance of the STAs;
- **\$2.2 million** to begin STA 5 Earthwork Improvements.
- Priority projects will provide significant benefits to South Florida's extensive flood control system and protect coastal estuaries, including:
  - **\$61.8 million** for continued maintenance, refurbishment and repair of South Florida's flood control system;
  - **\$129 million** to benefit the Caloosahatchee River and Estuary, including continuing construction of the massive Caloosahatchee River (C-43) Reservoir to ensure water flow to the river during dry months;
  - **\$25 million** for the District's final phases of construction progress on the C44 STA and Pump Station allowing the storage and treatment of local runoff to the St. Lucie Estuary in Martin County;
  - **\$19.1 million** to continue construction progress towards Lakeside Ranch STA Phase II in Martin County;
  - **\$47 million** for Dispersed Water Management to store water in our system through public/private partnerships.

### **Revenue Sources & Adopted Millage Rates**

The Governing Board continued its commitment to maintain lower taxes for a seventh consecutive year, helping reduce the tax burden on South Florida property owners by proposing "rolled-back" millage rates while maintaining critical services.

- The annual budget is funded by a combination of ad valorem taxes and other revenues such as state appropriations, federal and local sources, balances, fees, investment earnings and agricultural privilege taxes.
- For the 2017-2018 Fiscal Year, **\$274 million** is provided by property taxes and **\$108.6 million** is from accumulated reserves. The Governing Board has provided for sufficient restricted reserves of \$61 million to address hurricane or unanticipated flood control infrastructure emergencies.
- The millage rates for Fiscal Year 2017-2018 represent \$31.00 per \$100,000 of taxable value in 15 of the District's 16 counties (*the Okeechobee Basin*). In Collier County and mainland Monroe County (*the Big Cypress Basin*), the tax rates represent \$25.45 per \$100,000 of taxable value.

The final budget in detail is available on the District's website at [www.sfwmd.gov](http://www.sfwmd.gov).

The Honorable Rick Scott, Honorable Joe Negron and Honorable Richard Corcoran  
October 6, 2017  
Page 4

The Governing Board and its staff are committed to fiscal discipline while maintaining the necessary public services to protect and improve the quality of life for South Florida's families and their water resources.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ernie Marks', with a long horizontal flourish extending to the right.

Ernie Marks,  
Executive Director

Enclosure

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**SOURCE AND USE OF FUNDS, RESERVES AND WORKFORCE**

ADOPTED BUDGET - Fiscal Year 2017-2018

	Fiscal Year 2017-2018 (Tentative Budget)	Fiscal Year 2017-2018 (Adopted Budget)
<b>SOURCE OF FUNDS</b>		
Beginning Cash Balance	\$306,566,437	\$306,661,276
District Revenues	333,280,345	333,280,345
Local Revenues	849,200	229,200
State Revenues	309,012,971	309,012,971
Federal Revenues	7,192,465	7,192,465
<b>SOURCE OF FUND TOTAL</b>	<b>\$956,901,418</b>	<b>\$956,376,257</b>
<b>USE OF FUNDS</b>		
Salaries and Benefits	\$145,598,781	\$145,598,781
Other Personal Services	299,775	275,775
Contracted Services	79,959,238	79,958,488
Operating Expenses	120,337,484	120,386,831
Operating Capital Outlay	11,814,010	11,194,010
Fixed Capital Outlay	291,493,470	291,493,470
Interagency Expenditures (Cooperative Funding)	17,394,670	17,773,933
Debt	30,410,250	30,410,250
Reserves - Emergency Response	61,255,337	61,255,337
<b>USE OF FUNDS TOTAL</b>	<b>\$758,563,015</b>	<b>\$758,346,875</b>
<b>RESERVES (ESTIMATED)</b>		
Nonspendable	\$20,018,707	\$20,078,546
Restricted	156,047,761	155,678,901
Committed	22,271,935	22,271,935
Assigned	0	0
Unassigned	0	0
<b>TOTAL RESERVES</b>	<b>\$198,338,403</b>	<b>\$198,029,382</b>
<b>WORKFORCE</b>		
Authorized Position (Full-Time Equivalents/FTE)	1,475	1,475
Contingent Worker (Independent Contractors)	0	0
Other Personal Services (OPS)	4	4
Intern	0	0
Volunteer	0	0
<b>TOTAL WORKFORCE</b>	<b>1,479</b>	<b>1,479</b>

- Reserves:**
- Nonspendable - amounts required to be maintained intact as principal or an endowment
  - Restricted - amounts that can be spent only for specific purposes like grants or through enabling legislation
  - Committed - amounts that can be used only for specific purposes determined and set by the District Governing Board
  - Assigned - amounts intended to be used for specific contracts or purchase orders
  - Unassigned - available balances that may be used for a yet to be determined purpose in the general fund only

**South Florida Water Management District  
Fiscal Year 2017-2018 Adopted Budget**

PROGRAMS AND ACTIVITIES	FISCAL YEAR 2017 - 2018 Final Adopted Budget
<b>1.0 Water Resources Planning and Monitoring</b>	<b>\$55,982,971</b>
1.1 - District Water Management Planning	30,121,179
1.1.1 Water Supply Planning	17,428,236
1.1.2 Minimum Flows and Levels	368,979
1.1.3 Other Water Resources Planning	12,323,964
1.2 - Research, Data Collection, Analysis and Monitoring	22,589,016
1.3 - Technical Assistance	196,207
1.4 - Other Water Resources Planning and Monitoring Activities	0
1.5 - Technology & Information Services	3,076,569
<b>2.0 Acquisition, Restoration and Public Works</b>	<b>369,143,463</b>
2.1 - Land Acquisition	0
2.2 - Water Source Development	3,807,214
2.2.1 Water Resource Development Projects	243,276
2.2.2 Water Supply Development Assistance	3,563,938
2.2.3 Other Water Source Development Activities	0
2.3 - Surface Water Projects	362,472,805
2.4 - Other Cooperative Projects	1,342,182
2.5 - Facilities Construction and Major Renovations	0
2.6 - Other Acquisition and Restoration Activities	0
2.7 - Technology & Information Service	1,521,262
<b>3.0 Operation and Maintenance of Lands and Works</b>	<b>272,479,943</b>
3.1 - Land Management	15,081,871
3.2 - Works	207,087,564
3.3 - Facilities	4,100,537
3.4 - Invasive Plant Control	24,234,923
3.5 - Other Operation and Maintenance Activities	4,713,647
3.6 - Fleet Services <sup>(2)</sup>	6,944,330
3.7 - Technology & Information Services	10,317,071
<b>4.0 Regulation</b>	<b>24,113,378</b>
4.1 - Consumptive Use Permitting	5,355,413
4.2 - Water Well Construction Permitting and Contractor Licensing	0
4.3 - Environmental Resource and Surface Water Permitting	9,007,478
4.4 - Other Regulatory and Enforcement Activities	7,107,047
4.5 - Technology & Information Service	2,643,440
<b>5.0 Outreach</b>	<b>1,096,515</b>
5.1 - Water Resource Education	0
5.2 - Public Information	1,065,015
5.3 - Public Relations	0
5.4 - Washington D.C. Representation	31,500
5.5 - Other Outreach Activities	0
5.6 - Technology & Information Service	0
<i>SUBTOTAL - Major Programs (excluding Management and Administration)</i>	
<b>6.0 District Management and Administration</b>	<b>35,530,605</b>
6.1 - Administrative and Operations Support	28,786,111
6.1.1 - Executive Direction	561,759
6.1.2 - General Counsel / Legal	2,702,297
6.1.3 - Inspector General	806,470
6.1.4 - Administrative Support	11,946,286
6.1.5 - Fleet Services	0
6.1.6 - Procurement / Contract Administration	2,038,162
6.1.7 - Human Resources	1,387,378
6.1.8 - Communications	428,740
6.1.9 - Technology & Information Services	8,915,019
6.3 - Reserves	0
6.4 - Other - (Tax Collector / Property Appraiser Fees)	6,744,494
<b>TOTAL</b>	<b>758,346,875</b>

PROGRAM	Work Force	Amount
<b>1.0 Water Resources Planning and Monitoring</b>		<b>\$55,982,971</b>
Salaries and Benefits	237	24,779,799
Other Personal Services	1	108,614
Contracted Services		2,349,902
Operating Expenses		14,660,570
Operating Capital Outlay		112,800
Fixed Capital Outlay		2,000,000
Interagency Expenditures		11,971,286
Debt		0
Reserves		0
<b>2.0 Acquisition, Restoration and Public Works</b>		<b>369,143,463</b>
Salaries and Benefits	122	13,772,321
Other Personal Services	0	0
Contracted Services		63,542,756
Operating Expenses		4,445,256
Operating Capital Outlay		4,375,599
Fixed Capital Outlay		247,471,334
Interagency Expenditures		5,125,947
Debt		30,410,250
Reserves		0
<b>3.0 Operation and Maintenance of Lands and Works</b>		<b>272,479,943</b>
Salaries and Benefits	759	70,205,993
Other Personal Services	1	96,000
Contracted Services		10,707,541
Operating Expenses		82,134,941
Operating Capital Outlay		5,381,295
Fixed Capital Outlay		42,022,136
Interagency Expenditures		676,700
Debt		0
Reserves		61,255,337
<b>4.0 Regulation</b>		<b>24,113,378</b>
Salaries and Benefits	188	18,415,162
Other Personal Services	2	71,161
Contracted Services		421,084
Operating Expenses		5,205,971
Operating Capital Outlay		0
Fixed Capital Outlay		0
Interagency Expenditures		0
Debt		0
Reserves		0
<b>5.0 Outreach</b>		<b>1,096,515</b>
Salaries and Benefits	9	1,023,795
Other Personal Services	0	0
Contracted Services		40,850
Operating Expenses		31,870
Operating Capital Outlay		0
Fixed Capital Outlay		0
Interagency Expenditures		0
Debt		0
Reserves		0
<b>6.0 District Management and Administration</b>		<b>35,530,605</b>
Salaries and Benefits	160	17,401,711
Other Personal Services	0	0
Contracted Services		2,896,355
Operating Expenses		13,908,223
Operating Capital Outlay		1,324,316
Fixed Capital Outlay		0
Interagency Expenditures		0
Debt		0
Reserves		0
<b>ALL PROGRAMS</b>	<b>1,479</b>	<b>758,346,875</b>
Salaries and Benefits	1,475	145,598,781
Other Personal Services	4	275,775
Contracted Services		79,958,488
Operating Expenses		120,386,831
Operating Capital Outlay		11,194,010
Fixed Capital Outlay		291,493,470
Interagency Expenditures		17,773,933
Debt		30,410,250
Reserves		61,255,337